ECONOMIC MASTER ISSUER PLC

(*incorporated in England and Wales with limited liability under registered number 12341676 and with Legal Entity Identifier (LEI) code 635400KXONN4J3OEOG29*)

Residential Mortgage-Backed Note Programme

Programme establishment.. Economic Master Issuer PLC established a residential mortgage-backed note programme on 31 July 2020.

Issuance in Series ..... Notes issued under the Programme will be issued in Series. Each Series issued will be subject to the Conditions and, in the case of the Class A Notes, may consist of one or more Sub-Classes. However, there will be no more than one Series of Class Z VFNs or of the Seller's Note in respect of the Programme. The Class Z VFNs consist of two Sub-Classes, being the Class Z(S) VFN and the Class Z(R) VFN. Notes of the same Class rank *pari passu* and *pro rata* among themselves. Each Series of the same Class will not, however, be subject to identical terms in all respects (for example, interest rates, interest calculations, expected maturity and final maturity dates may differ between each Series).

Each Series of Class A Notes issued under the Programme may comprise more than one Sub-Series which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issuance Dates, Interest Commencement Dates and/or issue prices. As used in this Base Prospectus, "**Sub-Series**" means a sub-series of Class A Notes which are identical in all respects (including as to listing and admission to trading) except for their respective Issuance Dates, Interest Commencement Dates and/or issue prices with all other Class A Notes of the Series of which it is a part.

Furthermore, the Issuer retains the right to issue notes in the future that are subordinated to the Class A Notes, but are senior to Class Z VFNs and the Seller's Note, and modify the terms of the Programme accordingly.

Classes of Notes ..... The Issuer may, from time to time, issue Class A Notes consisting of one or more Sub-Classes in one or more Series. The Issuer has, on the First Closing Date, issued the Class Z(R) VFN, Class Z(S) VFN and the Seller's Note.

The Notes..... The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the US or any other relevant jurisdiction and may not be offered or sold within the US or to, or for the account or benefit of, "US Persons" (as defined in Regulation S) except (in the case of Rule 144A Notes) to QIBs within the meaning of Rule 144A in reliance on Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Prospective purchasers are hereby notified that the Issuer and any seller of any Notes may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

The Issuer may issue Regulation S Notes to be offered and sold outside the US to persons (other than US Persons) in reliance on Regulation S.

Final Terms.... Each Series of Notes and each Sub-Series of the Class A Notes will be subject to Final Terms which, for the purpose of that Series and that Sub-Series only,

supplement (or incorporate by reference, as applicable) the Conditions set out in this Base Prospectus and must be read in conjunction with this Base Prospectus.

The principal amount and interest payable in respect of a Series and Class of Notes, any Sub-Series of the Class A Notes and any other terms and conditions not described in this Base Prospectus which are applicable to such Notes will be set forth in the Final Terms for such Notes. A drawdown prospectus may be used when the Issuer intends to issue Notes in a form not contemplated by the Conditions, or if it considers that the information contained in this Base Prospectus and the Final Terms needs to be supplemented, amended and/or replaced in the context of an issue of a particular Series or Class of Notes or Sub-Series of Class A Notes. In all other cases, Final Terms will be used. The Final Terms will be filed with the FCA and made available to the public in accordance with the UK Prospectus Regulation and the UK Prospectus Rules.

Underlying assets..... The Issuer's primary source of funds to make payments on the Notes will be payments received in respect of a portfolio of first ranking residential Mortgage Loans originated by Coventry Building Society or, subject to the terms of the Mortgage Sale Agreement, affiliates of Coventry Building Society, and secured on properties located in England, Wales and Scotland. Each Series and Class of Notes and any Sub-Series of the Class A Notes will be secured by the Mortgage Portfolio.

The Mortgage Loans included in the Mortgage Portfolio consist of several different types of mortgage loans with a variety of characteristics relating to, among other things, calculation of interest and repayment of principal. See "*The Mortgage Loans and the Mortgage Portfolio – Key features of the Mortgage Loans*" for a detailed description of the Mortgage Loans offered by the Seller that may be included in the Mortgage Portfolio.

Pursuant to the Mortgage Sale Agreement, Coventry Building Society as Seller may from time to time, subject to satisfaction of the Eligibility Criteria and the Portfolio Criteria, assign further Mortgage Loans and their Related Security to the Issuer.

Credit enhancement..

- Subordination of the Class Z VFNs;
- Use of the Reserve Fund to cover Revenue Shortfalls and certain interest and principal payment obligations;
- The requirement to maintain the Required Subordination Amount; and
- Use of excess Revenue Receipts and the Principal Deficiency Ledger mechanics.

Liquidity support .....

- Use of the Reserve Fund to cover Revenue Shortfalls;
- Use of Principal Receipts to cover Remaining Revenue Shortfalls;
- Overcollateralisation by the purchase of Additional Mortgage Loans, funded by drawing down on the Seller's Note, to increase Available Principal Receipts and Available Revenue Receipts; and

- Use of drawings on the Seller's Note to make up any shortfalls caused by payment holidays granted to Borrowers and any other authorised underpayments under the Mortgage Loans in the Mortgage Portfolio.

Redemption provisions ..... Information on any optional and mandatory redemption of the Notes is summarised in "*Overview of the Terms and Conditions of the Notes – Redemption*" and set out in full in Condition 5 (*Redemption, Purchase and Cancellation*).

Rating Agencies..... Each Series of Class A Notes will be rated by two or more of (i) Standard & Poor's Rating Services, a division of Standard & Poor's Credit Market Service Europe Limited ("**S&P**"), (ii) Moody's Investors Service Limited ("**Moody's**"), (iii) Fitch Ratings Ltd. ("**Fitch**") and (iv) DBRS Ratings Limited ("**DBRS**"). Ratings are expected to be assigned to each Series of Class A Notes on or before the relevant Closing Date and the anticipated rating will be indicated in the applicable Final Terms. The Rating Agencies rating a particular Series of Class A Notes will be indicated in the applicable Final Terms and are subject to removal, replacement and substitution from time to time. See further "*Transaction Overview – Overview of the Terms and Conditions of the Notes – Ratings Modification Events*" and "*Risk Factors – Risks Relating to the Structure and the Notes – Ratings Modification Event*".

As at the date of this Base Prospectus, each of S&P, Moody's, Fitch and DBRS is a credit rating agency established in the UK and is registered under the UK CRA Regulation and the ratings to be issued by each of S&P, Moody's, Fitch and DBRS will be endorsed by S&P Global Ratings Europe Limited, Moody's Deutschland GmbH, Fitch Ratings Ireland Limited and DBRS Ratings GmbH, respectively each of which is registered under the EU CRA Regulation. In general, European and UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union or the UK (as applicable) and registered under the EU CRA Regulation or the UK CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the EU CRA Regulation or the UK CRA Regulation and such registration is not refused. Each of the Ratings Agencies is included on the list of credit ratings agencies published by (i) the European Securities and Markets Authority (the "**ESMA**") on its website (www.esma.europe.eu./page/list-registered-and-certified-CRAs) (this website and the contents thereof do not form part of this Base Prospectus) and (ii) the FCA on its website (at https://www.fca.org.uk/markets/credit-rating-agencies/registered-certified-cras) (this website and the contents thereof do not form part of this Base Prospectus).

Credit ratings. The rating assigned to the Class A Notes of each Series will be set out in the applicable Final Terms.

The issue of the VFNs is not conditional upon a rating and the Issuer is not expected to request any rating of the VFNs.

The ratings (if any) assigned by Fitch, S&P and DBRS to a Series and Class of Notes address their respective opinions on the likelihood of (a) timely payment of interest due to the Noteholders on each Note Payment Date for such Notes and (b) full payment of principal by a date that is not later than the Final Maturity Date for such Notes. The ratings (if any) assigned by Moody's to a Series and Class of Notes address the probability and the severity of credit losses that Noteholders may suffer by the Final Maturity Date for such Notes.

The assignment of ratings to any of the Class A Notes by any Rating Agency is not a recommendation to invest in any of the Class A Notes or to buy, sell or hold securities. Any credit rating assigned to the Notes may be revised, suspended or withdrawn at any time by the assigning Rating Agency.

Listing..... This Base Prospectus has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129 of the European Parliament as it forms part of domestic law by virtue of the Withdrawal Act (the "**UK Prospectus Regulation**"). The FCA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Base Prospectus or the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Such approval relates to each Series and Class of Notes, which are to be admitted to trading on the regulated market of the London Stock Exchange or other regulated markets for the purposes of UK MiFIR or which are to be offered to the public in the UK.

Application will be made to the FCA for each Series and Class of Notes issued under the Programme during the period of twelve (12) months from the date of this Base Prospectus to be listed on the Official List and to the London Stock Exchange plc for such Series and Classes of Notes to be admitted to trading on its regulated market.

Notice of the aggregate nominal amount of the Class A Notes of the relevant Series, interest payable in respect of Class A Notes of the relevant Series, the issue price of Class A Notes of the relevant Series and any other terms and conditions which are applicable to each Sub-Series (as defined under "*Terms and Conditions of the Notes*") of Class A Notes of the relevant Series will be set out in the Final Terms in respect of the relevant Sub-Series which, with respect to Class A Notes of the relevant Series to be admitted to the Official List and admitted to trading by the London Stock Exchange, will be delivered to the Listing Authority and the London Stock Exchange on or before the date of issue of such Sub-Series of Class A Notes of the relevant Series.

Validity..... This Base Prospectus is valid for twelve months after its approval.

Obligations..... The Notes will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Notes will not be obligations of or guaranteed by any other Transaction Party, their affiliates or any other party named in this Base Prospectus.

Definitions..... See "*Glossary*" for a list of defined terms and their meanings, and "*Index of Defined Terms*" for where the meanings of defined terms may be found in this Base Prospectus.

EU and UK Risk Retention Requirements. The Seller confirms that it will (in its capacity as originator for the purposes of each of the EU Securitisation Regulation, (i) prior to the Recast UK Securitisation Regime Effective Date, the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime) retain, on an ongoing basis, a material net economic interest in the securitisation of not less than 5 per cent. of the nominal value of the securitised exposures in accordance with (A) Article 6(1) of the EU Securitisation Regulation, subject always

to any requirement of law (the "**EU Risk Retention Requirements**") and (B) (i) prior to the Recast UK Securitisation Regime Effective Date, Article 6(1) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, Article 6(1) of Chapter 2 of the PRA Securitisation Rules, subject always to any requirement of law (the "**UK Risk Retention Requirements**"). The Seller intends to satisfy both the EU Risk Retention Requirements (as if applicable to it) and the UK Risk Retention Requirements through retaining a portion of the Seller's Note in an amount at least equal to 5 per cent. of the then aggregate outstanding Current Balance of the Mortgage Portfolio in accordance with Article 6(3)(b) of the EU Securitisation Regulation and, (i) prior to the Recast UK Securitisation Regime Effective Date, Article 6(3)(b) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, Article 6(3)(b) of Chapter 2 of the PRA Securitisation Rules.

Each prospective investor is required to independently assess and determine the sufficiency of the information described above, in this Base Prospectus and which may otherwise be made available to investors (if any) generally for the purposes of complying with both the EU Risk Retention Requirements and the UK Risk Retention Requirements and none of the Issuer, the Joint Arrangers, any Dealer, the Seller or any of the other Transaction Parties makes any representation that any such information is sufficient in all circumstances for such purposes. Prospective investors who are uncertain as to the requirements under either the EU Risk Retention Requirements or the UK Risk Retention Requirements which apply to them in respect of their relevant jurisdiction should seek guidance from their regulator.

See further "*Certain Regulatory Requirements – The UK Securitisation Regulation and the Recast UK Securitisation Regime – The UK Risk Retention Requirements*" and "*Certain Regulatory Requirements – The EU Securitisation Regulation – The EU Risk Retention Requirements*".

Simple, Transparent and Standardised (STS) Securitisation .

The Seller, as originator for the purposes of prior to the Recast UK Securitisation Regime Effective Date, the UK Securitisation Regulation, and on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, may procure a notification to be submitted to the FCA, in accordance with (i) prior to the Recast UK Securitisation Regime Effective Date, Article 27 of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, in particular, SECN 2.5 and Regulation 10(1) of the UK Securitisation Regulation SI (2024), confirming that the UK STS Criteria Requirements have been satisfied with respect to a Series and Class of Notes.

In relation to such notification, the Seller has been designated as the first contact point for investors and competent authorities.

The notification, with respect to a Series and Class of Notes, once made to the FCA, will be available for download on the FCA's STS Register website at https://data.fca.org.uk/#/sts/stssecuritisations (or its successor website) (the "**FCA STS Register**"). For the avoidance of doubt, the FCA STS Register and the contents thereof do not form part of this Base Prospectus. The UK STS status of the Notes is not static and investors should verify the current status on the FCA STS Register, which will be updated where the relevant Notes are no longer considered to be in compliance with the UK STS Criteria Requirements following a decision of competent authorities or a notification by the Seller.

In relation to the UK STS Notification, the Seller has been designated as the first contact point for investors and the FCA. Note that designation as a UK STS Securitisation does not meet, as at the date of this Base Prospectus, the requirements of a "simple, transparent and standardised" securitisation under the EU Securitisation Regulation. For further information please refer to the Risk Factor entitled *"UK Simple, Transparent and Standardised Securitisation (UK STS)*" below.

No representation or warranty is made by the Joint Arrangers, the Dealer(s), the Issuer or any other person as to compliance with the UK STS Criteria Requirements.

US Credit Risk Retention ..... The Seller, as the "sponsor" of a "securitisation transaction", is required under Section 15G of the Exchange Act and regulations promulgated thereunder (the "**US Credit Risk Retention Requirements**") to retain an economic interest in the credit risk of the interests created by the Issuer in an amount of not less than 5 per cent. The Seller, in its capacity as sponsor of the securitisation transactions, intends to satisfy the US Credit Risk Retention Requirements by retaining and maintaining (either directly or through one or more wholly-owned affiliates) a "seller's interest" (as defined in the US Credit Risk Retention Requirements), in the form of the Seller's Note, equal to at least 5 per cent. of the aggregate principal amount outstanding of the Notes of all Series issued by the Issuer, other than any Notes that are at all times held by the Seller (or its wholly-owned affiliates), calculated in all cases in accordance with the US Credit Risk Retention Requirements and measured at the Closing Date of each issuance of Notes and on a monthly basis on each Payment Date. As used herein, the term "Notes" does not include the Seller's Note. See "*The VFNs – the Seller's Note*" for a description of how the amount of the Seller's Note is computed. See further "*Certain Regulatory Requirements – US Credit Risk Retention*".

Volcker Rule .. The Issuer has been structured not to be a "covered fund" for the purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended (such statutory provisions, together with such implementing regulations, being the Volcker Rule). In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act and under the Volcker Rule may be available, the Issuer has relied on an exemption from registration as an "investment company" under the Investment Company Act under Section (3)(c)(5)(C) thereof. Under the Volcker Rule, a "covered fund" does not include an issuer that may rely on an exclusion or exemption from the definition of "investment company" under the Investment Company Act other than the exclusions contained in Section 3(c)(1) and Section 3(c)(7) thereof. Any prospective investor in the Notes should consult its own legal advisers regarding such matters and other effects of the Volcker Rule.

Benchmarks ... Interest payable under the Notes may be calculated by reference to EURIBOR, SONIA, €STR or SOFR.

At the date of this Base Prospectus, the administrators of EURIBOR appear, but the administrators of SONIA, €STR and SOFR do not appear on the register of administrators and benchmarks established and maintained by ESMA in accordance with Article 36 of Regulation (EU) No 2016/1011 (the "**EU Benchmarks Regulation**").

The Bank of England, as administrator of SONIA, is exempt under Article 2 of the EU Benchmarks Regulation and Article 2 of the EU Benchmarks Regulation but has

issued a statement of compliance with the principles for financial benchmark issued in 2017 by the International Organisation of Securities Benchmarks.

As far as the Issuer is aware, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that the administrators of SONIA, €STR and SOFR are not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

At the date of this Base Prospectus, the administrators of SONIA and SOFR are not included in the FCA's register of administrators under Article 36 of Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the Withdrawal Act (the "**UK Benchmarks Regulation**").

The Bank of England, as administrator of SONIA, is exempt under Article 2 of the UK Benchmarks Regulation and Article 2 of the UK Benchmarks Regulation but has issued a statement of compliance with the principles for financial benchmark issued in 2017 by the International Organisation of Securities Benchmarks.

The section entitled "*Risk Factors*", starting on page 4, 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 within that section.

The Notes offered hereby have not been approved or disapproved by the SEC, any US federal or state securities commission or any other US regulatory authority, nor have any of the foregoing authorities approved or disapproved this Base Prospectus or confirmed the accuracy or adequacy of the Base Prospectus. Any representation to the contrary is a criminal offence under US law.

Joint Arrangers for the Programme

HSBC **Lloyds Bank Corporate Markets**

Dealers for the Programme

HSBC **Lloyds Bank Corporate Markets**

Base Prospectus dated 24 December 2024

NOTICE TO INVESTORS

Responsibility

The Issuer accepts responsibility for the information in this Base Prospectus. To the best of the knowledge of the Issuer, the information in this Base Prospectus is in accordance with the facts and this Base Prospectus makes no omission likely to affect its import.

Any information sourced from third parties contained in this Base Prospectus has been accurately reproduced (and the source of such information is identified where it appears in this Base 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.

The Seller accepts responsibility for the information in the sections entitled "*Coventry Building Society*" and "*Certain Regulatory Requirements*". To the best of the Seller's knowledge, the information in the sections entitled "*Coventry Building Society*" and "*Certain Regulatory Requirements*", for which it is responsible, is in accordance with the facts and those sections make no omission likely to affect their import.

Citibank, N.A., London Branch accepts responsibility for the information about itself in the section entitled "*The Second Account Bank, the Swap Collateral Account Bank and the Custodian*". To the best of the knowledge of Citibank, N.A., London Branch, the information about itself in the section entitled " *The Second Account Bank, the Swap Collateral Account Bank and the Custodian*", for which it is responsible, is in accordance with the facts and those sections make no omission likely to affect their import.

Citicorp Trustee Company Limited accepts responsibility for the information about itself in the section entitled "*The Note Trustee and the Security Trustee*". To the best of the knowledge of Citicorp Trustee Company Limited, the information about itself in the section entitled "*The Note Trustee and the Security Trustee*", for which it is responsible, is in accordance with the facts and those sections make no omission likely to affect their import.

CSC Capital Markets UK Limited accepts responsibility for the information about itself in the section entitled "*The Corporate Services Provider and Back-Up Servicer Facilitator*". To the best of the knowledge of CSC Capital Markets UK Limited, the information about itself in the section entitled "*The Corporate Services Provider and Back-Up Servicer Facilitator*", for which it is responsible, is in accordance with the facts and those sections make no omission likely to affect their import.

The Notes will be obligations solely of the Issuer and will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Notes will not be obligations of, and will not be insured or guaranteed by, any of the other Transaction Parties. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes will be accepted by any of the other Transaction Parties.

The Joint Arrangers and the Dealers do not accept any responsibility for compliance of the Issuer, the Seller or any other party with the requirements of, to the extent applicable, either the EU Securitisation Regulation, the UK Securitisation Regulation or, on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime and have not assisted or advised the Issuer, the Seller or any other party with its compliance with the requirements of, to the extent applicable, either the EU Securitisation Regulation, the UK Securitisation Regulation or, on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime.

Base Prospectus and Final Terms

This Base Prospectus has been approved by the FCA as a base prospectus for the purposes of Article 8 of the UK Prospectus Regulation and has been published in compliance with the UK Prospectus Regulation, the UK Prospectus Rules and the Listing Rules for the purposes of giving information about the Issuer and

the Notes. This Base Prospectus is not a prospectus for the purposes of section 12(a)(2) or any other provision or order under the Securities Act.

Copies of each set of Final Terms (in relation to Notes to be admitted to the Official List) will be available from the registered office of the Issuer and from the specified office of each of the Paying Agents (as defined below). Each Final Terms relating to the Notes which are admitted to trading on the London Stock Exchange's regulated market will be available for inspection on the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

This Base Prospectus is to be read in conjunction with any supplements hereto and all documents which are deemed to be incorporated herein by reference and any relevant Final Terms. This Base Prospectus will, save as specified herein, be read and construed on the basis that such documents are so incorporated and form part of this Base Prospectus.

No responsibility or liability

No representation, warranty or undertaking, express or implied, is made and, to the extent permitted by law, no responsibility or liability is accepted by the Joint Arrangers, the Dealers, the Seller, the Servicer, the First Account Bank, the Custodian, the Second Account Bank, the Swap Collateral Account Bank, the Collection Account Bank, the VFN Registrar, the Joint Arrangers, the Dealer(s), the Note Trustee, the Security Trustee, the Cash Manager, the Corporate Services Provider, the Back-up Servicer Facilitator or the Agents as to (other than as set out in the section entitled "*Responsibility*" above) (a) the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme or (b) any other statement made or proposed to be made by any of the Joint Arrangers, the Dealers, the Seller, the Servicer, the First Account Bank, the Custodian, the Second Account Bank, the Swap Collateral Account Bank, the Collection Account Bank, the VFN Registrar, the Joint Arrangers, the Dealer(s), the Note Trustee, the Security Trustee, the Cash Manager, the Corporate Services Provider, the Back-up Servicer Facilitator or the Agents or on its behalf in connection with the Issuer or the issue and/or offering of any Notes. None of the Joint Arrangers, the Dealers, the Seller, the Servicer, the First Account Bank, the Custodian, the Second Account Bank, the Collection Account Bank, the VFN Registrar, the Joint Arrangers, the Dealer(s), the Note Trustee, the Swap Collateral Account Bank, the Security Trustee, the Cash Manager, the Corporate Services Provider, the Back-up Servicer Facilitator or the Agents accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or the Final Terms, other than as set out in the section entitled "*Responsibility*" above, or any other information provided by the Issuer in connection with the Programme or the Notes or any document or agreement relating to the Notes or any Programme Document. Accordingly, each of the Joint Arrangers, the Dealers, the Seller, the Servicer, the First Account Bank, the Custodian, the Second Account Bank, the Swap Collateral Account Bank, the Collection Account Bank, the VFN Registrar, the Joint Arrangers, the Dealer(s), the Note Trustee, the Security Trustee, the Cash Manager, the Corporate Services Provider, the Back-up Servicer Facilitator and the Agents disclaims any and all liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus, the Final Terms or any such statement or information.

In particular, none of the Joint Arrangers, the Dealers, the Seller, the Servicer, the First Account Bank, the Custodian, the Second Account Bank, the Swap Collateral Account Bank, the Collection Account Bank, the VFN Registrar, the Joint Arrangers, the Dealer(s), the Note Trustee, the Security Trustee, the Cash Manager, the Corporate Services Provider, the Back-up Servicer Facilitator or the Agents has prepared any report or any financial statement in connection with the Issuer or the issue and/or offering of any Notes.

None of the Joint Arrangers, the Dealers, the Seller, the Servicer, the First Account Bank, the Custodian, the Second Account Bank, the Swap Collateral Account Bank, the Collection Account Bank, the VFN Registrar, the Joint Arrangers, the Dealer(s), the Note Trustee, the Security Trustee, the Cash Manager, the Corporate Services Provider, the Back-up Servicer Facilitator or the Agents is responsible for any matter

which is the subject of any statement, representation, warranty or covenant of the Issuer contained in the Notes or any Programme Documents, or any other agreement or document relating to the Notes or any Programme Document or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof. In particular, but without limitation, none of the Joint Arrangers, the Dealers, the Seller, the Servicer, the First Account Bank, the Custodian, the Second Account Bank, the Swap Collateral Account Bank, the Collection Account Bank, the VFN Registrar, the Joint Arrangers, the Dealer(s), the Note Trustee, the Security Trustee, the Cash Manager, the Corporate Services Provider, the Back-up Servicer Facilitator or the Agents makes any representation, warranty or guarantee that the holder of the Seller's Note, its affiliates or the transactions contemplated in this Base Prospectus will be in compliance with any of the EU Risk Retention Requirements, the UK Risk Retention Requirements, the US Credit Risk Retention Requirements or the Volcker Rule, nor is it responsible for compliance by the Issuer with, in particular, the transparency requirements set out in Article 7 of the EU Securitisation Regulation, and (i) prior to the Recast UK Securitisation Regime Effective Date, in Article 7 of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, Article 7 of Chapter 2 of the PRA Securitisation Rules.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of the Notes are the persons named in the applicable Final Terms as the relevant Dealer(s).

No person is or has been authorised to give any information or to make any representation not contained in this Base Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the directors of the Issuer, any Transaction Party, any of their respective affiliates or any other party to the Transaction Documents.

Neither the delivery of this Base Prospectus nor any offer, sale or allotment made in connection with the offering of any Notes will under any circumstances constitute a representation or create any implication that there has been no change in the affairs of the Issuer, any Transaction Party or any of their respective affiliates or in the information contained herein since the date hereof or that the information contained herein is correct as at any time subsequent to the date hereof or that there has been no change in any other information supplied in connection with the Programme as of any time subsequent to the date indicated in the document containing the same or that such information is correct at any time subsequent to the date thereof.

The Notes may not be offered or sold, directly or indirectly, and neither this Base Prospectus nor any part hereof nor any other prospectus, form of application, advertisement, other offering material or other information may be issued, distributed or published in any country or jurisdiction (including the UK), except in circumstances that will result in compliance with all applicable laws, orders, rules and regulations.

Documents incorporated by reference

The following documents, which have been (1) previously published and (2) approved by the FCA or filed with it shall be deemed to be incorporated in, and form part of, this Base Prospectus:

(a) the audited annual accounts of the Issuer for the year ended 31 December 2020, the year ended 31 December 2021, the year ended 31 December 2022 and the year ended 31 December 2023, which have been previously published and filed with Companies House, the notes thereto and the audit report prepared in connection therewith;

(b) the terms and conditions set out on pages 247 to 296 (inclusive) of the base prospectus dated 27 July 2020 relating to the programme under the heading "*Terms and Conditions of the Notes*";

(c) the terms and conditions set out on pages 250 to 301 (inclusive) of the base prospectus dated 9 June 2021 relating to the programme under the heading "*Terms and Conditions of the Notes*";

(d) the terms and conditions set out on pages 259 to 310 (inclusive) of the base prospectus dated 16 November 2022 relating to the programme under the heading "*Terms and Conditions of the Notes*";

(e) the terms and conditions set out on pages 258 to 309 (inclusive) of the base prospectus dated 6 November 2023 relating to the programme under the heading "*Terms and Conditions of the Notes*";

(f) the Acquisition Announcement (except for (i) the information contained in the first bullet point of the second paragraph (*Strategic rationale*) of the Acquisition Announcement, and (ii) the information contained in the third sub-paragraph of the eighth paragraph (*Other matters*) of the Acquisition Announcement); and

(g) the November Acquisition Announcement (except for (i) the information contained in the first and second paragraphs of section titled '*Information on Coventry Building Society*' and (ii) the information contained in the first paragraph of the section titled '*Information on the Co-operative Bank Holdings p.l.c.*'),

save that any statement contained herein or any of the documents incorporated by reference in, and forming part of, this Base Prospectus shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement (whether expressly, by implication or otherwise), provided that such modifying or superseding statement is made by way of a supplement to this Base Prospectus pursuant to Article 16 of the UK Prospectus Regulation. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus. If documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Base Prospectus for the purposes of the UK Prospectus Regulation except where such information or other documents are specifically incorporated by reference or attached to this Base Prospectus. Any information in the documents incorporated by reference which is not incorporated by reference in this Base Prospectus and does not form part of this Base Prospectus is not relevant to Noteholders or is contained elsewhere in this Base Prospectus.

A copy of the documents incorporated by reference in this Base Prospectus will be available for viewing on the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html. The Issuer will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Written requests for such documents should be directed to the Issuer at its registered office as set out at the end of this Base Prospectus.

Supplementary prospectuses

If, after the date of this Base Prospectus, any significant (for the purposes of making an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the rights attaching to the Notes) new factor, material mistake or material inaccuracy relating to the information included in this Base Prospectus arises, the Issuer will prepare a supplementary prospectus for the purposes of section 87G of the FSMA for approval by and filing with the FCA which will be made available to the public as required under the UK Prospectus Regulation.

MiFID II product governance

The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which outlines the target market assessment in respect of the Notes and which channels for distribution of

the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to 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.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any notes is a manufacturer in respect of such notes, but otherwise neither the Arranger nor the Dealer(s) nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance

The Final Terms in respect of any Notes will include a legend entitled "UK MiFIR product governance / Professional investors and ECPs only target market" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**UK distributor**") should take into consideration the target market assessment; however, a UK 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 target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealer(s) nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PRIIPs Regulation

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (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 MiFID II); or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**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 PRIIPs Regulation.

UK PRIIPs Regulation

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 ("**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 by virtue of the Withdrawal Act; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the Withdrawal Act; or (iii) not a qualified investor as defined in the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the Withdrawal Act (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

Certain definitions

References in this Base Prospectus to "**£**" or "**Sterling**" are to the lawful currency for the time being of the UK of Great Britain and Northern Ireland. References in this Base Prospectus to "**€**" or "**Euro**" are references to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty of Rome of 25 March 1957, as amended from time to time. References in this Base Prospectus to "**$**", "**US$**", "**US Dollars**" or "**Dollars**" are to the lawful currency for the time being of the United States of America.

The "**United Kingdom**" and "**UK**" are abbreviated references to the UK of Great Britain and Northern Ireland. The UK comprises three distinct legal systems, namely those of England and Wales, Scotland and Northern Ireland, each with its own judicial process. However, leaving aside devolution of certain powers to Welsh, Scottish and Northern Irish legislative bodies, the legislative body for each of these three jurisdictions is the UK Parliament. Accordingly, references to UK law are to laws promulgated by the UK Parliament and which are binding on the UK.

The "**United States**" and "**US**" are abbreviated references to the United States of America.

References in this Base Prospectus to the assignment or sale of Scottish Mortgage Loans and their Related Security are to be read as references to the transfer of the beneficial interest therein by the making of Scottish Declarations of Trust, and the terms "**sale**", "**assigned**" and "**assign**" will in that context be construed accordingly.

Governing law

The Programme Documents are governed by, as applicable, the laws of England and Wales and, in relation to aspects specific to Scottish Mortgage Loans, the laws of Scotland.

Notice to US investors

The Class A Notes sold in reliance on Regulation S will be represented on issue by one or more Regulation S Global Note Certificates, in fully registered form without interest coupons or principal receipts attached. The Regulation S Global Note Certificates are expected to be deposited with, and registered in the name of a nominee of, a Common Depositary or Common Safekeeper, as specified in the applicable Final Terms, for Euroclear and Clearstream, Luxembourg. The Class A Notes sold in reliance on Rule 144A will be represented by one or more Rule 144A Global Note Certificates. Rule 144A Global Note Certificates representing Notes denominated in any currency other than US Dollars are expected to be deposited with a Common Depositary or Common Safekeeper, as specified in the applicable Final Terms, for Euroclear and Clearstream, Luxembourg, and registered in the name of a nominee of a Common Depositary or Common Safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg. Rule 144A Global Note Certificates representing Notes denominated in US Dollars are expected to be deposited with the DTC Custodian for, and registered in the name of, Cede & Co. as nominee of DTC.

The Class Z VFNs and the Seller's Note will be issued in definitive form and be represented by Regulation S Individual Note Certificates. The Issuer will also maintain a register, to be kept on the Issuer's behalf by the VFN Registrar, in which the Class Z VFNs and the Seller's Note will be registered in the name of the Class Z VFN Holder and the holder of the Seller's Note, respectively. Transfers of all or any portion of the interest in the Class Z VFNs or the Seller's Note may be made only through the register maintained by the Issuer. Neither the Class Z VFNs nor the Seller's Note may be transferred to a US person.

Prospective purchasers should note that the Regulation S Notes are not designed for, and may not be purchased or held by, any "employee benefit plan", as defined in Section 3(3) of the US Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), which is subject to Title I of ERISA, any "plan" as defined in and subject to Section 4975 of the US Internal Revenue Code of 1986, as amended (the "**Code**"), or by any person or entity the underlying assets of which include, or are deemed under the US Department of Labor regulation at 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA (the "**Plan Asset Regulation**"), or otherwise for the purposes of ERISA or Section 4975 of the Code to include, assets of such an "employee benefit plan" or "plan" by reason of such plan's investment in the person or entity (each of the foregoing, a "**Benefit Plan Investor**"). Each purchaser of a Regulation S Note (or any interest therein) will be deemed to have represented, warranted and agreed that it is not, and for so long as it holds a Regulation S Note will not be, a Benefit Plan Investor, or if it is an employee benefit plan that is not a Benefit Plan Investor which is subject to any federal, state or local law of the US or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code ("**Similar Law**"), the purchase and holding of such Regulation S Notes, as applicable, do not and will not violate any such Similar Law.

The Dealers will not offer or sell any Notes into the US except through a US registered broker-dealer affiliate or pursuant to an available exemption from registration as a broker-dealer under the Exchange Act.

Stabilisation

In connection with the issue of any Series or Class of Notes, or any Sub-Series of the Class A Notes of the relevant Series, the Dealer(s) (if any) named as the stabilising manager(s) (or persons acting on behalf of any stabilising manager) in the applicable Final Terms may over-allot such Notes (**provided that**, in the case of any Series or Class of Notes or any Sub-Series of the Class A Notes of the relevant Series to be admitted to trading on the regulated market of the London Stock Exchange or any other regulated market (within the meaning of MiFID II) in the European Economic Area or in the UK, the aggregate principal amount of a Series or Class of Notes or any Sub-Series of the Class A Notes of the relevant Series allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Series and Class of Notes or any Sub-Series of the Class A Notes of the relevant Series) or effect transactions with a view to supporting the market price of that Series and Class of Notes or any Sub-Series of the Class A Notes of the relevant Series at a level higher than that which might otherwise prevail. However, there is no assurance that the stabilising manager(s) (or persons acting on behalf of a stabilising manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series and Class of Notes or any Sub-Series of the Class A Notes of the relevant Series is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series and Class of Notes or any Sub-Series of the Class A Notes of the relevant Series and 60 days after the date of the allotment of the relevant Series and Class of Notes or any Sub-Series of the Class A Notes of the relevant Series. Any stabilisation action or over-allotment must be conducted by the relevant stabilising manager(s) (or person acting on behalf of any stabilising manager(s)) in accordance with all applicable laws and rules.

Information as to placement within the US

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the US and may not be offered or sold within the US or to, or for the account or benefit of, US Persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable federal, state or local securities laws. Accordingly, (a) the Rule 144A Notes are being offered and sold in the US only to QIBs pursuant to Rule 144A under the Securities Act, in each case acting for their own account or for the account of one or more QIBs, and (b) the Regulation S Notes are being offered and sold outside the US to persons other than US Persons pursuant to Regulation S. For a description of certain restrictions on resales or transfers of the notes, see "*Subscription and Sale and Transfer and Selling Restrictions – Transfer Restrictions*".

This Base Prospectus has been prepared by the Issuer solely for use in connection with the offering of the Notes. This Base Prospectus is personal to each potential investor to whom it has been delivered by the Issuer, any Dealer or any of their respective affiliates and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. Distribution of this Base Prospectus in the US to any persons other than the potential investors who are QIB_S and those persons, if any, retained to advise such offerees with respect thereto is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited. Additionally, each purchaser of Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this Base Prospectus under "*Subscription and Sale and Transfer and Selling Restrictions – Transfer Restrictions*".

Subscription, Sale and Transfer Restrictions

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer, any Joint Arranger or any Dealer to subscribe for or purchase any of the Notes. The distribution of this Base Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer and the Dealers to inform themselves about, and to observe, such restrictions. For a description of certain further restrictions on offers and sales of Notes and distribution of this Base Prospectus, see "*Subscription and Sale and Transfer and Selling Restrictions*". Neither this Base Prospectus nor any part hereof constitutes an offer of, or an invitation by, or on behalf of, the Issuer, any Joint Arranger or any Dealer to subscribe for or purchase any Notes and neither this Base Prospectus, nor any part hereof, may be used for or in connection with an offer to, or solicitation by, any person in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Available information

To permit compliance with Rule 144A in connection with the sale of any Rule 144A Notes, for so long as any Rule 144A Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will be required to furnish, upon request of a holder of any Rule 144A Note, to such holder and a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the Issuer is neither a reporting company under Section 13 or Section 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. All information made available by the Issuer pursuant to the terms of this paragraph may also be obtained during usual business hours free of charge at the specified office of any Paying Agent.

By requesting copies of the documents referred to herein or by making any other requests for additional information relating to the issue of the Notes or to the Issuer, each potential investor agrees to keep confidential the various documents and all written information which from time to time has been or will be disclosed to it, to the extent that such documents or information are not otherwise publicly available, and agrees not to disclose any portion of such information to any person except in connection with the proposed resale of the Notes or as required by law.

A copy of this Base Prospectus and each of the Final Terms relating to Notes will be available for inspection at the registered offices of the Issuer, at the specified offices of the Paying Agents and each financial intermediary placing or selling such Notes or will be available for inspection on the website of the FCA in accordance with the UK Prospectus Regulation and the UK Prospectus Rules.

Notwithstanding any provision in this Base Prospectus to the contrary, each prospective investor (and each employee, representative, or other agent of each such prospective investor) may disclose to any and all persons, without limitation of any kind, the US federal income tax treatment and US federal income tax structure of any transaction contemplated in this Base Prospectus and all materials of any kind (including

opinions or other tax analyses) that are provided to it relating to such US federal income tax treatment and US federal income tax structure.

Rounding adjustments

Certain monetary amounts and currency translations included in this document have been subject to rounding adjustments. Accordingly, figures shown as currency translations in certain tables may not be an arithmetic aggregation of the figures which preceded them.

Forward-looking statements

This Base Prospectus includes statements that are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Base Prospectus and involve known and unknown risks, uncertainties and other important factors that could cause the actual results and performance of the Notes, the Issuer, the Seller or the UK residential mortgage industry to differ materially from any future results or performance expressed or implied in the forward-looking statements.

In addition, even if the results and performance of the Notes, the Issuer, the Seller or the UK residential mortgage industry, are consistent with the forward-looking statements set out in this Base Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Many factors could cause the results and performance of the Notes, the Issuer, the Seller or the UK residential mortgage industry to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements including, but not limited to, those described in the section entitled "*Risk Factors*".

Any forward-looking statements which are made in this Base Prospectus speak only as of the date of such statements and are not guarantees of future performance. The Issuer does not intend or undertake any obligation, to revise the forward-looking statements included in this Base Prospectus to reflect any future events or circumstances. Actual results, performance or achievements could differ materially from the results expressed or implied by these forward-looking statements. Factors that could cause or contribute to such differences include those discussed in the section entitled "*Risk Factors*". These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements in the Base Prospectus.

Enforceability of judgments

The Issuer is a public limited company registered in England and Wales. All of the Issuer's assets are located outside the US and all of the officers or directors of the Issuer reside outside the US. As a result, it may not be possible for investors to effect service of process within the US upon the Issuer or such persons not residing in the US, including with respect to matters arising under the federal or state securities laws of the US or any State or territory within the US, or to enforce against them judgments of the courts of the US, including judgments predicated upon the civil liability provisions of such securities laws. There is doubt as to the enforceability in the UK, in original actions or in actions for the enforcement of judgments of US courts, of civil liabilities predicated solely upon such securities laws.

The Seller is a building society registered in England and Wales. All of the Seller's assets are located outside the US and all of the officers or directors of the Seller reside outside the US. As a result, it may not be possible for investors to effect service of process within the US upon the Seller or such persons not residing in the US, including with respect to matters arising under the federal or state securities laws of the US or any State or territory within the US, or to enforce against them judgments of the courts of the US, including

judgments predicated upon the civil liability provisions of such securities laws. There is doubt as to the enforceability in the UK, in original actions or in actions for the enforcement of judgments of US courts, of civil liabilities predicated solely upon such securities laws.

Use of licensed broker or dealer

If a jurisdiction requires that the offering of the Notes be made by a licensed broker or dealer and any of the Dealers or any parent company or affiliate of any of the Dealers is a licensed broker or dealer in that jurisdiction, the offering of the Notes will be deemed to be made by such Dealers or such parent company or affiliate on behalf of the Issuer in such jurisdiction.

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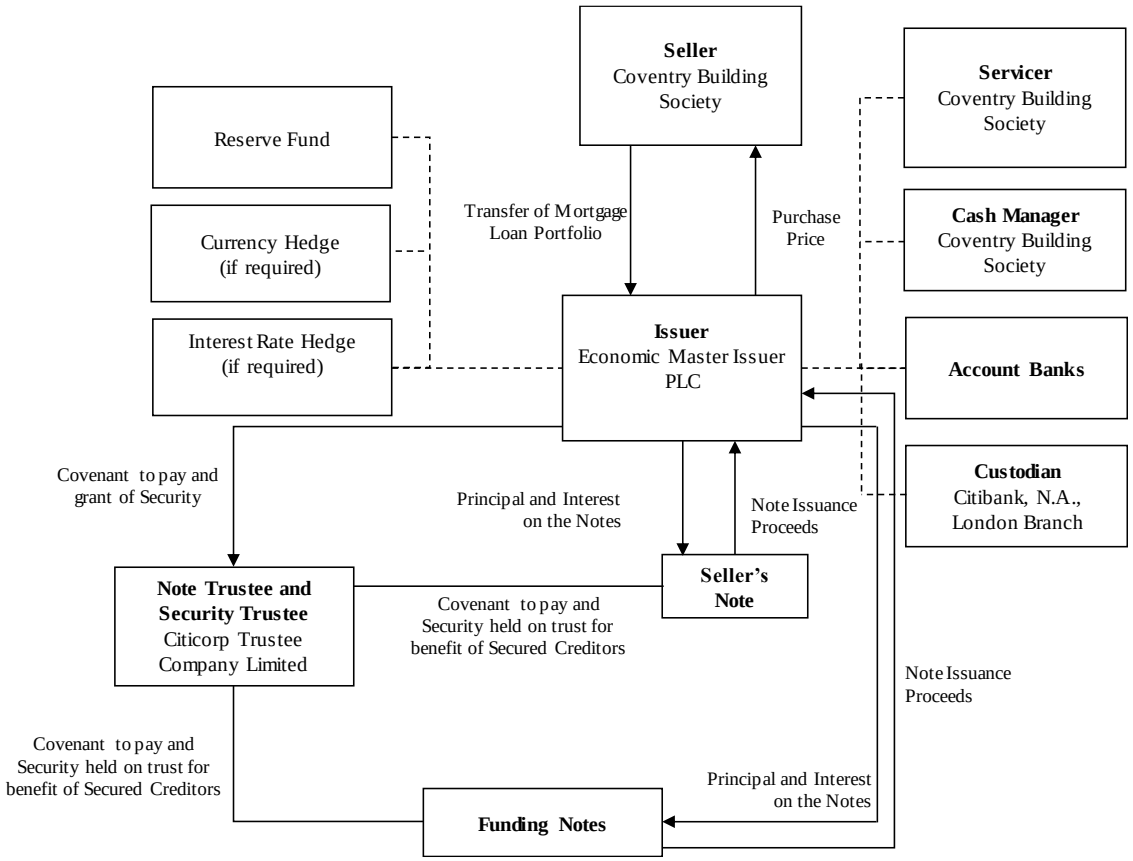
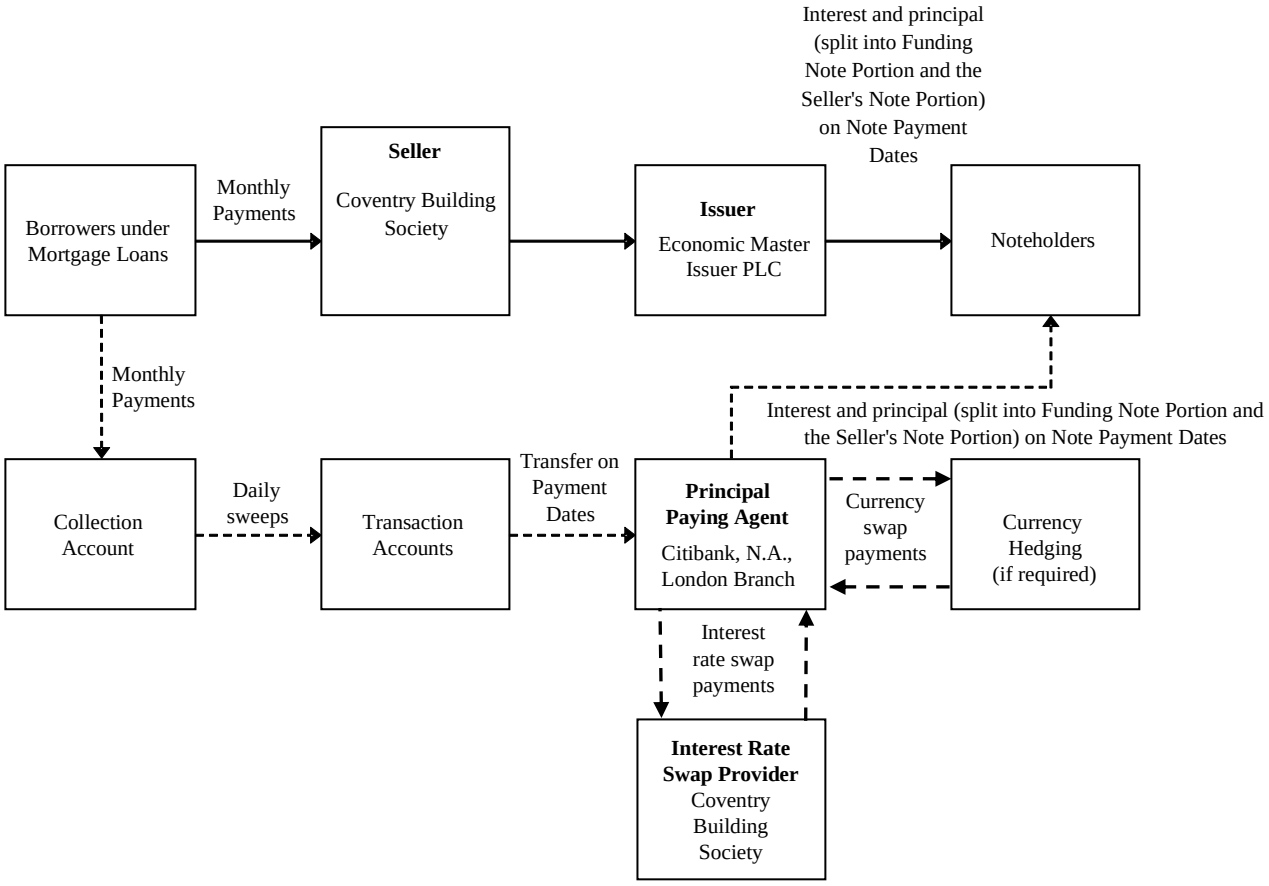
DIAGRAMMATIC OVERVIEWS

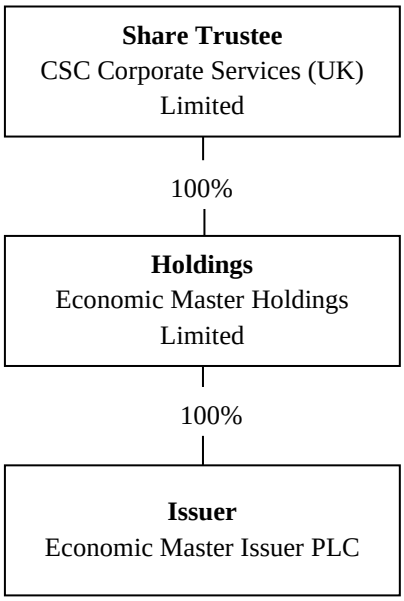
DIAGRAMMATIC OVERVIEW OF THE TRANSACTION



DIAGRAMMATIC OVERVIEW OF ON-GOING CASHFLOWS



DIAGRAMMATIC OVERVIEW OF THE OWNERSHIP STRUCTURE



This diagram illustrates the ownership structure of the principal parties to the securitisation transaction.

- The Issuer is a wholly-owned subsidiary of Holdings.
- The entire issued share capital of Holdings is held on trust by the Share Trustee under the terms of a discretionary trust. The Share Trustee is not affiliated with the Seller. The payments under the Notes will not be affected by this arrangement. See "*Holdings*".

RISK FACTORS

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

The Issuer considers that the risks described below are the material risks inherent in the transaction for Noteholders, and that the factor described first in each category of factors set out below is the most material factor in relation to that category, based on the probability of its occurrence and the expected magnitude of its negative impact. However, additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, financial condition, results of operations and/or prospects of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. The factors set out below are not exhaustive or an explanation of all risks which investors may face when making an investment in the Notes.

Prospective Noteholders should (a) read the information set out below and elsewhere in this Base Prospectus and in the applicable Final Terms and reach their own views, including as to the level, order of materiality and potential of occurrence of the risks set out below, together with their own professional advisers, prior to making any investment decision, (b) ensure that they understand the nature of the Notes and the extent of their exposure to risk, (c) consider carefully, in the light of their own financial circumstances and investment objectives (and those of any accounts for which they are acting) and in consultation with such legal, financial, regulatory and tax advisers as they deem appropriate, all the information set out in this Base Prospectus and in the applicable Final Terms so as to arrive at their own independent evaluation of the investment, and (d) confirm that an investment in the Notes is fully consistent with their respective financial needs, objectives and any applicable investment restrictions and is suitable for them.

RISKS RELATING TO THE AVAILABILITY OF FUNDS TO PAY THE NOTES

The Issuer has limited resources available to it to make payments on the Notes

The Issuer is the only party responsible for making payments on the Notes. The Notes will not represent an interest in or obligation of, and will not be insured or guaranteed by any other party to the transaction other than the Issuer. Furthermore, no person other than the Issuer will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

The ability of the Issuer to make payments of interest on, and principal of, the Notes and to pay its operating and administrative expenses will therefore be dependent solely on Revenue Receipts and Principal Receipts in respect of the Mortgage Loans in the Mortgage Portfolio, interest earned on certain amounts standing to the credit of the Transaction Accounts, income from any Authorised Investments and amounts standing to the credit of the Reserve Fund. In addition, the Issuer will rely on the Interest Rate Swaps to provide hedging in respect of certain interest rate variance risk to which the Funding Notes are exposed in relation to the Fixed Rate Mortgages in the Mortgage Portfolio and Currency Swaps to provide currency and/or interest rate hedging (as appropriate) in respect of the relevant Series and Classes of Notes as specified in the applicable Final Terms.

Other than the foregoing, the Issuer will not have any sources of funds available to meet its obligations under the Notes and/or any other payments ranking in priority to the Notes. If the resources described above are insufficient, any such insufficiency will be borne by the Noteholders and the other Secured Creditors, subject to the applicable Priority of Payments.

Effects of prepayments on, or redemptions or repurchases of, the Mortgage Loans on the yield to maturity of the Notes

The yield to maturity of the Notes of each Class will depend mostly on (a) the amount and timing of the repayment of principal on the Mortgage Loans, and (b) the price paid by the Noteholders of each Class of Notes. The yield to maturity of the Notes of each Class may be adversely affected by a higher or lower than anticipated rate of prepayments on the Mortgage Loans. The rate of prepayment of Mortgage Loans is influenced by a wide variety of factors, including as summarised below under "– *Certain factors affecting the economic performance and value of the Mortgage Portfolio*" and "– *The inclusion of Flexible Mortgage Loans may affect the rate of repayment and prepayment of the Mortgage Loans*".

Variation in the rate and timing of prepayments of principal on the Mortgage Loans may affect each Class of Notes differently depending upon whether an Asset Trigger Event has occurred and/or whether a Non-Asset Trigger Event is continuing or the Security has been enforced. As a general matter, if prepayments on the Mortgage Loans occur less frequently than anticipated, then the amortisation of the Notes may take much longer than is presently anticipated and the actual yields on the Notes may be lower than anticipated. If the aggregate rates of prepayments and scheduled repayments fall to levels much lower than the historical CPR levels in respect of the Mortgage Portfolio, this may affect the repayment rates on any Pass-Through Redemption Notes or Controlled Amortisation Notes, and in addition the ability of the Issuer to accumulate sufficient Principal Receipts on each Cash Accumulation Ledger to repay the relevant Bullet Redemption Notes. Alternatively, it is unlikely that the average lives of the Notes will be reduced unless CPRs rises to levels much higher than the historical CPR levels in respect of the Mortgage Portfolio (or the UK mortgage market in general) and the Seller ceases to maintain the required amount of Mortgage Loans in the Mortgage Portfolio. Any decline in prepayment rates in respect of the Mortgage Loans could leave the Issuer with insufficient proceeds to repay the Notes on the relevant scheduled maturity dates.

Certain features of the Mortgage Loans may also affect the yield to maturity of the Notes. For example, the grant by the Seller of a Product Switch may cause the rates of prepayments and scheduled repayments on the Mortgage Loans to be lower than expected.

No assurance can be given that the Issuer will receive sufficient funds during the Cash Accumulation Period prior to the Bullet Redemption Date for a Bullet Redemption Note or prior to any Controlled Amortisation Date for a Controlled Amortisation Note in time for the Issuer to redeem the relevant Series and Classes of Notes on their Bullet Redemption Date or Controlled Amortisation Dates, respectively. The extent to which sufficient funds are received by the Issuer during such periods or prior to any Controlled Amortisation Date for a Controlled Amortisation Note will depend on, among other things, whether the actual principal prepayment rate of the Mortgage Loans is the same as the assumed principal prepayment rate.

In addition, during a Cash Accumulation Period prior to the Bullet Redemption Date for a Bullet Redemption Note, if, on a Note Payment Date, a Cash Accumulation Shortfall is continuing and the Monthly PPR is less than the Monthly PPR required in accordance with the Anticipated Cash Accumulation Period, then no repayment will be made of any principal amount due on that Note Payment Date on any Controlled Amortisation Notes or Pass-Through Redemption Notes, which may have an adverse effect on the yield to maturity of those Notes.

If the Issuer does not have sufficient funds to pay the full amount scheduled to be redeemed on Controlled Amortisation Notes on their Controlled Amortisation Dates, then the Issuer is only required to pay the amount it has available. Any shortfall on such Notes will be deferred to and paid on subsequent Note Payment Dates when the Issuer has funds to pay such amount to be repaid on the relevant Series and Classes of Notes. If this happens, holders of affected Notes will not receive repayment of principal when expected, which may have an adverse effect on the yield to maturity of those Notes.

The yield to maturity of the Notes may also be affected by the exercise by the Issuer of its rights, under Conditions 4(e) (*Optional redemption in full or in part*) and 4(f) (*Optional redemption for tax and other reasons*), to redeem the Notes in the circumstances set out therein.

The Issuer's ability to pay interest on and/or redeem the Notes may be affected by a high rate of default on the Mortgage Loans

The amounts required to pay interest on and/or redeem the Notes are generated substantially from payments of interest and principal pursuant to the Mortgage Loans. Where defaults in payment on the Mortgage Loans occur, there is a risk that the payments made under the remaining Mortgage Loans (where no default has occurred) may not be sufficient to pay interest on and/or redeem the Notes on the relevant Note Payment Dates or Final Maturity Dates, or at all.

The default by a Borrower under a Mortgage Loan in payment of interest and/or principal gives rise to the lender's rights to enforce its security (for example by selling the property) in order to repay the debt secured. There are, however, several requirements which would need to be complied with before proceeds could be realised from such security and be applied in or towards repayment of the related Mortgage Loan. In order to enforce a power of sale in respect of a Mortgaged Property, the relevant Mortgagee (which may be the Seller or the Issuer) must first obtain possession of the relevant Mortgaged Property. Obtaining possession can be a lengthy and costly process and will involve the mortgagee assuming certain risks. Obtaining possession involves complying with any applicable current or future codes of practice and protocols (including the Mortgage Charter) relating to possession proceedings (see "*The Servicer and the Servicing Agreement*" and the discussion of the FCA's changes to the FCA's Mortgages and Home Finance: Conduct of Business Sourcebook ("**MCOB**") with respect to forbearance in "*Regulation of the UK Residential Mortgage Market*") and obtaining a court order for possession. In addition, obtaining possession can be delayed as a result of any requests received from an applicable regulator or the government or as a result of industry led factors. In Scotland, it is not necessary for the relevant heritable creditor to enter into possession to sell the Mortgaged Property, but the enforcement process is similarly involved in Scotland and requires compliance with relevant statutory procedures and with equivalent codes of practice and protocols. There is also a requirement to market the Mortgaged Property for a reasonable period in order to ensure a proper price is obtained.

The combined effect of the above is that there may be a delay between the date of any default occurring under any Mortgage Loan and the time when the proceeds of the sale of the security for such Mortgage Loan are available to repay such Mortgage Loan. During this period there may be no payments made under the relevant Mortgage Loan (thus increasing the amount of the arrears as well as any interest due under the relevant Mortgage Loan or its Related Security due to the charging of any default interest from the date of default to the date of judgement by the court in relation to any proceedings commenced by the relevant Mortgagee in relation to the Mortgaged Property) and there may also be costs and expenses (for example maintenance costs, insurance premiums, and/or the costs of providing services and/or enforcing the security) relating to the Mortgaged Property which would need to be discharged. There can be no assurance, at the end of such process, that such realisation proceeds would be sufficient to discharge payments due in respect of the relevant Mortgage Loans The Issuer's ability to make payments on the Notes may therefore be reduced.

Excess Available Revenue Receipts may not be sufficient to replenish principal that has been used to pay interest due on the Notes, which may result in the Notes not being repaid in full

If on any Payment Date there is a Revenue Shortfall, then, following the application of amounts standing to the credit of the Reserve Fund, the Issuer will be permitted to use Available Principal Receipts to make up the Remaining Revenue Shortfall.

As described in more detail under "*Credit Structure and Cashflows – Use of Principal Receipts to pay Remaining Revenue Shortfall*", if the Issuer uses Available Principal Receipts in this manner, the amount

available to repay principal on the Class Z(S) VFN and the Class A Notes, will be reduced. The inability to repay the Class A Notes will, subject to the Conditions, cause an Event of Default. Application of Available Principal Receipts in this manner will be recorded on the Principal Deficiency Sub-Ledger for the Class A Notes and the Class Z(S) VFN in reverse sequential order, starting with the Class Z(S) VFN.

During the life of the Programme, however, it is expected that these principal deficiencies will be recouped from subsequent excess Available Revenue Receipts, which will be applied to eliminate any principal deficiency recorded on each such Principal Deficiency Sub-Ledger in sequential order and/or may be reduced or eliminated out of drawings on the Class Z(R) VFN (with the Class Z VFN Holder exercising sole discretion as to whether such drawing will be funded). However, if subsequent excess Available Revenue Receipts are insufficient to recoup principal deficiencies, the funds available to the Issuer may not be sufficient, after making the payments to be made in priority thereto, to pay, in full or at all, interest due on the Notes or to redeem the Notes.

For more information on principal deficiencies, see "*Credit Structure and Cashflows – Principal Deficiencies and the Principal Deficiency Ledger*".

Subordination of other Classes may not protect Noteholders from all risk of loss

The payment of interest due on any Payment Date in respect of the Class Z(R) VFN and the Class Z(S) VFN is subordinated to the payment of interest due on such Payment Date in respect of the Class A Notes of all Series and the Seller's Note, with the payment of interest on the Class A Notes and the Seller's Note ranking *pro rata* and *pari passu*.

The payment of interest due on any Payment Date in respect of the Class Z(R) VFN and the Class Z(S) VFN is also subordinated to the replenishment of the Reserve Fund up to the Reserve Fund Required Amount. None of the VFNs or the Seller's Note has the benefit of amounts standing to the credit of the Reserve Fund.

The repayment of principal due on any Payment Date in respect of the Class Z(S) VFN is subordinated to the repayment of principal due on such Payment Date in respect of the Class A Notes.

The repayment of principal due on any Payment Date in respect of the Seller's Note (i) prior to service of an Enforcement Notice (for so long as no Asset Trigger Event has occurred and/or no Non-Asset Trigger Event is continuing), and (ii) following service of an Enforcement Notice, will rank *pro rata* and *pari passu* with the repayment of principal on the Class A Notes.

Where an Asset Trigger Event has occurred and/or a Non-Asset Trigger Event is continuing, and provided that no action has been taken to enforce the security created by the Issuer under the Transaction Documents, the repayment of principal due on any Payment Date in respect of the Seller's Note is subordinated to the repayment of principal on the Class A Notes and the Class Z(S) VFN.

In addition, it should be noted that, irrespective of whether or not an Asset Trigger Event has occurred and/or a Non-Asset Trigger Event is continuing, and irrespective of whether an Event of Default has occurred and is continuing and/or any action has been taken to enforce the security for the obligations of the Issuer under the Transaction Documents, any proceeds from the repurchase of the Mortgage Loans on exercise of the Seller's Note Permitted Repurchase Procedure will be applied by the Issuer exclusively to reduce the Principal Amount Outstanding of the Seller's Note, as described in "*Credit Structure and Cashflows - Application of Available Principal Receipts while no Asset Trigger Event has occurred and/or no Non-Asset Trigger Event is continuing and prior to the delivery of an Enforcement Notice*".

However, not all Classes and Sub-Classes of Notes are scheduled to receive payments of interest and repayments of principal on the same Payment Dates. The dates for the payment of interest and principal in respect of a Series and Class of Notes will be the Note Payment Dates specified for such Notes in the applicable Final Terms. A Class of Notes of a particular Series may have Note Payment Dates in respect of

interest and/or principal that are different from other Notes of the same Class (but of different Series) or of the same Series (but of a different Class or Sub-Class).

Subject to compliance with the Principal Repayment Rules, principal on a Class of Notes of a particular Series may be repaid before principal is repaid on other Notes of the same Class (but of different Series) or on other Notes of the same Series (but of a different Class or Sub-Class), irrespective of whether such Series or Class of Notes was issued before or after such other Series or Class of Notes. Further issuances of Notes may also therefore affect the rate of payment of principal on any particular existing Series or Class of Notes. See also *"–Effect of the occurrence of a Trigger Event on the repayment of the Notes*".

Payments of principal are expected to be made on each Class of Notes in amounts up to the amounts set forth under "*Credit Structure and Cashflows – Allocation and distribution of Available Principal Receipts*".

Furthermore, if the Issuer exercises an option to redeem a Series and Class of Notes in any of the circumstances set out in Condition 5(e) (*Optional redemption in full or in part*), then those Series and Classes of Notes so redeemed will be repaid before other Series and Classes of Notes which are not so redeemed, irrespective of the ranking or Final Maturity Date of those Notes.

There is no assurance that these subordination rules will protect the Class A Noteholders or the holders of each Sub-Class of Class Z VFNs from all risks of loss. If the losses borne by the Class Z VFNs are in an aggregate amount equal to the aggregate Principal Amount Outstanding of the Class Z VFNs, then losses on the Mortgage Loans will thereafter be borne by the Class A Notes at which point there will be an Asset Trigger Event.

Furthermore, the Issuer retains the right to restructure certain terms of the Programme following the Programme Date, in each case in accordance with Condition 11 (*Meetings of Noteholders, modifications and waiver*) and subject, where relevant, to obtaining the Ratings Confirmation in respect of the proposed modifications.

Payments of Class Z VFNs may be delayed or reduced in certain circumstances

If, on any Payment Date on which a repayment of principal is due on any Sub-Class of Class Z VFNs but, if the repayment was made, the Principal Amount Outstanding of the remaining Class Z(S) VFN, less any amount recorded as a debit on the Class Z(S) VFN Principal Deficiency Sub-Ledger, would not be sufficient to provide the level of credit enhancement required to support the ratings on the Class A Notes (of all Series) then outstanding and the Issuer is unable to make a further Class Z VFN drawing, or obtain acceptable alternative forms of credit enhancement, then the Class Z VFNs will not be entitled to receive payments of principal until all Class A Notes outstanding have their required level of credit enhancement. The obligation of the Issuer to make a payment of principal on the Class Z VFNs on any Note Payment Date on which a payment of principal is due on the Class Z VFNs is subject to the Actual Subordination Amount being at least equal to the Required Subordination Amount following such repayment. The failure to repay principal in respect of the Class Z VFNs in such circumstances will not constitute an Event of Default. See "*Credit Structure and Cashflows – Allocation and distribution of Available Principal Receipts – Rules for the repayment of principal amounts due on the Notes*".

The VFN Holder may elect not to advance funds

The VFN Holder is only required to advance funds to the Issuer in certain limited circumstances (see "*The VFNs*"). There can be no assurance that the VFN Holder will advance funds to the Issuer under the Class Z(R) VFN, the Class Z(S) VFN or the Seller's Note when it has the right, but not the obligation, to do so. A decision by the VFN Holder not to advance funds in such circumstances could increase the risk of a Trigger Event or an Event of Default occurring, which may have the effects described in "*Risks relating to the structure and the Notes – Effect of the occurrence of a Trigger Event on the repayment of the Notes*" below, and could adversely affect the yield to maturity of the Notes.

RISKS RELATING TO THE MORTGAGE LOANS

Certain factors affecting the economic performance and value of the Mortgage Portfolio

(a) *Borrowers may default on their obligations under their Mortgage Loans*

Borrowers may default on their obligations due under the Mortgage Loans through failure to pay amounts due under the Mortgage Loans. Defaults by Borrowers may occur for a variety of financial and personal reasons which may, individually or in combination, lead to an increase in delinquencies by and bankruptcies of the Borrowers and could adversely affect the ability of the Borrowers to make scheduled payments on their Mortgage Loans (and ultimately lead to losses on the Notes). The Mortgage Loans are affected by credit or default, liquidity and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international macro and micro-economic climate, regional economic conditions (due to local, national and/or global macroeconomic and geopolitical factors such as the war between Russia and Ukraine and the geopolitical tensions in the Middle East), changes in tax laws and / or tax rates, interest rates, inflation, higher cost of living, the availability of financing, political developments and government policies.

In response to economic pressures, the base rate as set by the Bank of England's Monetary Policy Committee has varied on several occasions. Notwithstanding a recent reduction in the base rate, should inflationary pressure from time to time increase in a context of economic uncertainty, this may result in interest rate increases over time. If there were further interest rate increases, this could adversely affect Borrowers' disposable income and ability to repay principal on their Mortgage Loans, particularly against a background of rising essential goods prices and house prices, potentially faster than earnings, thus stretching affordability and leaving households more vulnerable to shocks that could ultimately lead to higher retail loan losses and/or defaults. If combined with suppressed wage growth, there is the potential for stagflation. Widespread economic impacts have the potential to create contagion effects. A deflationary environment may negatively affect property values.

Other factors in Borrowers' individual, personal or financial circumstances may affect the Borrowers' ability to repay their Mortgage Loan. Unemployment, loss of earnings (specifically, Borrowers who are self-employed or who operate as independent contractors may have an income stream which is more susceptible to change), illness, divorce, civil unrest or widespread health crises or the fear of such crises (together with governmental action or inaction in connection therewith) and other similar factors may lead to a deterioration of economic conditions and an increase in delinquencies by and bankruptcies (and analogous arrangements) of Borrowers, and could ultimately have an adverse impact on the ability of Borrowers to repay their Mortgage Loans. In addition, the ability of a Borrower to sell a Mortgaged Property given as security for a Mortgage Loan at a price sufficient to repay the amounts outstanding under that Mortgage Loan and its Related Security in full will depend upon a number of factors, including but not limited to the availability of potential buyers for that Mortgaged Property, the value of the Mortgaged Property and property values in general at the time (including reductions in property value as a result of the macroeconomic conditions). Mortgage Loans in arrears and subject to historical breaches by Borrowers are generally likely to experience higher rates of delinquency, write-offs, enforcements under Related Security and bankruptcy, than Mortgage Loans without such arrears or breaches which may impact the ability of the Issuer to make payments on the Notes on a Note Payment Date or on the Final Maturity Date.

If a Borrower fails to repay its Mortgage Loan as required under the Mortgage Loan Agreement and the related Mortgaged Property that has been provided as collateral to the Mortgagee under the

Related Security is repossessed, the likelihood of there being a net loss on disposal of the Mortgaged Property is increased by a higher loan-to-value ratio.

In order to enforce a power of sale in respect of a Mortgaged Property, the relevant Mortgagee (which may be the Seller or the Issuer) must first obtain possession of the relevant Mortgaged Property. Possession is usually obtained by way of a court order or decree although this can be a lengthy and costly process and will involve the Mortgagee assuming certain risks. If obtaining possession of properties in such circumstances is lengthy or costly, the Issuer's ability to make payments on the Notes on a Note Payment Date or on the Final Maturity Date may be reduced. The Issuer's ability to make such payment may be reduced further if the Mortgagee's method for obtaining possession of properties permitted by law is restricted in the future.

If there were further increases and if the cost of living were to continue to rise, this may result in Borrowers with a Mortgage Loan subject to a variable rate of interest or for which the related interest rate adjusts following an initial fixed rate or low introductory rate, as applicable, being exposed to increased Monthly Payments as and when the related mortgage interest rate increases (or, in the case of the latter, at the end of the relevant fixed or introductory period). This increase in Borrowers' Monthly Payments, which (in the case of the latter) may be compounded by any further increase in the related mortgage interest rate during the relevant fixed or introductory period, which may ultimately result in higher delinquency rates, defaults under the Mortgage Loan Agreements, enforcement under the Related Security and losses or write offs in the future.

It is unlikely that Borrowers seeking to avoid these increased Monthly Payments by refinancing their Mortgage Loans will be able to find readily available replacement loans at comparably low interest rates. Any decline in housing prices may leave Borrowers with insufficient equity in their homes to permit them to refinance.

Additionally, when market interest rates increase, Borrowers are less likely to prepay their Mortgage Loans leading to a decrease in CPR, while conversely, when market interest rates decrease, Borrowers may prepay their Mortgage Loans leading to an increase in CPR. For instance, Borrowers may more likely prepay Mortgage Loans when they refinance their Mortgage Loans or sell the relevant Mortgaged Property (either voluntarily or as a result of enforcement action taken).

These events and risks as described above, alone or in combination, may contribute ultimately to the timing and payment of the Mortgage Loans being adversely affected, and as such to the ability of the Issuer to meet its obligations under the Transaction Documents and, among other things, make payments under the Notes by a Note Payment Date or at the Final Maturity Date to be reduced or delayed.

(b) *Increased regulatory focus on response by lenders to financial difficulties of borrowers*

There has been an increased focus (and expectation) by regulators in the UK that firms should be working with borrowers to resolve any difficulties that they may be facing with respect to their finances. Notably, the FCA is increasingly expecting lenders to engage constructively with such borrowers, for example by means of their updated Mortgage Tailored Support Guidance (published in March 2021), and "Borrowers in Financial Difficulty" (published in November 2022). It should also be noted that the Tailored Support Guidance, support and other recommendations from the Borrowers in Financial Difficulty review are in the process of being transferred into the FCA's Consumer Credit Sourcebook and MCOB regulations with effect from November 2024 (FCA publication PS24/2) (see further the section entitled "*Legal and Regulatory Risks relating to the Mortgage Loans - FCA response to the cost of living crisis*"). In addition, Mortgage Charter support (published in June 2023) and the implementation of the Consumer Duty also require authorised firms to ensure good outcomes for customers (which may include delinquent borrowers or borrowers that default in their payment and legal obligations under the Mortgage Loans), avoiding

causing foreseeable harm to customers and enable and support customers to pursue their financial objectives. These heightened regulatory expectations may lead to protracted timelines prior to enforcement of security or the Related Security on delinquent Borrowers, making it less likely that any enforcement steps are taken under the Related Security or any acceleration rights under the Mortgage Loan Agreements are exercised by the Mortgagees in respect of Mortgaged Properties in the Mortgage Portfolio as well as potentially impairing the Issuer's ability to make payments on the Notes on the Note Payment Date or at the Final Maturity Date. See the section entitled "*Legal and Regulatory Risks Relating to the Mortgage Loans*" for further information.

(c) *Values of residential property may decline*

There can be no assurance that house prices in the UK will continue to rise or remain stable. If the residential property market in England, Wales and/or Scotland experiences a decline in property values (due to local, national and/or global macroeconomic factors), the value of the Mortgaged Property could be significantly reduced thereby potentially resulting in: (a) the inability of Borrowers to sell the relevant Mortgaged Properties at prices which are high enough to enable them to repay the Mortgage Loans; (b) the inability to recover sufficient proceeds following the enforcement of the Mortgage for a Mortgage Loan in default to repay in full the amounts outstanding under that Mortgage Loan; and/or (c) ultimately, losses to the Noteholders if the Security is required to be enforced following an Event of Default.

The UK government's intervention into the housing market through buyer assistance schemes, stamp duty holidays enforced or recommended payment holidays or other concessions or allowances on mortgage payments, or indirectly through measures that provide liquidity to the banking sector (as was historically the case with the Bank of England's Funding for Lending Scheme, Term Funding Scheme and Term Funding Scheme With Additional Incentives For Small & Medium Sized Enterprises), may also contribute to volatility or material variances in house prices. This could occur; for example, as a result of the sudden end to buyer assistance schemes, which could lead to a decrease in house prices, or due to the extension of a funding scheme to the banking sector, which would maintain excess funding liquidity in the mortgage market and which could lead to inflation in house prices.

The Issuer cannot guarantee that the value of a Mortgaged Property will remain at the same level as on the date of origination of the related Mortgage Loan. Downturns in the United Kingdom economy (due to local, national and/or global macroeconomic factors) may have a negative or material adverse effect on the housing market. In addition, any natural disasters, impact of climate change (including but not limited to, increased flood risk or coastal erosion), wars, increase of interest rates, inflation or widespread health crises (such as a pandemic or epidemic), civil unrest (such as rioting), government policies, action or inaction in response to such crises or such potential crises, and/or the fear of any such crises whether in the United Kingdom or in any other jurisdiction, may lead to a deterioration of economic conditions in the United Kingdom and also globally and may reduce the market value of the affected Mortgaged Properties. House prices may 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 cause a deterioration in economic conditions.

A fall in property prices resulting from a deterioration in the housing market or the UK mortgage industry or market generally could result in losses being incurred by the Issuer where the net recovery proceeds are insufficient to redeem any outstanding loan secured on such property. If the value of the Related Security secured on the Mortgage Loans is reduced this may ultimately result in losses to Noteholders if the Related Security is required to be enforced and the resulting proceeds are insufficient to make payments on all Notes on the Note Payment Date or the Final Maturity Date.

(d) *Borrowers may not be able to repay amounts falling due at the end of the term of the Mortgage Loan*

Neither Interest Only Mortgage Loans nor the interest-only portion of Part and Part Mortgage Loans includes scheduled amortisation of principal. Borrowers are only required to repay principal on an Interest Only Mortgage Loan at the end of the term of the Mortgage Loan. For an Interest Only Mortgage Loan with a capital repayment at maturity or a Part and Part Mortgage Loan with a capital repayment at maturity the Borrower is recommended to put in place an Investment Plan or other repayment mechanism forecast to provide sufficient funds to repay the principal due at the end of the term.

The ability of a Borrower to repay the principal on an Interest Only Mortgage Loan or the final payment of principal on a Part and Part Mortgage Loan at maturity depends on such Borrower's ability to refinance the property or to obtain sufficient funds from an Investment Plan or another source, such as ISAs, the sale of the mortgaged property or endowment policies. The ability of the Borrower to refinance the property will be affected by a number of factors, including the value of the property in general as well as, in relation to certain properties, factors specific to the nature of those properties such as the actual or suspected presence of cladding, the Borrower's equity in the property, the financial condition of the Borrower, tax laws, and general economic conditions at the time. There can be no assurance that there will be sufficient funds from any Investment Plan to repay the principal or (in the case of a Part and Part Mortgage Loan) the part of the principal that it is designed to cover, or that the Borrower will have sufficient other sources of funds to make the relevant repayment.

The Issuer does not have the benefit of security over the Investment Plans of a Borrower. Consequently, in the case of a Borrower in poor financial condition any Investment Plan of the Borrower will be an asset available to meet the claims of other creditors as well as the Borrower's repayment obligation under the relevant Mortgage Loan.

There can therefore be no assurance that Borrowers will have the funds required to repay the amounts described above at the end of the term of their Mortgage Loan. If a Borrower cannot repay such amounts owed on the Mortgage Loan at the end of its term, in the absence of the relevant Mortgage Loan being liquidated for a sufficient amount, this may affect the ability of the Issuer to make payments under the Notes.

(e) *Levels of arrears*

There can be no assurance that the arrears experience with respect to the Mortgage Loans in the Mortgage Portfolio will correspond to the experience of the Seller's overall mortgage account portfolio or that of the residential mortgage market in general. Noteholders should note that the UK has previously experienced a "boom and bust" economic effect in the residential property market. This trend is often exacerbated at times of change to monetary policy, for example increases in interest rates. This boom and bust economic effect has led historically to higher levels of arrears and repossessions. There can be no assurance that the current economic environment will not lead to a similar boom and bust effect, with such resulting high levels of arrears and repossessions at some point in the future. Any increase in the level of defaults and repossessions could have an adverse effect on the ability of the Issuer to make payments under the Notes.

(f) *Change in characteristics of the Mortgage Portfolio*

The Lending Criteria and the representations and warranties set out in the Mortgage Sale Agreement may be revised and amended from time to time. If, as a result, any Additional Mortgage Loans have been originated under revised Lending Criteria and the Mortgage Loans are then sold to the Issuer in accordance with and pursuant to the terms of the Mortgage Sale Agreement, the

characteristics and risk profile of the Mortgage Portfolio could at such time change. If any such change in the characteristics of the Mortgage Portfolio were to lead to a deterioration in the quality of the Mortgage Portfolio, this could adversely affect the ability of the Issuer to meet its obligations under the Notes .

(g) *Servicing of the Mortgage Portfolio*

Pursuant to the terms of the Servicing Agreement, the Servicer is required to administer the Mortgage Portfolio in accordance with its then applicable Seller's Policy. The Seller's Policy includes procedures which relate to the day to day servicing of performing Mortgage Loans, the setting of interest rates on Mortgage Loans and how the Servicer manages and handles Mortgage Loans in arrears, default and repossession. In summary, the Servicer is required to administer the Mortgage Portfolio in the same manner as the Servicer administers its own mortgage account portfolio and also as would a Prudent Mortgage Lender servicing mortgages in the UK. Failure of the Servicer to perform its functions in accordance with the terms of the Servicing Agreement may ultimately lead to the termination of the appointment of the Servicer, but any such failure may also have had an impact on the ability of the Issuer to collect in full and/or in a timely manner Revenue Receipts or Principal Receipts. In addition, any such failure of the Servicer to carry out its services in accordance with the standards and duty of care required under the Servicing Agreement may have an adverse effect on the market value of the Mortgage Loans which may, ultimately, result in losses to the Noteholders in the event the security granted by the Issuer is required to be enforced under the Deed of Charge following an Event of Default.

(h) *Geographic Concentration*

Mortgage Loans in the Mortgage Portfolio may also be subject to geographic concentration risks. To the extent that specific geographic regions within the United Kingdom 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 in the United Kingdom, a concentration of the Mortgage Loans in such a region may be expected to exacerbate the risks relating to the Mortgage Loans described in this section.

Certain geographic regions within the United Kingdom rely on different types of industries. Any downturn in a local economy or particular industry may adversely affect, for example, the 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 leading to an increased repayment, credit or default risk in relation to the Mortgage Loans. Government actions taken in response to a downturn may include cuts in public benefits or public sector employment, or other austerity measures that may directly affect Borrowers by reducing or eliminating their income, which could impact their ability to pay their debts when due and/or repay the amounts outstanding under the Mortgage Loan Agreements. Private businesses may also reduce hiring or implement layoffs or reduce hours of work, which would potentially affect Borrowers' income and further affect their ability to pay their debts when due and/or repay the amounts outstanding under the Mortgage Loan Agreements. In addition, self-employed Borrowers may see a reduction in volume of work and/or income. Different geographic areas of the UK might be impacted differently by any economic downturn and by any government action or inaction taken in relation to it.

Any natural disasters, impacts of climate change (including but not limited to, increased flood risk or coastal erosion), wars or other disasters including terrorist attacks, increase of interest rates, increase in tax rates, inflation or widespread health crises (such as a pandemic or epidemic), civil unrest (such as rioting), government policies, action or inaction in response to such crises or such potential crises, and/or the fear of any such crises may lead to a deterioration of economic conditions within the United Kingdom and may reduce the market value of the affected Mortgaged Properties. This may result in a loss being incurred upon sale of such Mortgaged Properties. These

circumstances could affect receipts on the Mortgage Loans and ultimately result in losses on the Notes.

Changes to the criteria for the assignment of Mortgage Loans to the Issuer without Noteholder consent

The criteria for the assignment of Mortgage Loans to the Issuer may be amended in the future without the consent of Noteholders. This may occur, for example, due to the development of New Mortgage Loan Products in response to changing market or economic conditions. Under the terms of the Mortgage Sale Agreement, any such amendments will require the consent of the parties to the Mortgage Sale Agreement and receipt of Ratings Confirmation that the then ratings of the Notes will not be reduced, withdrawn or qualified as a result thereof. As a result, the Mortgage Portfolio may include types of Mortgage Loans in the future with different characteristics or risk profiles than those currently in the Mortgage Portfolio. A change in the characteristic of the Mortgage Loans could lead to a delay or a reduction in the payments received on the Notes or it could increase the rate of repayment of the Notes.

Changes to the Lending Criteria applicable to any Additional Mortgage Loan at the time of its origination

Pursuant to the terms of the Mortgage Sale Agreement, the Seller has represented that each of the Mortgage Loans was originated in accordance with the Lending Criteria applicable at the time of origination. The Lending Criteria consider a variety of factors such as a potential borrower's credit history, employment status and repayment ability, as well as the value of the property to be mortgaged. It should be noted that the Lending Criteria for Mortgage Loans that have been subjected to a Product Switch prior to its sale to the Issuer (and therefore, included as a Mortgage Loan that is part of the Mortgage Portfolio) will have a relatively limited set of requirements prior to the grant of any such Product Switch (including that no further affordability checks will have been undertaken at such time). In the event of the sale of any Additional Mortgage Loans and their Related Security to the Issuer, representations and warranties will at such time be given to the Issuer that those Additional Mortgage Loans and their Related Security were originated in accordance with the Seller's Lending Criteria applicable at the time of the origination of such Additional Mortgage Loans. Whilst any Additional Mortgage Loans and their Related Security will have to comply with the representations and warranties set out in the Mortgage Sale Agreement, the Seller retains the right to revise its Lending Criteria as determined from time to time in its absolute discretion, **provided that** it acts in accordance with the standard of a Prudent Mortgage Lender. The Lending Criteria applicable to any Additional Mortgage Loan at the time of its origination may not be the same as those in force as at the date of this Base Prospectus and such differences may be material. Any change in the characteristics of the Mortgage Loans could lead to a delay or a reduction in the payments received on the Notes or it could increase the rate of repayment of the Notes.

Repurchases of Mortgage Loans by the Seller may have the same effect as prepayments on the Mortgage Loans

The Seller will be required to repurchase Mortgage Loans from the Issuer wherein those Mortgage Loans that are subject to Product Switches where (i) such Product Switch would cause the relevant Mortgage Loan to be in breach of the Eligibility Criteria or the Mortgage Portfolio to be in breach of the Portfolio Criteria or (ii) the relevant Switch Date did not take place while a Sale Period was continuing.

The Seller will be required to repurchase Mortgage Loans from the Issuer where those Mortgage Loans are subject to a Further Advance and (i) such Further Advance would cause the relevant Mortgage Loan to be in breach of the Eligibility Criteria or the Mortgage Portfolio to be in breach of the Portfolio Criteria, (ii) the Seller's Note Holder is unable or unwilling to advance a further drawing on the Seller's Note to fund the purchase of such Further Advance, (iii) such Further Advance was not granted while a Sale Period was continuing, or (iv) the making of such Further Advance would cause the relevant Mortgage Loan to be materially in breach of the Mortgage Loan Warranties on the relevant Advance Date.

In addition, the Seller may, in accordance with the terms of the Transaction Documents and the Conditions, also offer to repurchase Mortgage Loans and their Related Security in order to effect any permitted redemption of any Notes, as well as where the relevant Mortgage Loans are at least two months in arrears, provided, in each case, that the Mortgage Portfolio will continue to meet the Portfolio Criteria immediately following such repurchase. The Issuer will be required to accept any such offer. See "*Assignment of the Mortgage Loans and Related Security – General ability to repurchase*".

In the event that the Seller repurchases Mortgage Loans, the payment received by the Issuer pursuant to such repurchase may have the same effect as a prepayment of such Mortgage Loans. The yield to maturity of the Notes may be adversely affected by such repurchase of Mortgage Loans. The number and timing of any such repurchases are not within the control of the Issuer. Accordingly, no assurance can be given as to the level of effective prepayments that the Mortgage Portfolio may experience as a result. See "*– Effects of prepayments on, or redemptions or repurchases of, the Mortgage Loans on the yield to maturity of the Notes*".

The Issuer will only have recourse to the Seller if there is a breach of warranty by the Seller that has a material adverse effect

The Issuer will not undertake any investigations, searches or other actions on any Mortgage Loan or its Related Security and will instead rely on the warranties given in the Mortgage Sale Agreement by the Seller to the Issuer.

If any Mortgage Loan Warranty is untrue on the date on which such Mortgage Loan is assigned to the Issuer, or on such other date as the representations and warranties are required to be repeated pursuant to the Mortgage Sale Agreement, and such breach could have a material adverse effect on such Mortgage Loan and/or its Related Security, then, in the first instance, the Seller will be required to remedy the error (if capable of remedy) within 30 Business Days of the Seller becoming aware of the same or of receipt by it of a notice from the Issuer or, following the delivery of an Enforcement Notice, the Security Trustee.

If the error is not remedied by the Seller or waived within such 30 Business Day period or if the error is not capable of remedy, then the Seller will be required to repurchase from the Issuer (a) the relevant Mortgage Loan and its Related Security and (b) any other Mortgage Loans of the relevant Borrower and their Related Security that are in the Mortgage Portfolio, for an amount (not less than zero) equal to the Current Balance thereof as at the date of completion of such repurchase.

There can be no assurance that the Seller will have the financial resources to repurchase any such Mortgage Loan(s) and their Related Security. Other than as described here, the Issuer will have no recourse to the assets of the Seller in relation to such material breach of warranty under the Mortgage Sale Agreement.

Competition in the UK mortgage loan industry and declines in mortgage approvals could increase the risk of the occurrence of a Non-Asset Trigger Event

The mortgage loan industry in the UK is highly competitive. This competitive environment, together with the risk of a downturn or continued downturn in the UK economy, may adversely affect the rate at which mortgage loans are originated by the Seller or any affiliates of the Seller (where the mortgage loans originated by those affiliates may be sold to the Issuer in accordance with the Mortgage Sale Agreement) and may also affect the repayment rate of the existing borrowers of the Seller or any such affiliates of the Seller.

If the rate at which mortgage loans are originated by the Seller or any relevant affiliates of the Seller, declines significantly or if existing Borrowers refinance their mortgage loans with lenders other than the Seller or a relevant affiliate of the Seller, then the Issuer may be unable to apply excess Available Principal Receipts to purchase Additional Mortgage Loans. If (a) amounts standing to the credit of the Excess Principal Fund are at any time in excess of the Excess Principal Threshold Amount, or (b) any amounts would on the next succeeding Payment Date, have remained recorded on the Excess Principal Ledger, on

a first in first out basis, for a period of 18 months or more, where that period starts on the date on which such amounts were first so recorded, then a Non-Asset Trigger Event will occur, which could result in an early redemption of the Notes or a delay in the repayment of the Notes (as a result of the requirement to repay other Series of Notes at such time on a *pari passu* basis) on a Payment Date or at the Final Maturity Date.

The inclusion of Flexible Mortgage Loans may affect the rate of repayment and prepayment of the Mortgage Loans

The Mortgage Portfolio contains Flexible Mortgage Loans. Flexible Mortgage Loans provide the Borrower with a range of options that gives that Borrower greater flexibility in the timing and amount of payments made under the Mortgage Loan. Subject to the terms and conditions of the Mortgage Loans (which may require in some cases notification to the Seller and in other cases the consent of the Seller), under a Flexible Mortgage Loan a Borrower may (among other things) "overpay" or prepay principal on any day in specified circumstances using applicable options set out in the relevant agreement. Therefore, the inclusion of Flexible Mortgage Loans may affect the rate of repayment and prepayment of the Mortgage Loans. For a detailed summary of the characteristics of the Flexible Mortgage Loans, see "*The Mortgage Loans and the Mortgage Portfolio*".

In addition, certain of the Flexible Mortgage Loan products of the Seller allow the Borrower to make such overpayments or repay the entire Current Balance under the Flexible Mortgage Loan at any time without incurring an early repayment charge.

The inclusion of Offset Mortgage Loans, which are another type of Flexible Mortgage Loan, in the Mortgage Portfolio may also affect the yield to maturity of and the timing of payments on the Notes. Under the terms of an Offset Mortgage Loan, the relevant Borrower may continue making its scheduled payments in full, but in that event the proportion of a scheduled payment which represents interest may vary. To the extent that the proportion of any such payment that represents interest is reduced, the quantum of Available Revenue Receipts of the Issuer will also be reduced. Further, in these circumstances, proportionately more of that scheduled payment will be allocated as a payment (and so will represent an overpayment) of principal. This reallocation may lead to amortisation of the related Mortgage Loan more quickly than would otherwise be the case. See also "*The Mortgage Loans and the Mortgage Portfolio*".

To the extent that Borrowers under Flexible Mortgage Loans consistently prepay principal or to the extent that Offset Mortgage Loans amortise more quickly than otherwise expected, the timing of payments on the Notes may be adversely affected.

Market volatility

Global social, political and economic events and trends, including, but not limited to, the war between Russia and Ukraine and ongoing conflicts in the Middle East have resulted in increased uncertainty in the currency and credit markets. The uncertainty caused by these and other events and trends has resulted in, and may continue to result in, increased volatility in the financial markets, which may affect the rate at which the Seller and its relevant affiliates (as the case may be) originate mortgage loans. If the rate at which mortgage loans are originated declines significantly, then the Issuer may be unable to apply excess Available Principal Receipts to purchase Additional Mortgage Loans. This may result in an increase in the amounts available to be applied to the credit of the Excess Principal Ledger and/or cause such amounts to be recorded on the Excess Principal Ledger for an extended period of time. This, in turn, increases the likelihood and the risk of a Non-Asset Trigger Event occurring due to any amounts standing to the credit of the Excess Principal Ledger, on a first in first out basis, being at any time greater than the Excess Principal Fund Threshold Amount or due to any amounts remaining recorded on the Excess Principal Ledger as at the Payment Date immediately following the expiration of 18 months following the date on which such amounts were first so recorded, as described in "*Risks relating to the Structure and the Notes – Effect of the*

occurrence of a Trigger Event on the repayment of the Notes" below. This may result in the yield to maturity of the Notes being adversely affected.

Where (a) the amount standing to the credit of the Excess Principal Fund at any time exceeds the Excess Principal Fund Threshold Amount, or (b) on any date, any amounts would on the next succeeding Payment Date, have remained recorded on the Excess Principal Ledger, on a first in first out basis, for a period of 18 months or more, where that period starts on the date on which such amounts were first so recorded, a Non-Asset Trigger Event shall occur, which could result in an early redemption of the Notes or a delay in the repayment of the Notes by the Note Payment Date or Final Maturity Date.

Changes in the market could affect the ability to maintain different variable rates for Borrowers who have entered into Flexx Rate Mortgage Loans

Prospective investors should be aware that there are certain Borrowers under the Mortgage Loans comprising the Mortgage Portfolio who have entered into Flexx Rate Mortgage Loans with different and individualised variable rates of interest based on the market conditions at the time such rates were put in place.

If changes in regulation or market conditions, amongst other things, impede the ability to continue to provide individualised variable rates of interest as set out above, this may have an effect on the variable interest rates applicable to the Mortgage Loan of each Borrower. Consequently, this could mean that a Borrower could be exposed to increased monthly payments if the related mortgage interest rate continues to adjust upwards. Any such increase in a Borrower's monthly payments, ultimately may result in higher delinquency rates and losses in the future on the Portfolio, which may in turn affect the ability of the Issuer to make payments of interest and principal on the Notes.

RISKS RELATING TO THE STRUCTURE AND THE NOTES

The Notes are limited recourse obligations of the Issuer

The Notes are limited recourse obligations of the Issuer. If at any time following:

(a) the occurrence of either:

(i) the Final Maturity Date for any Series or any earlier date upon which all of the Notes of each Series and Class are due and payable; or

(ii) the service of an Enforcement Notice; and

(b) the realisation of the Charged Property and application in full of any amounts available to pay amounts due and payable under the Notes and all claims ranking in priority to payments under the Notes in accordance with the applicable Priority of Payments,

the proceeds of such realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable Priority of Payments, to pay in full all amounts then due and payable under any Series and Class of Notes, then the amount remaining to be paid (after such application in full of the amounts first referred to in (b) above) under such Class of Notes (and any Class of Notes junior to that Class of Notes) will, on the day following such application in full of the amounts referred to in (b) above, cease to be due and payable by the Issuer. The Issuer will not be obliged to pay any amounts representing a shortfall and any claims in respect of such shortfall will be extinguished, which may result in losses under the Notes.

Apart from the Security Trustee, none of the Secured Creditors, including the Noteholders will be entitled to institute against the Issuer any bankruptcy, reorganisation, arrangement, examination, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligation relating to the Notes or the other Programme Documents unless the Security Trustee,

having become bound to take steps or proceedings, fails to do so within a reasonable period and such failure is continuing, and then only if and to the extent that such Secured Creditor is able to do so under applicable law.

Effect of the occurrence of a Trigger Event on the repayment of the Notes

On each Payment Date while an Asset Trigger Event has occurred and/or a Non-Asset Trigger Event is continuing, the Issuer, or the Cash Manager on its behalf, will apply Available Principal Receipts, after making the requisite payments in respect of:

(a) the Senior Fees and Expenses (to the extent not covered by the application of the Pre-Enforcement Revenue Priority of Payments);

(b) the Revenue Shortfall; and

(c) any amounts due to any Currency Swap Counterparty (including any Swap Termination Payment following the return of any Swap Collateral Excluded Amounts, but excluding any Currency Swap Excluded Termination Amount),

to redeem:

(a) if an Asset Trigger Event has occurred, all the Class A Notes which remain outstanding in no order of priority among them but in proportion to the respective amounts due; or

(b) if a Non-Asset Trigger Event is continuing, but an Asset Trigger Event has not occurred, in the following order of priority:

(i) in the order of their Final Maturity Date, beginning with the earliest such date (and if two or more Series of Class A Notes have the same Final Maturity Date, in proportion to the respective amounts due), to redeem any Class A Notes with Final Maturity Dates falling within 5 years from the date on which the respective Non-Asset Trigger Event has occurred; and

(ii) in no order of priority among them but in proportion to the respective amounts due, to redeem the remaining Class A Notes with Final Maturity Dates falling 5 years or later from the date on which the respective Non-Asset Trigger Event has occurred:

(A) to the extent any Non-Sterling Notes remain outstanding following their Sterling Equivalent Redemption Date (after the application of any Principal Excess Amounts) to redeem any Non-Sterling Notes until they have been redeemed in full;

(B) to redeem the Class Z(S) VFN in full;

(C) to redeem the Seller's Note;

(D) any remaining Available Principal Receipts to be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments.

In addition, while an Asset Trigger Event has occurred and/or a Non-Asset Trigger Event is continuing (but prior to the delivery of an Enforcement Notice):

- each Series and Class of Bullet Redemption Notes and Controlled Amortisation Notes will become a Series and Class of Pass-Through Redemption Notes;

- following the occurrence of an Asset Trigger Event (but not following the occurrence of a Non-Asset Trigger Event), if not already so calculated, interest and principal on each Series and Class

of Notes will be calculated on a monthly basis and will be due and payable by the Issuer on each applicable Payment Date; and

- the Issuer will, on each Payment Date, apply Available Principal Receipts in redemption of the Notes in accordance with the applicable Priority of Payments (including, first, meeting the payment of the Senior Fees and Expenses).

This may cause certain Series and Classes of Notes to be repaid more rapidly than expected and other Series and Classes of Notes to be repaid more slowly than expected and may also mean that there is a risk that such Notes may not be repaid by their Final Maturity Date.

In addition, at any time other than while a Sale Period is continuing, the Issuer will be prohibited from purchasing any further Additional Mortgage Loans (whether that purchase would be funded through the application of Available Principal Receipts or the proceeds of any further drawdowns under the Class Z(S) VFN or the Seller's Note), which is likely to affect the rate of amortisation of the Class A Notes.

Ability of the Issuer to procure payment of the Money Market Note Mandatory Transfer Price may affect timely payment on the Money Market Notes

The ability of the Issuer to procure payment of the relevant Money Market Note Mandatory Transfer Price for a Series and Class of Money Market Notes will be dependent upon the applicable Remarketing Agent either:

(a) agreeing terms for the sale of such Notes to investors on or prior to the applicable Money Market Note Mandatory Transfer Date for such Notes and procuring payment of the Money Market Note Mandatory Transfer Price for such Notes from those investors; or

(b) exercising the Issuer's rights under the applicable Conditional Note Purchase Agreement to require the applicable Conditional Note Purchaser to acquire some or all of such Notes.

Under the terms of the Remarketing Agreement for a Series and Class of Money Market Notes, subject to receipt of the information regarding the amount to be the Principal Amount Outstanding of such Notes on the next following Money Market Note Mandatory Transfer Date for such Notes (after giving effect to the payment of any Note Principal Payments (or any part thereof) that will be made on such date in respect of such Notes), and notice from the Issuer that no Event of Default is then outstanding, the applicable Remarketing Agent will give notice to the applicable Conditional Note Purchaser of the amount required to pay for such Notes three business days prior to the applicable Money Market Note Mandatory Transfer Date.

After the occurrence of an Automatic Remarketing Termination Event in relation to a Series and Class of Money Market Notes, such Notes will no longer be subject to any mandatory transfer under Condition 5(g) (*Money Market Note Mandatory Transfer Arrangements*) and if this were to occur, this could lead to a delay or reduction in payments on the Notes.

Each Money Market Note Mandatory Transfer may be dependent upon identification of investors interested in acquiring Money Market Notes

There can be no assurance that the Remarketing Agent for a Series and Class of Money Market Notes will be able to identify investors interested in acquiring such Notes on each Money Market Note Mandatory Transfer Date for such Notes. Each Money Market Note Mandatory Transfer may therefore be dependent upon the ability of the applicable Conditional Note Purchaser to pay the Money Market Note Mandatory Transfer Price for such Notes and acquire the relevant unplaced Money Market Notes.

The obligation of the Remarketing Agent for a Series and Class of Money Market Notes to act as the agent of the Issuer in remarketing such Notes on each Money Market Note Mandatory Transfer Date for such

Notes will terminate either upon the occurrence of an Automatic Remarketing Termination Event in relation to such Notes or may be terminated at the discretion of the Remarketing Agent upon the occurrence of an Optional Remarketing Termination Event in relation to such Notes (for a description of such events, see "*Description of the Trust Deed and the Notes – Money Market Notes – Remarketing Agreements*"). Whilst there will be no remarketing of a Series and Class of Money Market Notes upon the occurrence of an Optional Remarketing Termination Event in relation to such Notes where the option to terminate has been exercised by the applicable Remarketing Agent, the applicable Conditional Note Purchaser will be required, in the absence of an Automatic Remarketing Termination Event in relation to such Notes, to purchase such Notes on the next succeeding Money Market Note Mandatory Transfer Date for such Notes that would otherwise have been remarketed. Upon the occurrence of an Automatic Remarketing Termination Event in relation to a Series and Class of Money Market Notes, the Issuer will not be obliged to procure any subsequent purchase of such Notes, the applicable Remarketing Agent will not be obliged to remarket such Notes and the applicable Conditional Note Purchaser will not be obliged to purchase any of such Notes.

If the Conditional Note Purchaser for a Series and Class of Money Market Notes defaults upon its obligation to pay the amounts otherwise due under the applicable Conditional Note Purchase Agreement on a Money Market Note Mandatory Transfer Date for such Notes, the Issuer may not be able to procure the purchase of all or any of such Notes on such date. The Issuer will not be liable for such failure to the extent such failure is a result of the failure of the applicable Remarketing Agent or the applicable Conditional Note Purchaser to perform their respective obligations under the applicable Remarketing Agreement or the applicable Conditional Note Purchase Agreement. Accordingly, in such circumstances, the failure to pay the Money Market Note Mandatory Transfer Price and complete the purchase of such Notes on any Money Market Note Mandatory Transfer Date will not constitute an Event of Default.

To the extent that there are principal amounts outstanding on a Series and Class of Money Market Notes on any Money Market Note Mandatory Transfer Date for such Notes, the payment of the Money Market Note Mandatory Transfer Price will be dependent upon the applicable Remarketing Agent, as agent of the Issuer, agreeing terms for the sale of such Notes to third party purchasers and arranging for the transfer of the proceeds on or prior to the relevant Money Market Note Mandatory Transfer Date and/or (on any Money Market Note Mandatory Transfer Date) the exercise of the Issuer's rights under the applicable Conditional Note Purchase Agreement, if appropriate, to require the applicable Conditional Note Purchaser to acquire some or all of such Notes.

Ratings assigned to any of the Notes may be qualified, lowered or withdrawn after Noteholders purchase those Notes, which may lower the market value of those Notes

The ratings (if any) assigned by S&P, Fitch and DBRS to a Series and Class of Notes address their respective opinions on the likelihood of (a) timely payment of interest due to the Noteholders on each Note Payment Date for such Notes and (b) full payment of principal by a date that is not later than the Final Maturity Date for such Notes. The ratings (if any) assigned by Moody's to a Series and Class of Notes address the probability and the severity of credit losses that Noteholders may suffer by the Final Maturity Date for such Notes.

The identity of the Rating Agencies rating each Series and Class of Class A Notes, and details of the expected ratings for each such Series and Class will be specified for such Notes in the applicable Final Terms. Any Rating Agency may lower, withdraw, qualify or suspend its rating of a Series and Class of Notes at any time and for any reason, including as a result of changes in, or unavailability of, information or a revision of its relevant rating criteria or rating methodology or if, in the sole judgment of the Rating Agency, the credit quality of such Notes has declined or is in question or circumstances so warrant. If any rating assigned to a Series and Class of Notes is subsequently suspended, lowered, withdrawn or qualified, the market value of the Notes may be reduced (and, in the case of Money Market Notes, such Money Market Notes may no longer be eligible for investment by money market funds).

The Issuer is not obliged on or following a revision by a Rating Agency of its rating criteria or rating methodology to take steps to amend any of the Programme Documents in order to maintain the then current rating by that Rating Agency of a Series and Class of Notes. However, the Note Trustee and the Security Trustee may, and, in certain circumstances and subject to certain conditions being met, will, be obliged to, agree to such amendments (if so proposed) without the consent of Noteholders (see "*– Risks relating to Changes to the Structure and the Documents – There may be a conflict between the interests of the holders of the various Classes of Notes and the interests of the holders of other Classes of Notes or the Secured Creditors*", "*– Risks relating to Changes to the Structure and the Documents – The Note Trustee or Security Trustee may agree to modifications to the Transaction Documents without respectively, the Noteholders' or other Secured Creditors' prior consent*" and Condition 11(g) (*Exercise of Note Trustee's functions*)) or with the consent of Noteholders provided by way of Extraordinary Resolution (see Condition 11 (*Meetings of Noteholders, modifications and waiver*)).

Ratings Modification Event

At any time after the Issuance Date of a Series of rated Notes, the Issuer may, without the consent or sanction of any Noteholder in respect of a Series of Notes or the Secured Creditors:

(a) remove any one of the Rating Agencies (a "**Removed Rating Agency**") from rating such Series of Notes together with the related ratings criteria, rating tests, rating triggers and any and all requirements specified by and/or relating to such Removed Rating Agency (an "**Existing Rating Agency Removal**"); and/or

(b) subsequently reappoint any such Removed Rating Agency or substitute any such Removed Rating Agency for one of the Rating Agencies then rating such Series of Notes to provide a rating in respect of any such Series of Notes and include the then current relevant ratings criteria, rating tests, rating triggers and any and all relevant requirements specified by and/or relating to the reappointed Rating Agency (an "**Existing Rating Agency Reappointment**"),

(a "**Ratings Modification Event**"), **provided that**, in each case and at all times, such Series of Notes continues to be rated by at least two Rating Agencies, and further **provided that** the Issuer has given at least 15 Business Days' prior notice to the holders of each relevant Series and Classes of Notes of such Ratings Modification Event.

Furthermore, the Issuer may appoint any number of additional rating agencies to rate any Series of Notes (each, an "**Additional Rating Agency**") **provided that**, where such Additional Rating Agency is not an Initial Rating Agency, such appointment will be made in accordance with the procedure set out in Condition 11(f)(1)(xvi) (*Additional rights of modification*) (whereby the Noteholders representing at least 10 per cent. of the aggregate Sterling Equivalent Principal Amount Outstanding of the Most Senior Class of Notes are allowed to object to such appointment, which would make such appointment subject to the approval by an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding).

In the event of an Existing Rating Agency Removal, all ratings criteria, rating tests, rating triggers and any and all requirements specified by and/or relating to the removed Rating Agency will cease to apply as they relate to such Series of Notes and the Issuer may make such consequential modifications to the terms and conditions applying to the relevant Notes or any Transaction Document as are necessary to implement the removal of the relevant Rating Agency and all ratings criteria, rating tests, rating triggers and any and all requirements specified by and/or relating to such removed Rating Agency.

In the event of an Existing Rating Agency Reappointment, all then current relevant ratings criteria, rating tests, rating triggers and any and all relevant requirements specified by and/or relating to the reappointed Rating Agency will apply and the Issuer may make such consequential modifications to the terms and conditions applying to the relevant Notes or any Programme Document as are necessary to implement the reappointment of the relevant Rating Agency and all then current relevant ratings criteria, rating tests, rating

triggers and any and all relevant requirements specified by and/or relating to such reappointed Rating Agency.

Any modifications to the Conditions of any Series of Notes and/or any Programme Document to implement a Ratings Modification Event or appointment of an Additional Rating Agency will not require consent or sanction of any holder of any such Series of Notes or the Secured Creditors and will be binding on all the holders of any such Series of Notes or the Secured Creditors. There is no guarantee that any such modification will not ultimately adversely affect the rights of the holders of any such Series of Notes or the Secured Creditors, or payments on the Notes.

See further "*Risks relating to Changes to the Structure and the Documents – The Note Trustee or the Security Trustee may agree to modifications to the Transaction Documents without respectively, the Noteholders' or other Secured Creditors' prior consent*" below.

Changes to rating methodology and rating criteria may adversely affect the then current ratings of the Notes

At any time any Rating Agency may revise its relevant rating methodology or revise its current ratings criteria with the result that, among other things, any rating assigned to the Notes may be lowered and/or, in order to comply with any such revised criteria or rating methodology, amendments may need to be made to the Programme Documents.

Noteholders should note that the Note Trustee and the Security Trustee will, pursuant to the Conditions, and the terms of the Trust Deed and the Deed of Charge, in certain circumstances, and subject to certain conditions being met, be required to approve any modification (other than Basic Terms Modifications), or to provide any waiver or authorisation, requested by the Issuer to the Notes of one or more Series or Sub-Series, the Conditions or to any Programme Documents. The Note Trustee and the Security Trustee will approve any modifications and provide any waiver or authorisation where such modification, waiver or authorisation are required in order to (a) comply with, implement or reflect any change in the criteria of one or more Rating Agencies and (b) enable the relevant Swap Counterparties, an Account Bank, the Custodian, the Cash Manager, the Servicer, the Collection Account Bank and/or the Seller to remain eligible to perform their respective roles in conformity with Rating Agency criteria or to avoid such entities having to take action (which they would otherwise have to take) to enable them to continue performing such role, without seeking to determine if such requested modification is materially prejudicial to the interest of Noteholders, the Secured Creditors and without seeking the direction of such Noteholders and/or Secured Creditors, **provided that** the conditions set out in Condition 11(g) (*Exercise of Note Trustee's functions*) are met including, without limitation, that the proposed modification would not adversely affect the then current ratings of the Notes (and the Note Trustee and Security Trustee may rely on certifications to that effect from the Issuer) and that the Issuer has provided, among other things, at least 30 calendar days' notice to the Noteholders of each relevant Class and Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have not notified the Note Trustee that such Noteholders do not consent to the modification. See "*– Risks relating to Changes to the Structure and the Documents – The Note Trustee or Security Trustee may agree to modifications to the Transaction Documents without, respectively the Noteholders' or other Secured Creditors' prior consent*" and Condition 11 (*Meeting of Noteholders, modifications and waiver*).

For the avoidance of doubt, the Issuer will not be obliged, following a change in rating methodology by any Rating Agency, to amend any of the Programme Documents or take any other action to maintain the then current ratings of the Notes.

Any modification, waiver or authorisation made in accordance with the provisions described above may be adverse to the interests of Noteholders of one or more Series or Sub-Series and Class of Notes, but if the Programme or a counterparty of the Issuer no longer complies with the revised rating methodology or

criteria, any rating assigned to the Notes may be lowered, which may adversely affect the market value and/or liquidity of the Notes.

The Notes may be subject to exchange rate and interest rate risks

Repayments of principal and payments of interest on a Series and Class of Notes may be made in a currency other than Sterling but all Mortgage Loans in the Mortgage Portfolio are denominated in Sterling. In such case, to hedge its currency exchange rate exposure and/or interest rate exposure, on the Closing Date for the related Series and Class of Notes, the Issuer will, where required, enter into an appropriate currency and/or interest rate swap transaction with a Currency Swap Counterparty (see "*The Swap Agreements – The Currency Swaps*").

The relevant Currency Swap Counterparty will be obliged only to make payments to the Issuer under a Currency Swap Agreement only as long as the Issuer complies with its obligations under such Currency Swap Agreement to make the payments to the relevant Currency Swap Counterparty. If the relevant Currency Swap Counterparty is not obliged to make payments of, or if it defaults in its obligations to make payments of, the full amount scheduled to be paid to the Issuer on the dates for payment specified under a Currency Swap Agreement or such Currency Swap Agreement is otherwise terminated, the Issuer is exposed to changes in the exchange rates between Sterling and the Specified Currency of the relevant Notes and to changes in the relevant interest rates. Unless a replacement Currency Swap is entered into, the Issuer may have insufficient funds in the Specified Currency to make payments due and payable on the applicable Series and Class of Notes.

If the Issuer receives a Swap Termination Payment from a Currency Swap Counterparty, then the Issuer will be required to use those funds towards meeting its costs in entering into any applicable replacement hedging transactions to mitigate its exposure to currency and/or interest rate risks until a new Currency Swap Agreement is entered into and/or to acquire a replacement Currency Swap. Noteholders will not receive extra amounts (over and above interest and principal due and payable on the Notes) as a result of the Issuer receiving a Swap Termination Payment.

In addition, some of the Mortgage Loans carry variable rates of interest, some of the Mortgage Loans pay interest at a fixed rate or rates of interest and some of the Mortgage Loans pay interest at a rate which tracks the Bank of England base rate. However, these interest rates on the Mortgage Loans will not necessarily match the rates of interest payable on the Notes, which can be fixed or as calculated pursuant to a margin under or over SONIA, EURIBOR, €STR, SOFR or such other floating reference rate and for such interest period as may be specified in the applicable Final Terms.

On the First Closing Date the Issuer entered into, and on each subsequent Closing Date on which any further Series of Class A Notes that are Floating Rate Notes are issued, the Issuer will enter into one or more Interest Rate Swap Agreements in respect of the Current Balance of the Fixed Rate Mortgage Loans in the Mortgage Portfolio multiplied by the Swap Funding Note Percentage from time to time in order to hedge its exposure against the variance between the fixed rate of interest payable in respect of the Fixed Rate Mortgage Loans and any Floating Rate Notes. However, as at the date of this Base Prospectus, the Issuer has not entered into any Interest Rate Swap Agreement with respect to any Tracker Rate Mortgage Loans, Variable Rate Mortgage Loans, Capped (Variable Rate) Mortgage Loans, Discount Variable Rate Mortgage Loans or Flexx Rate Mortgage Loans in the Mortgage Portfolio, and accordingly no assurance can be given that the Issuer will not be exposed to basis risk in respect of these Mortgage Loans. The Servicer has, however, covenanted in the Servicing Agreement that, following the occurrence of an Insolvency Event in relation to the Seller, it will maintain the Issuer Standard Variable Rate applicable to any Mortgage Loans at an interest rate of not less than SONIA plus 2 per cent. per annum.

If any Interest Rate Swap Counterparty fails to make payments under a relevant Interest Rate Swap Agreement or if a relevant Interest Rate Swap Agreement otherwise terminates, the Issuer will, in addition to the basis risks outlined above, be exposed to the variance between the rates of interest payable on the

Fixed Rate Mortgage Loans and the floating rate of interest payable on the Floating Rate Notes. Unless a replacement Interest Rate Swap is entered into, the Issuer may have insufficient funds to make payments due on the Notes of any Class and any Series as a consequence.

On any date after the Calculation Date falling in December 2024 that Class A Notes, the Class Z(S) VFN or the Seller's Note are issued (including on any date that is not a Payment Date or a Calculation Date), the Funding Note Revenue Portion and the Seller's Note Revenue Portion will be recalculated to take into account those newly issued Notes in accordance with the applicable calculation.

LEGAL AND REGULATORY RISKS RELATING TO THE STRUCTURE AND THE NOTES

Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes

In Europe, the US and elsewhere there is increased political and regulatory scrutiny of the asset backed securities industry. This has resulted in a large number of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, any Joint Arranger, any Dealer or the Seller makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes on the relevant Closing Date or at any time in the future.

It is not certain whether the impact of any change in law or change in any regulatory, accounting or administrative practice, or in the published practice of the UK tax authorities or tax authorities of any other relevant taxing jurisdiction, or in the interpretation or administration of any such law or practice, after the date of this Base Prospectus could adversely affect the ability of the Issuer to make payments under the Notes, the market value of the Notes, the Noteholders' ability to resell their Notes and/or the Servicer's ability to perform its obligations under the Programme Documents.

The EU Securitisation Regulation, the UK Securitisation Regulation and the Recast UK Securitisation Regime

The transactions described in this Base Prospectus are subject to (i) the UK Securitisation Regulation or the Recast UK Securitisation Regime (as applicable) as it applies from time to time, and (ii) the EU Securitisation Regulation as it applies from time to time but, in the case of the EU Securitisation Regulation, only to the extent that the Issuer and the Seller have agreed to comply with the same. Investors to which the EU Securitisation Regulation applies should also see the section "*Certain Regulatory Requirements*".

The EU Securitisation Regulation and the UK Securitisation Regulation or the Recast UK Securitisation Regime (as applicable) each include risk retention and transparency requirements (imposed variously on the issuer, originator, sponsor and/or original lender of a securitisation) and due diligence requirements imposed on Affected Investors in a securitisation.

If the due diligence requirements under the EU Securitisation Regulation and/or the UK Securitisation Regulation or the Recast UK Securitisation Regime (as applicable) are not satisfied then, depending on the regulatory requirements applicable to such Affected Investor, an additional risk weight, regulatory capital charge and/or other regulatory sanction may be applied to such securitisation investment and/or the Affected Investor.

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 Securitisation Regulation regime). The UK Securitisation Regulation was recently subject to some legislative reforms, which were effected through a combination of

the Securitisation Regulations 2024 (SI 2024/102) (as amended by the Securitisation (Amendment) Regulations 2024), a statutory instrument made under the Financial Services and Markets Act 2023 (the "**UK Securitisation Regulation SI (2024)**") which repeals and replaces the UK Securitisation Regulation and amends the PRA Rulebook to, amongst other things, introduce a new section on securitisation, i.e., the PRA Securitisation Rules; and a set of rules to be implemented by the FCA into the FCA Handbook, i.e., the FCA Securitisation Rules. The changes set out in the UK Securitisation Regulation SI (2024), the PRA Securitisation Rules and the FCA Securitisation Rules applies and impacts new securitisations closed after 1 November 2024 and they also have potential implications for securitisations within the scope of the UK Securitisation Regulation that closed prior to such date (please see paragraph below for additional details). Additionally, further consultations and reforms relating to the UK securitisation regime (including a review of the reporting templates required under the UK Securitisation Regulation) are expected to be carried out by the UK government, the PRA and the FCA throughout the course of 2024 and into 2025.

Any Notes or Series of Notes that were issued under this Programme prior to 1 November 2024 (such Notes being the "**Existing Notes**") will be subject to the UK Securitisation Regulation. On and from 1 November 2024 and prior to the Recast UK Securitisation Regime Effective Date, the Existing Notes will continue to be subject to the UK Securitisation Regulation as they will be "grandfathered" for the purposes of the UK Securitisation Regulation. On and from the Recast UK Securitisation Regime Effective Date, the Existing Notes will lose their "grandfathered" status and will be subject to the Recast UK Securitisation Regime (i.e., the Existing Notes will not lose their "grandfathered" status until any new Notes are issued after 1 November 2024).

Any Notes issued under this Programme on and after 1 November 2024 will be subject to the Recast UK Securitisation Regime.

The practical differences between the UK Securitisation Regulation regime and the Recast UK Securitisation Regime are, as of the date of this Base Prospectus, minimal in respect of entities other than "institutional investors" within the meaning of the UK Securitisation Rules (since the definition of "institutional investors" has been amended pursuant to the Recast UK Securitisation Regime). The Issuer does not expect that the move from the UK Securitisation Regulation regime to the Recast UK Securitisation Regime will have a material impact on its regulatory obligations.

Divergence between the UK and EU regimes already exists and the risk of further divergence in the longer term cannot be ruled out. On 31 October 2023, the PRA published a discussion paper on potential future divergences from the EU in the area of the regulatory capital treatment of securitisations addressing three main issues: (i) the forthcoming output floor and how that will interact with the regulatory capital rules for securitisations; (ii) the so-called "hierarchy of methods" which banks are required to follow when calculating the regulatory capital requirements for the securitisation positions they hold; and (iii) whether or not the UK STS regime (which permits less capital to be held against qualifying securitisation positions) should be extended to synthetic securitisations.

In addition, it is expected that the EU Securitisation Regulation regime will be amended as a result of the wider review, under Article 46 of the EU Securitisation Regulation, of the functioning of the EU Securitisation Regulation regime, on which the European Commission published a report on 10 October 2022 (the "**October Report**"). The October Report outlined a number of areas where legislative changes may be introduced. It is expected that this will include amendments to the reporting requirements under the EU Securitisation Regulation, as the October Report includes a mandate to ESMA to review the Article 7 EU Technical Standards (the "**EU Technical Standards**"). As at the date of this Base Prospectus, ESMA has commenced an informal consultation on the review of the EU Technical Standards, although it is unclear as to what amendments may be made or when any such amendments will take effect.

There is a risk that the changes described above may result in, among other things, a decrease in demand for the Notes in the secondary market, which may lead to a decreased price for the Notes, or decreased liquidity and increased volatility in the secondary market. Therefore, an investor's ability to resell its Notes

may be limited by market conditions, and an investor must be prepared to bear the risk of holding its Notes until maturity.

Transparency Requirements under the EU Securitisation Regulation and the UK Securitisation Regulation

With regard to the transparency requirements set out in Article 7 of the UK Securitisation Regulation, the Seller will make the required disclosures in accordance with the Article 7 Technical Standards as they form part of domestic law of the UK by virtue of the Withdrawal Act (the "**UK Technical Standards**"). With regard to the transparency requirements set out in the EU Technical Standards, the Seller will make the required disclosures in accordance with the EU Technical Standards. Investors should note that failure to comply with one or more of the disclosure requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the Notes acquired by the relevant investor.

Prospective investors should note that the obligation of the Seller to comply with the EU Reporting Requirements is strictly contractual. If, after the date of this Base Prospectus and after the date that the £500,000,000.00 floating rate Class A2 Notes due June 2072, the £350,000,000.00 floating rate Class A Notes due June 2073, the £350,000,000.00 floating rate Class A Notes due 2074, the £400,000,000 floating rate Class A due 2075 and the £500,000,000.00 floating rate Class A Notes due 2075 have been redeemed, there are any amendments or changes to the EU Reporting Requirements, the Seller may elect, at its sole discretion, not to comply with the EU Reporting Requirements following any such amendments or changes thereto. If the Seller elects not to comply with the EU Reporting Requirements following any amendments or changes thereto, the Cash Manager shall, without delay, procure the publication of an inside information and significant event report in accordance with Article 7(1)(f) and (g) of the EU Securitisation Regulation (as if the EU Securitisation Regulation were applicable to the Seller and the Issuer) and (i) prior to 1 November 2024, Article 7(1)(f) or Article 7(1)(g) (as applicable) of the UK Securitisation Regulation, and (ii) on and from 1 November 2024, Article 7(1)(f) or Article 7(1)(g) (as applicable) of Chapter 2 of the PRA Securitisation Rules, giving notice that the Seller shall no longer comply with the EU Reporting Requirements. Prospective investors should therefore note that if the Seller elects not to comply with any amendments or changes to the EU Reporting Requirements that come into effect after the Programme Date, then the EU Reporting Requirements may no longer be complied with following such changes or amendments coming into effect.

Prospective investors are referred to the sections entitled "*Certain Regulatory Requirements*" for further details and should note that there can be no assurance that undertakings relating to compliance with the UK Securitisation Regulation, the Recast UK Securitisation Regulation or the EU Securitisation Regulation, the information in this Base 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, the UK Securitisation Regulation or the Recast UK Securitisation Regulation.

UK Simple, Transparent and Standardised Securitisation and UK STS Designation

The UK Securitisation Regulation and the Recast UK Securitisation Regime (as applicable) also sets out the criteria and procedures applicable to UK securitisations seeking the designation as "simple, transparent and standardised" securitisations ("**UK STS Securitisations**" with each such securitisation being a "**UK STS Securitisation**").

In the event that the Seller (in its capacity as originator for the purposes of, prior to the Recast UK Securitisation Regime Effective Date, the UK Securitisation Regulation, and on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime) procures that a notification is submitted to the FCA (a "**UK STS Notification**") confirming that the requirements of the UK Securitisation Regulation with respect to UK STS Securitisations (the "**UK STS Criteria Requirements**") have been

satisfied with respect to a Series and Class of Notes, no assurance can be given that the Notes will remain compliant, because the UK STS Criteria Requirements may change over time.

If a UK STS Notification is made, it will be made available on the FCA Register of Securitisation STS Notifications (the "**FCA STS Register**"), with the short-form (anonymised) particulars of such UK STS Notification being made available for download on the FCA STS Register website. For the avoidance of doubt, the FCA STS Register website and the contents thereof do not form part of this Base Prospectus.

In addition, no assurance can be given on how competent authorities will interpret and apply the UK STS Criteria Requirements, any international or national regulatory guidance may be subject to change and, therefore, what is or will be required to demonstrate compliance with the UK STS Criteria Requirements to national regulators remains unclear and no assurance can therefore be given that the Notes will remain UK STS compliant.

The UK STS status of any Series of Notes is not static and prospective investors should verify the current status on the FCA STS Register website, which will be updated where the relevant Notes are no longer considered to be compliant with the UK STS Criteria Requirements following a decision of the FCA or of another relevant UK regulator or a notification by the Seller. The UK STS securitisation designation is not an opinion on the creditworthiness of the relevant Notes nor on the level of risk associated with an investment in the relevant Notes. It is not an indication of the suitability of the relevant Notes for any investor and/or a recommendation to buy, sell or hold Notes.

In addition, no assurance can be given on how the FCA will interpret and apply other related regulations such as the EU CRR as it forms part of domestic law of the UK by virtue of the Withdrawal Act ("**UK CRR**") as amended by the EU CRR Amending Regulation as it forms part of domestic law of the UK by virtue of the Withdrawal Act (the "**UK CRR Amending Regulation**") and the LCR Regulation as it forms part of domestic law of the UK by virtue of the Withdrawal Act (the "**UK LCR Regulation**"), and what is or will be required to demonstrate compliance to national regulators remains unclear, any international or national regulatory guidance may be subject to change and, therefore, what is or will be required to demonstrate compliance with the UK STS Criteria Requirements to national regulators remains unclear.

With respect to a UK STS Notification, the Seller may or may not obtain a verification of compliance of the Notes with the UK STS Criteria Requirements (a "**UK STS Assessment**"), as well as with relevant provisions of Article 243 and Article 270 of the UK CRR Regulation and/or Article 7 and Article 13 of the UK LCR Regulation ("**UK STS Additional Assessment**"), from a third party verification agent authorised under Article 28 of the UK Securitisation Regulation prior to the Recast UK Securitisation Regime Effective Date or Regulation 25 of the UK Securitisation Regulation SI (2024) on and from the Recast UK Securitisation Regime Effective Date (an "**Authorised Verification Agent**"). If an Authorised Verification Agent is appointed to prepare a UK STS Assessment with respect to any Notes issued under the Programme, the name of such agent will be disclosed in the relevant UK STS Notification (and the relevant Final Terms) and the corresponding UK STS Assessment will be publicly available. The Seller may, but is not obliged to, obtain a UK STS Assessment in relation to any Series of Notes to be issued under this Base Prospectus. If an STS Assessment is sought, it is not yet known whether any such UK STS Assessment will be provided.

It is important to note that the involvement of an Authorised Verification Agent is not mandatory and the responsibility for compliance with, prior to the Recast UK Securitisation Regime Effective Date, the UK Securitisation Regulation, and on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime (or, if applicable, EU Securitisation Regulation) remains with the relevant institutional investors, originators, sponsors, funding entities and issuers, as applicable in each case. A UK STS Assessment will not absolve such entities from making their own assessment and assessments with respect to (i) prior to the Recast UK Securitisation Regime Effective Date, the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, the relevant provisions of Article 243 and Article 270 of the UK CRR Regulation and/or Article 7 and Article 13 of the UK LCR Regulation, and a UK STS Assessment cannot be relied on

to determine compliance with the foregoing regulations in the absence of such assessments by the relevant entities. Furthermore, the UK STS securitisation designation is not an opinion on the creditworthiness of the Notes nor on the level of risk associated with an investment in the relevant Notes. It is not an indication of the suitability of the Notes for any investor and/or a recommendation to buy, sell or hold Notes.

No assurances can be provided that the securitisation transaction described in this Base Prospectus does or will continue to qualify as a UK STS Securitisation under (i) prior to the Recast UK Securitisation Regime Effective Date, the UK Securitisation Regulation and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime. Institutional investors that are subject to the due diligence requirements of (i) prior to the Recast UK Securitisation Regime Effective Date, the UK Securitisation Regulation and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime (or, if applicable, the EU Securitisation Regulation) need to make their own independent assessment and may not solely rely on any UK STS Assessment, the UK STS Notification, any UK STS Additional Assessments or other disclosed information. The relevant institutional investors are required to make their own assessment with regard to compliance of the securitisation with the UK STS Criteria Requirements and such investors should be aware that non-compliance with the UK STS Criteria Requirements and the change in the UK STS status of the relevant Notes may result in the loss of better regulatory treatment of the Notes under the applicable UK regulatory regime(s), including in the case of prudential regulation, higher capital charges being applied to the Notes and may have a negative effect on the price and liquidity of the Notes in the secondary market. Failure by an investor to comply with any due diligence requirements applicable to it will result in various penalties, including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor. In addition, non-compliance may result in various sanctions and/or remedial measures being imposed on the Seller and the Issuer, as well as other relevant transaction parties, which may have an impact on the availability of funds to pay the Notes.

For the avoidance of doubt, a UK STS designation in respect of any Series of Notes does not meet, as at the date of this Base Prospectus, the STS requirements of the EU Securitisation Regulation (primarily due to jurisdictional requirements following the UK's withdrawal from the EU), and, as such, better or more flexible regulatory treatment under the relevant EU regulatory regimes (in particular, under (i) the EU CRR Regulation, (ii) the LCR Regulation, and (iii) the EU Solvency II regime) will not be available. While the European Commission in its Article 46 report on the review of the EU Securitisation Regulation of 10 October 2022 considered it premature to introduce an STS equivalence regime for third country securitisations at this time, the European Commission also confirmed that it will monitor this issue and that it might reconsider the need for an STS equivalence regime. Therefore, it is possible that as part of a wider subsequent review of the EU Securitisation Regulation regime, an equivalence regime for non-EU STS securitisations may be introduced in the EU, resulting in the UK STS regime being considered equivalent, to the EU STS regime, however, no assurances can be given that such equivalence regime will be introduced or that, if and when introduced, such equivalence regime will benefit the EU regulatory treatment of the Notes.

For the avoidance of doubt, as at the date of this Base Prospectus, the Notes are not capable of qualifying as an STS securitisation within the meaning of Article 18 of the EU Securitisation Regulation and consequently no Series of Notes are intended to be listed on the ESMA register of notes as having an EU STS designation nor is it intended that an EU STS notification will be submitted in respect of any of the Notes.

English law security and insolvency considerations

Under the Deed of Charge, the Issuer has created the Security in respect of certain of its obligations, including its obligations under the Notes (as to which, see "*Security for the Issuer's obligations*"). In certain circumstances, including the occurrence of certain Insolvency Events in respect of the Issuer, the ability to realise the Security may be delayed and/or the value of the relevant security impaired. While the transaction structure is designed to minimise the likelihood of the Insolvency Events occurring in respect of the Issuer,

there can be no assurance that the Issuer will not become insolvent and/or the subject of insolvency proceedings and/or that the Noteholders would not be adversely affected by the application of insolvency laws (including English insolvency laws).

English insolvency and US bankruptcy court rulings may restrain parties from making or receiving payments in accordance with the order of priority agreed between them

The validity of contractual provisions which (based on contractual and/or trust principles) subordinate 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 has been challenged in the English and US courts. The hearings have arisen due to the insolvency of a secured creditor (in that case a swap counterparty) and have considered whether such payment priorities breach the "anti-deprivation" principle under English and US insolvency law. This principle prevents a party from agreeing to a provision that deprives its creditors of an asset upon its insolvency. It was argued that where a secured creditor subordinates itself to Noteholders in the event of its insolvency, that secured creditor effectively deprives its own creditors.

Other recent cases have focused on provisions involving the subordination of a hedge 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 Programme Documents relating to the subordination of Swap Excluded Termination Amounts.

The English Supreme Court has held that a flip clause as described above is valid under English law. Contrary to this however, the U.S. Bankruptcy Court has held that such a subordination provision is unenforceable under US 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 US bankruptcy of the counterparty. However, a subsequent US Bankruptcy Court decision held that flip clauses are protected under the Bankruptcy Code and are therefore enforceable on bankruptcy. This decision was affirmed on 14 March 2018 by the US District Court for the Southern District of New York, which 2018 decision was further affirmed on 11 August 2020 by the US Court of Appeals for the Second Circuit. The implications of these conflicting judgements remain unresolved.

If a creditor of the Issuer (such as a Swap Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the US), 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 Programme Documents (such as a provision of the Priorities of Payments which refers to the ranking of the Swap Counterparties' payment rights). In particular, based on the first of the decisions of the US Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under US bankruptcy laws. Such laws may be relevant in certain circumstances with respect to a range of entities which may act as swap counterparty, including US established entities and certain non-US established entities with assets or operations in the US (although the scope of any such proceedings may be limited if the relevant non-US entity is a bank with a licensed branch in a U.S. state).

In general, if a subordination provision included in the Programme 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.

Provisions of the Insolvency Act 1986 could delay enforcement of Noteholders' rights in the event of the insolvency of the Issuer

The Insolvency Act 2000 amended the Insolvency Act 1986 to provide that certain "small" companies (which are defined by reference to certain tests relating to a company's balance sheet, turnover and number of employees) will be able to seek protection from their creditors for a period of up to 28 days with the option for creditors to extend the moratorium for a further two months. The position as to whether or not a company is a "small" company may change from period to period and consequently no assurance can be given as to whether or not the Issuer will, at any given time, be determined to be a "small" company. The Secretary of State for Business, Enterprise and Regulatory Reform may, by regulation, modify the eligibility requirements for "small" companies and can make different provisions for different cases. No assurance can be given that any such modification or different provisions will not be detrimental to the interests of Noteholders.

However, the Insolvency Act 1986 Schedule A1 provides for an exception to the "small" companies moratorium provisions if the company is party to an arrangement which is or forms part of a capital market arrangement under which (i) a party has incurred, or when the arrangement was entered into was expected to incur, a debt of at least £10 million under the arrangement and (ii) the arrangement involves the issue of a capital market investment. It is believed that the Issuer will fall within this exception and that the moratorium provisions will not apply to the Issuer.

Liquidation expenses

On 6 April 2008, Section 176ZA of the Insolvency Act 1986 came into force which effectively reversed by statute the House of Lords' decision in the case of *Leyland Daf* in 2004. Accordingly, it is now the case that in general, the costs and expenses of a liquidation (including certain tax charges) will be payable out of floating charge assets in priority to the claims of the floating charge-holder. In respect of certain litigation expenses of the liquidator only, this is subject to approval of the amount of such expenses by the floating charge-holder (or, in certain circumstances, the court) pursuant to provisions set out in the Insolvency Rules 1986. In general, the reversal of the *Leyland Daf* case applies in respect of all liquidations commenced on or after 6 April 2008. As a result of the changes described above, upon the enforcement of the floating charge security to be granted by the Issuer, floating charge realisations which would otherwise be available to satisfy the claims of Secured Creditors under the Deed of Charge may be reduced by at least a significant proportion of any liquidation or administrative expenses. There can be no assurance that the Noteholders will not be adversely affected by such a reduction in floating charge realisations.

Fixed charges may take effect under English law as floating charges

Pursuant to the terms of the Deed of Charge, the Issuer purports to grant fixed charges over, amongst other things, its rights and benefits in the Bank Accounts, the Custody Account and all Authorised Investments purchased from time to time.

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 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 Property for the Security to be said to constitute fixed charges. If the charges take effect as floating charges instead of fixed charges, then, ordinarily as a matter of law, certain claims would have priority over the claims of the Security Trustee in respect of the floating charge assets, which may have an adverse effect on the ability of the Security Trustee to realise the charged assets and make payments to Noteholders. Monies paid into accounts or derived from those assets could be diverted to pay preferential creditors and certain other liabilities were a receiver, liquidator or administrator to be appointed in respect of the relevant company in whose name the account is held.

Under Scots law, there is no concept of re-characterising fixed charges as floating charges and so the Issuer has, under the Deed of Charge, granted a floating charge over all of its Scottish assets in addition to fixed security granted or to be granted over its interests in the Scottish Mortgage Loans and their Related Security.

Ring-fencing of certain floating charge realisations

To the extent that any of 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 section 176A of the Insolvency Act 1986, certain floating charge realisations up to a statutory maximum, currently £800,000 per entity which would otherwise be available to satisfy the claims of secured creditors may be used to satisfy claims of unsecured creditors. While certain of the covenants given by the Issuer in the Programme 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 such a reduction in floating charge realisations upon the enforcement of the Security.

Corporate Insolvency and Governance Act 2020

The Corporate Insolvency and Governance Act ("**CIGA**") came into force on 26 June 2020. The CIGA introduces significant new corporate restructuring tools to the UK insolvency regime. The principal elements of the CIGA are a moratorium on certain actions taken against eligible companies, a prohibition on termination of certain contracts triggered by certain insolvency-related events of an eligible company (the "***ipso facto* termination provisions**") and a new compromise procedure allowing for a 75 per cent. majority of creditors or members in each class to bind others in the same class even if they do not vote in favour. It is also possible for one class of creditors to bind all others, including secured creditors (a "cross-class cram down"). In addition, the "small companies" moratorium which was introduced by the Insolvency Act 2000 was repealed by the CIGA and a new moratorium process was introduced.

The Issuer is not expected to be an eligible company for the purposes of either the moratorium provisions or the *ipso facto* termination provisions of the CIGA as the Issuer is expected to be a securitisation company within the meaning of the Taxation of Securitisation Companies Regulations 2006. The Issuer is further not expected to be an eligible company for the purposes of the moratorium provisions, and the Transaction Documents are not expected to be subject to the *ipso facto* termination provisions, because the Programme is expected to constitute a "capital market arrangement" and the Notes a "capital market investment" (each as defined under paragraphs 13 and 14 of new schedule ZA1 to the Insolvency Act introduced by CIGA). That said, if for any reason the Issuer is an eligible company for the purposes of the moratorium or the *ipso facto* termination provisions, application of these provisions could result in a material adverse effect on the ability of Noteholders to accelerate their debts and enforce the security granted under the Deed of Charge in a timely manner, which in turn may result in material losses being incurred by Noteholders.

Further, although the Issuer is theoretically within the scope of the new cross-class cram down provisions, given the fact that it is established as an insolvency remote vehicle, with limited third party creditors and where its Secured Creditors have entered into non-petition covenants and limited recourse provisions it is unlikely to fulfil the prerequisites for the cross-class cram down to apply in practice. If, however, the cross-class cram down provisions were to be used in respect of the Issuer, it would be possible under some circumstances for 75 per cent. by value of the creditors in one class to approve a compromise and thereby "cram down" dissenting classes of creditors, which, if approved by the court, may result in material losses being incurred by Noteholders.

UK Banking Act 2009 and the Bank Recovery and Resolution Directive

The UK Banking Act 2009 (the "**Banking Act**") includes (amongst other things) provision for a special resolution regime pursuant to which specified UK authorities have extended tools to deal with the failure (or likely failure) of a UK bank or building society (such as the Seller, an Interest Rate Swap Counterparty

or a Currency Swap Counterparty, the Account Banks, the Custodian etc.). In addition, pursuant to amendments made to the Banking Act (which have taken effect but certain aspects of which remain unclear), provision has been made for certain tools to be used in respect of a wider range of UK entities, including investment firms and certain group companies provided that certain conditions are met.

In particular, in respect of UK banks and building societies, such tools include share and property transfer powers (including powers for partial property transfers), bail-in powers, certain ancillary powers (including powers to modify certain contractual arrangements in certain circumstances) and two additional special insolvency procedures which may be commenced by UK authorities (i.e. bank insolvency and bank administration). In respect of UK building societies, the relevant tools include (i) modified property transfer powers which also refer to cancellation of shares and conferring rights and liabilities in place of such shares, (ii) modified share transfer powers as well as a public ownership tool which may involve (amongst other things) arranging for deferred shares in a building society to be publicly owned, cancellation of private membership rights and the eventual winding up or dissolution of a building society and (iii) modified bail-in powers such that exercise of the tool may be immediately preceded by the demutualisation of a building society through the conversion of it into a company or the transfer of all of the property, rights or liabilities of a society to a company. Further, under the Investment Bank Special Administration Regulations 2011, three additional special administration regimes are available if a failing bank is also an "investment bank" (as defined in the Banking Act). 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 or in such a manner as to supersede any such application 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. HM Treasury are also empowered to amend the law by order for the purpose of enabling the powers under the special resolution regime to be used effectively. An order may make provision which has retrospective effect. In general, there is considerable uncertainty about the scope of the powers afforded to the UK authorities under the Banking Act and how the UK authorities may choose to exercise them.

If an instrument or order were to be made under the Banking Act currently in force in respect of a relevant entity as described above, such instrument or order may (amongst other things) affect the ability of such entities to satisfy their obligations under the Programme 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 may apply to require a relevant instrument or order (and certain related events) to be disregarded in determining whether certain widely defined "default events" have occurred (which events would include certain trigger events included in the Transaction Documents in respect of the relevant entity, including termination and acceleration events and (in the case of the Seller) trigger events in respect of perfection of legal title to the Mortgage Loans). Moreover, other than in the context of certain partial property transfers, nullification or modifications may be made to contractual arrangements between certain group companies for the purposes of continuity of service. If an instrument or order were to be made under the Banking Act, such action may affect various other aspects of the transaction, including resulting in modifications to event of default provisions included in the Transaction Documents as described above

and, more generally, the ability of such parties to perform their obligations under the Transaction Documents. 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. 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.

Amendments were made to the Banking Act by the Financial Services (Banking Reform) Act 2013 (as brought fully into force by The Financial Services (Banking Reform) Act 2013 (Commencement No.7) Order 2014 on 31 December 2014) to introduce a bail-in tool, which permitted the Bank of England in certain circumstances to cancel or modify certain liabilities of relevant entities (including UK banks, banking group companies and building societies) and/or to convert certain liabilities of such entities into different forms.

The EU's Bank Recovery and Resolution Directive (2014/59/EU) (the "**BRRD**") was published in the Official Journal of the EU on 12 June 2014 and largely came into force on 2 July 2014. The BRRD creates an EEA-wide framework for the recovery and resolution of credit institutions and investment firms and any relevant national implementing measures and, among other things, provides for the introduction of a package of minimum early intervention and resolution-related tools and powers for relevant authorities (including a bail-in tool) and for special rules for cross-border groups. The BRRD has been implemented in the UK by, amongst others, the Bank Recovery and Resolution Order 2014 ("**BRRD Order**"), which came into force on 1 January 2015.

As a result of the law of the UK or any part of it, which immediately before 11pm UK time on 31 December 2020 ("**IP Completion Date**") implemented the BRRD, it is possible that an institution with its head office in an EEA state and/or certain group companies could be subject to certain resolution actions in that other 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.

In respect of the period following the IP Completion Date, the Bank Recovery and Resolution (Amendment) (EU Exit) Regulations 2020 (2020/1350/EU) ("**Bank Recovery and Resolution Regulation**") were made by virtue of the Withdrawal Act. The Bank Recovery and Resolution Regulations implement the Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC and formed part of the retained EU law at the end of the transition period. The Regulations also correct any deficiencies in drafting as a result of the transposition. The procedures described above under the Banking Act 2009 continue to apply.

There can be no assurance that the Noteholders will not be adversely affected by any action taken under the bail-in tool. Accordingly, it is not yet possible to assess the full impact of the UK bail-in tool with respect to any unsecured amounts owed to it by a relevant entity in the event of the resolution of that entity, which in turn could adversely affect the Issuer's ability to make payments on the Notes.

At present, the UK authorities have not made an instrument or order under the Banking Act or the BRRD Order in respect of the relevant entities referred to above and there has been no indication that the UK authorities will make any such instrument or order, 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.

UK taxation treatment of the Issuer

The statements in relation to taxation set out in this Base Prospectus are based on current law and the published practice of the relevant authorities in force or applied at the date of this Base Prospectus. Any changes in such law or practice might have an adverse effect on the financial position of the Issuer and no assurance can be given as to the effect of any possible judicial decision or change of law or the administrative practice of any jurisdiction after the date of this Base Prospectus.

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) (the "**Securitisation Tax Regulations**")) (as amended), 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, investors should note that the Securitisation Tax Regulations are in short form and that, when considering the scope and operation of the Securitisation Tax Regulations, advisers are required to rely to a significant extent upon guidance from the UK tax authorities. If the Issuer does not satisfy the conditions of the Securitisation Tax Regulations (or subsequently ceases to satisfy those conditions), including as a result of any future amendment to the Securitisation Tax Regulations), then the Issuer may be subject to tax liabilities not contemplated in the cash flows for the transaction described in this Base 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.

Withholding tax in respect of the Notes

In the event that any withholding or deduction for or on account of tax is required to be made from payments due under the Notes (as to which see the section entitled "*UK Tax Considerations*" below), neither the Issuer nor any other person will be obliged to pay any additional amounts to Noteholders or to otherwise compensate Noteholders for the reduction in the amounts they would receive as a result of such withholding or deduction. If such a withholding or deduction is required to be made, the Issuer will have the option (but not the obligation) of redeeming the relevant Series and Class of Notes in full at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed, together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note**.** For the avoidance of doubt, neither the Note Trustee nor the Noteholders will have the right to require the Issuer to redeem the Notes in these circumstances. See Condition 5(f) (*Optional redemption for tax and other reasons).*

Pensions Act 2004

Under the Pensions Act 2004 a person that is 'connected with' or an 'associate' of an employer under an occupational pension scheme can be subject to either a contribution notice or a financial support direction. The Issuer may be treated as associated/connected to one or more employers under an occupational pension scheme which is within Coventry Building Society.

A contribution notice will require the target to pay a specified sum into the pension scheme. A contribution notice could be served on the Issuer if it was party to an act, or a deliberate failure to act: (a) which has caused a material detriment to the pension scheme (whether or not intentionally); or (b) the main purpose or one of the main purposes of which was either (i) to prevent the recovery of the whole or any part of a debt which was, or might become, due from the employer under Section 75 of the Pensions Act 1995 or (ii) otherwise than in good faith, to prevent such a debt becoming due, to compromise or otherwise settle such a debt, or to reduce the amount of such a debt which would otherwise become due.

A financial support direction will require the target to provide support to the pension scheme whether by way of a cash contribution or other means, such as a guarantee. A financial support direction could be served on the Issuer where the employer is either a service company or insufficiently resourced. An employer is insufficiently resourced if, broadly speaking, the value of its resources is less than 50 per cent.

of the pension scheme's deficit calculated on an annuity buy-out basis and there is a connected or associated person whose resources at least cover that difference.

A contribution notice or financial support direction can only be served where the Pensions Regulator considers it is reasonable to do so, having regard to a number of factors.

As a result of the Supreme Court decision in *Re Nortel, Re Lehman Companies* [2013] UKSC 52, if the Pensions Regulator issued a financial support direction or contribution notice against the Issuer then, depending on when such a direction or notice was issued (and regardless of whether the Issuer was in liquidation or administration, as the case may be, at that time), any corresponding liability would not be treated as an expense of the administration or liquidation (as the case may be). As a result, such a claim would be treated as an ordinary unsecured debt and such claim would not rank in priority to, or pari passu with, the rights and claims of the Security Trustee under the Deed of Charge with respect to any charged asset.

If a contribution notice or financial support direction were to be served on the Issuer this could adversely affect the interests of the Noteholders.

Strengthening of the UK pensions regulatory regime

The Pension Schemes Act 2021 amends the Pensions Act 2004 (the "**Act**") by adding two new grounds under which the UK Pensions Regulator can issue a contribution notice. Under the Act (as amended), the UK Pensions Regulator can issue a contribution notice (i) where it believes that an act or failure to act has materially reduced the amount of a debt due from the employer under Section 75 of the Pensions Act 1995 that a defined benefit scheme could have recovered if a Section 75 debt had been triggered immediately after the act or failure to act, and (ii) where the UK Pensions Regulator believes that an act or failure to act has reduced the value of the employer's resources and this reduction is material relative to a defined benefit scheme's estimated Section 75 debt.

The Act (as amended) makes it a criminal offence to fail to comply with a contribution notice. This is punishable by an unlimited fine. The Act (as amended) also introduces two standalone criminal offences in relation to defined benefit pension schemes. The first offence is where a person does an act or engages in a course of conduct, or a failure to act, which (i) prevents the pension scheme from recovering a debt due from the employer under Section 75 of the Pensions Act 1995, (ii) prevents a Section 75 debt becoming due, (iii) compromises or settles a Section 75 debt, or (iv) reduces the amount of any Section 75 debt which would otherwise become due. The person must have intended that their action would have this effect and must not have had a reasonable excuse for doing the act or engaging in the course of conduct or failure to act.

The second offence is committed where a person does an act or engages in a course of conduct, or a failure to act, which detrimentally affects in a material way the likelihood of accrued scheme benefits being received. The person must have known, or ought to have known, that what their actions or failure to act would have such an effect and must not have had a reasonable excuse for doing the act or engaging in the course of conduct or failure to act.

As these offences apply to any "person" involved with the activity in question, the Issuer, the Security Trustee and/or any Noteholders (and their directors, employees and advisers) could be caught by the new offences or civil penalties if they were involved in any relevant action which constituted an offence.

The Act (as amended) also introduces new powers for the UK Pensions Regulator to issue civil penalties of up to £1 million in certain circumstances. The first is where a person engages in an act or a deliberate failure to act (or knowingly assists in the act or failure) the main purpose, or one of the main purposes of which, was (i) to prevent the pension scheme from recovering a debt due from the employer under Section 75 of the Pensions Act 1995, (ii) to prevent a Section 75 debt becoming due, (iii) to compromise or settle a

Section 75 debt, or (iv) to reduce the amount of any Section 75 debt which would otherwise become due and it was not reasonable for the person to act or fail to act in the way they did.

The second circumstance in respect of which the UK Pensions Regulator can issue a civil penalty is where a person engages in an act or a deliberate failure to act (or knowingly assists in the act or failure) that materially risks accrued scheme benefits, where the person knew or ought to have known that the act or failure would have that effect and where it was not reasonable for the person to act or fail to act in that way. The UK Pensions Regulator may also issue civil fines where a person, without reasonable excuse, fails to comply with a contribution notice, as well as in respect of certain other breaches. As these civil penalties apply to any "person" involved with the activity in question, the Issuer, and/or the Security Trustee (and their directors, employees and advisers) could be caught by the new civil penalties if they were involved in any action or failure to act which constituted a civil penalty.

If the UK Pensions Regulator takes any action against the Issuer, the Security Trustee and/or any Noteholders this could adversely affect the interests of the Noteholders.

Implementation of, and amendments to, the Basel III and Basel IV framework may affect the regulatory capital and liquidity treatment of the Notes

The laws and regulations relating to capital requirements and related prudential regulatory matters as well as the timetable for their implementation continue to develop, and may affect the regulatory capital and liquidity treatment of the Notes. 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. BCBS continues to work on new policy initiatives. National implementation of the Basel III/IV reforms may vary those reforms and/or their timing. On 27 September 2023, the timeline for the implementation of Basel IV in the UK was further delayed, with the PRA announcing that it intended to move the implementation date of Basel IV in the UK back by six months to 1 July 2025, with the implementation transition period reduced to 4.5 years to ensure full implementation by 1 January 2030.

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 frameworks in Europe and the UK, both of which are under review and subject to further reform. 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.

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 EU Solvency II framework in Europe. The PRA, via its consultation paper dated 29 June 2023 (CP 12/23) set out details of the PRA's overall consultation plans for reforms to EU Solvency II, the background to the EU Solvency II review and the structure of the reformed regime. It further published a consultation paper dated 28 September 2023 (CP 19/23) that proposed changes to regulatory capital requirements for insurance and reinsurance undertakings, which includes expanding the pool of assets and liabilities that are eligible for the matching adjustment, addressing additional risks from assets with a 'highly predictable' cash flow, changes to the fundamental spread and treatment of assets based on credit ratings. Such affected insurance and reinsurance undertakings will have a greater responsibility for managing the risks in their relevant matching adjustment portfolios, such as annual attestations by their senior managers for matching adjustment benefits being claimed.

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. Prospective investors may be unable to avail themselves of the preferential capital treatment regime where the relevant requirements (including the matching adjustment conditions) are not met.

Separately, a new prudential regulatory regime for European Union investment firms (including many currently subject to the EU CRR and CRD regimes) came into effect across the European Union in June 2021. An analogous UK regime, known as the Investment Firms Prudential Regime ("**IFPR**"), came into effect on 1 January 2022. It can be expected that laws and regulations relating to capital requirements and related prudential regulatory matters will continue to develop.

UK and EU European Market Infrastructure Regulation

The derivatives markets are subject to extensive and recently implemented regulation in a number of jurisdictions. The EU regulatory framework and legal regime relating to derivatives is primarily set out in Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012, as amended by Regulation (EU) 2019/834) of the European Parliament (as amended, including by Regulation (EU) 2019/834 of the European Parliament and of the Council dated 20 May 2019 ("**EMIR Refit**")) ("**EU EMIR**"). A similar regime applies in the UK under EU EMIR as it forms part of domestic law by virtue of the Withdrawal Act ("**UK EMIR**") and in the US under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("**Dodd-Frank Act**").

Counterparties subject to UK EMIR and EU EMIR will be subject to certain regulatory requirements, including (i) a general obligation to clear all "eligible" OTC derivative contracts through a duly authorised or recognised central counterparty (the "**Clearing Obligation**"), unless one or both counterparties' derivatives trading activity falls below the relevant clearing threshold, (ii) a collateral exchange obligation for OTC derivatives contracts not subject to clearing (the "**Collateral Obligation**"), (iii) daily valuation and other risk-mitigation techniques for OTC derivatives contracts not subject to clearing, and (iv) certain reporting and record-keeping requirements.

Pursuant to UK EMIR and EU EMIR, counterparties can be classified as (i) financial counterparties ("**FCs**") (which, following changes made by EMIR Refit, includes a sub-category of small FCs ("**SFCs**")), (ii) non-financial counterparties ("**NFCs**"), and (iii) third country entities equivalent to FCs or NFCs. The NFC classification is further split into: (i) non-financial counterparties whose positions in OTC derivatives (excluding hedging positions) exceed a specified clearing threshold ("**NFC+s**") and (ii) non-financial counterparties whose positions in OTC derivatives do not exceed any of the specified clearing thresholds ("**NFC-s**"). Whereas FCs and NFC+ entities may be subject to the Clearing Obligation or, to the extent that the relevant swaps are not subject to clearing, to the Collateral Obligation, such obligations do not apply in any event in respect of NFC- entities.

The Issuer is currently categorised as NFC-, for the purposes of UK EMIR and a third country equivalent to an NFC- (a "**TCE NFC-**") for the purposes of EU EMIR. As a result neither the Clearing Obligation nor the Collateral Obligation apply to it. If the Issuer's counterparty status changes from NFC to NFC+ or FC for the purposes of UK EMIR and/or a third country equivalent to a NFC+ or FC (a "**TCE NFC+**" or a "**TCE FC**") for the purposes of EU EMIR, then certain OTC derivatives contracts that are entered into by the Issuer may become subject to the Clearing Obligation or the Collateral Obligation. In this regard, it should be noted that it is not clear that any of the Swaps would be a relevant type of OTC derivative contract that would be subject to the Clearing Obligation under the relevant implementing measures made to date. In addition, if the Issuer's counterparty is an NFC+ or FC, certain other of the Risk Mitigation Requirements may also apply in a different way (for example, the portfolio reconciliation requirement may increase in frequency). In respect of the Reporting Obligation, "mandatory reporting" would also cease to apply which means that Issuer would be legally liable and responsible for their own reporting obligations under UK EMIR (although this requirement can be delegated).

Notwithstanding the qualifications on application described above, the position of any of the Swaps 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. In particular, on 24 April 2024, the European Parliament adopted certain proposals by the European Commission to amend EU EMIR with respect to measures to mitigate excessive exposures to third country central counterparties and improve the efficiency of the EU clearing markets ("**EMIR 3**"). EMIR 3 is expected to be adopted and published in the Official Journal of the EU by the end of 2024 and enter into force shortly thereafter, subject to the development of secondary legislation which is not currently expected to be finalised and become applicable until at least 2025. Among other changes, this may result in changes to the calculation and level of existing clearing thresholds. How these changes will affect UK EMIR is currently unclear as the scope of UK EMIR reforms is yet to be confirmed.

It is possible that UK EMIR and EU EMIR will increase the costs of and restrict participation in the derivatives markets, thereby increasing the costs of engaging in hedging or other transactions and reducing liquidity and the use of the derivatives markets. If applicable in the context of the Swap Agreements, such additional requirements, corresponding increased costs and/or related limitations on the ability of the Issuer to hedge certain risks may reduce amounts available to the Issuer to meet its obligations and may result in investors receiving less interest or principal than expected.

If the classification of the Issuer changes and, to the extent relevant, one or more of the Swap Agreements is regarded to be in-scope, then the relevant Swap Agreement (if entered into or materially amended on or after the relevant application date) may become subject to the relevant Clearing Obligation or (more likely) to the 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 a Swap Agreement (possibly resulting in a restructuring or termination of the relevant Swap Agreement) 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.

Investors should also be aware that the reporting requirements and other requirements of UK EMIR and EU EMIR currently impose obligations on the Issuer (as an NFC- for the purposes of UK EMIR and as a TCE NFC- for the purposes of EU EMIR), to the extent it enters into derivative transactions.

It should also be noted that the UK Securitisation Regulation and the Recast UK Securitisation Regime, among other things, make provisions for the development of technical standards in connection with the UK EMIR regime specifying (i) an exemption from clearing obligations and (ii) a partial exemption from the collateral exchange obligations for non-cleared OTC derivatives, in each case for UK STS securitisation swaps (subject to the satisfaction of the relevant conditions).

The Seller, in its capacity as originator under (i) prior to the Recast UK Securitisation Regime Effective Date, the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, may procure a UK STS Notification to be submitted to the FCA that the UK STS Criteria Requirements have been satisfied with respect to the issuance of a Series of Notes. However, until the final new technical standards referred to above are in force, no assurance can be given that the Swaps will meet the applicable exemption criteria provided therein, to the extent applicable to the issuance of a Series of Notes. Notwithstanding the UK STS designation (to the extent applicable to a Series of Notes) and the ability, as a result, to rely on the exemptions from clearing and collateral exchange obligations under the UK EMIR regime, the expectation is that the Issuer should not be required to comply with the UK EMIR collateral exchange obligations and clearing requirements for the reasons outlined above (being their NFC- status) in any event. The UK STS designation (to the extent applicable to a series of notes) and the related forthcoming exemptions from collateral exchange obligations and clearing requirements are only likely to become relevant should the status under the UK EMIR of the Issuer change

from NFC- to NFC+ or FC and, if applicable, should the Swaps be regarded as a type that is subject to UK EMIR clearing requirement. In respect of EU EMIR, the Notes (given they will not be eligible to obtain an STS designation under the EU Securitisation Regulation) will not be able to benefit from the equivalent exemption under EU EMIR should the status of the Issuer change to TCE NFC+ or TCE FC.

The Issuer will be required to continually comply with UK 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. The Note Trustee will be obliged, without any consent or sanction of the Noteholders, or any of the other Secured Creditors, to concur with the Issuer, and to direct the Security Trustee to concur with the Issuer or any other person, in making any modifications to the Transaction Documents and/or the Conditions applying to Notes of any one or more Series or Transaction Documents to comply with UK EMIR and EU EMIR. Furthermore, certain modifications may be made to the Transaction Documents by the Note Trustee as described above under "*Risks relating to Changes to the Structure and the Documents – The Note Trustee or the Security Trustee may agree to modifications to the Transaction Documents without respectively, the Noteholders' or other Secured Creditors' prior consent*". In each case, such amendments may be made irrespective of whether such modifications are materially prejudicial to the interests of any Noteholder or any other Secured Creditor and provided such modifications do not relate to a Basic Terms Modification.

Risks relating to the Rule 2a-7 suitability of the Money Market Notes

The Issuer may, from time to time, issue Money Market Notes. Any such Notes would be designated as Money Market Notes in the applicable Final Terms. Money market notes are intended to be "eligible securities" for purchase by money market funds meeting the requirements of Rule 2a-7 under the Investment Company Act.

However, the determination as to whether any applicable Series and Class of Notes will qualify as "eligible securities" under Rule 2a-7 will involve investment determinations and interpretive questions that, as with qualification and compliance with other aspects of Rule 2a-7, will be solely the responsibility of each money market fund and its investment adviser. None of the Issuer, the Seller, each Joint Arranger, the Dealer(s), the Note Trustee, the Security Trustee, each Remarketing Agent, each Tender Agent, each Conditional Note Purchaser or any other party to the Programme Documents will make any representation as to the suitability of any Money Market Notes for investment by money market funds subject to Rule 2a-7 under the Investment Company Act. See "*Description of the Trust Deed – Money Market Notes"* below for additional information regarding Money Market Notes and the remarketing arrangements related thereto.

Prospective investors should be aware that, even if Notes designated as Money Market Notes qualify at the time of issuance as "eligible securities" for the purposes of Rule 2a-7, there is no assurance that it will continue to so qualify until its maturity. Among other things, no assurance can be given that an investor in Money Market Notes will be able to confirm or satisfy the pre-condition for Rule 2a-7 eligibility that it is able to monitor readily the conditions limiting the exercise of the Money Market Note Mandatory Transfer, as there is no affirmative obligation pursuant to the terms of the Programme Documents that any information be made available to investors. To the extent Money Market Notes do not qualify as "eligible securities", an investor subject to Rule 2a-7 may be required to dispose of any such notes.

Further, no assurance can be given that any Remarketing Agent or Conditional Note Purchaser for a Series and Class of Money Market Notes will comply with and perform their respective obligations under the remarketing arrangements. Non-compliance with Condition 5(g) (*Money Market Note Mandatory Transfer Arrangements*) by reason of any failure on the part of any Remarketing Agent or any Conditional Note Purchaser to perform their respective obligations under the relevant Programme Documents will not constitute an Event of Default. Investors should therefore consider the risk posed if the relevant notes cannot be transferred on a Mandatory Transfer Date (or any other time) as no assurance can be given that the Conditional Note Purchaser will comply with and perform its obligations and in those circumstances.

Holders of the Class A Notes will not receive physical Notes, which may cause delays in distributions and hamper their ability to pledge or resell Class A Notes

Unless and until the note certificates representing the Class A Notes in global form (the "**Global Note Certificates**") are exchanged for note certificates representing Class A Notes in definitive form ("**Individual Note Certificates**" and, together with the Global Note Certificates, the "**Note Certificates**"), which will only occur under a limited set of circumstances, Noteholders' beneficial ownership of the Class A Notes will only be registered in book-entry form with DTC, Euroclear or Clearstream, Luxembourg (as the case may be). This means that a person acquiring Class A Notes will not be the legal owners or holders of such Class A Notes but will have rights in their capacity as participants in accordance with the rules and procedures of the either DTC, Euroclear, or Clearstream, Luxembourg (as the case may be) and, in the case of indirect participants, their agreements with direct participants (such rights, "**Book-Entry Interests**").

So long as the Class A Notes are in global form, payments of principal and interest on, and other amounts due in respect of, the Class A Notes will be made to the nominee of the Common Depositary or, as applicable, Common Safekeeper for Euroclear and Clearstream, Luxembourg and to Cede & Co as nominee of DTC (as the case may be). None of the Issuer, the Note Trustee, the Custodian, 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 holders of Individual Note Certificates, holders of the Book-Entry Interests will not have direct rights under the Trust Deed to act upon solicitations of 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, Clearstream, Luxembourg or DTC (as the case may be) and, if applicable, direct 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 or that the procedures to be implemented by Euroclear, Clearstream, Luxembourg, DTC and the DTC Custodian upon the occurrence of an Event of Default will be adequate to ensure the timely exercise of remedies under the Trust Deed.

In addition, the lack of physical notes could, among other things:

- result in payment delays on the Class A Notes because the Issuer will be sending distributions on the Class A Notes to Euroclear, Clearstream, Luxembourg or DTC (as the case may be) instead of directly to Noteholders;
- make it difficult for Noteholders to pledge or otherwise grant security over the Class A Notes if physical notes are required by the party demanding the pledge or other security; and
- hinder Noteholders' ability to resell the Class A Notes because some investors may be unwilling or unable to buy notes that are not in physical form.

The Seller will initially retain legal title to the Mortgage Loans

The sale of the English Mortgage Loans and their Related Security to the Issuer (until transfer of legal title) will take effect in equity only. The sale of the Scottish Mortgage Loans and their Related Security to the Issuer will be given effect by Scottish Declarations of Trust by the Seller. In each case, this means that legal title to the Mortgage Loans and their Related Security will remain with the Seller until such time as certain additional steps have been taken including the giving of notices of the sale to the Borrowers and, in the case of Scottish Mortgage Loans, the granting, delivery and registration of assignations of standard securities. In addition, it may not be possible for there to be a legal assignment or assignation of the benefit of those Insurance Policies in relation to which the Issuer has acquired only an equitable interest or interest as beneficiary under a Scottish Declaration of Trust.

In accordance with the terms of the Mortgage Sale Agreement, none of the Seller, the Issuer or the Security Trustee will require notification of such sales to the Borrowers or the execution and completion of such transfers and conveyances in favour of the Issuer or the registration of such transfers in order to effect the transfer of legal title to the Mortgage Loans and their Related Security (including, where appropriate, their registration), except following the occurrence of a Perfection Trigger Event.

At any time that the Issuer does not hold the legal title to the Mortgage Loans and the Related Security or has not notified the Borrowers of its interest in the Mortgage Loans and the Related Security, there are risks, as follows:

(a) if the Seller wrongly sold to another person a Mortgage Loan which has already been assigned to the Issuer, and that person acted in good faith and did not have notice of the interests of the Issuer in the Mortgage Loan and that person notified the Borrower of that sale to it of the Mortgage Loan and its Related Security or registered its interest in that Mortgage, then that person might obtain good title to the Mortgage Loan, free from the interests of the Issuer. If this occurred then the title of the Issuer to the affected Mortgage Loan and its Related Security would be subordinated to the title of that person and the Issuer would not be entitled to payments by a Borrower in respect of such a Mortgage Loan. This may affect the ability of the Issuer to repay the Notes;

(b) the rights of the Issuer may be subject to the rights of the Borrowers against the Seller such as rights of set-off (and certain analogous rights in Scotland) (see in particular "*Risk factors – There are risks in relation to Mortgage Loans which may adversely affect the funds available to pay the Notes*") which occur in relation to amounts payable by the Seller in relation to transactions between Borrowers and the Seller or deposits made by Borrowers with the Seller, and the amounts payable by those Borrowers in respect of their Mortgage Loans. If these rights were to be exercised, the Issuer may receive less money than anticipated from the Mortgage Loans, which may affect the ability of the Issuer to repay the Notes; and

(c) the Issuer would not be able to enforce any Borrower's obligations under a Mortgage Loan or Mortgage itself but would have to join the Seller as a party to any legal proceedings.

COUNTERPARTY RISKS

The Issuer will rely on third parties and Noteholders may be adversely affected if they fail to perform their obligations

The Issuer is party to contracts with a number of other third parties that have agreed to perform services in relation to the Programme. In particular, the Servicer, the Cash Manager, the Account Banks, the Custodian, each Interest Rate Swap Counterparty, each Currency Swap Counterparty (if any), the Agents, the Corporate Services Provider and the Back-up Servicer Facilitator have agreed to provide the Issuer with administration services, cash management services and account bank services, payment and calculation services in relation to the Notes, certain hedges against interest rate fluctuations and currency fluctuations and certain corporate services.

Noteholders may be adversely affected if such third parties or any of their successors 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 wars, epidemics, pandemics and natural disasters). Furthermore, the Noteholders may be adversely affected if the appointment of a third party is terminated and no replacement can be found. In addition, no assurance can be given that the Issuer will be able to enter into a replacement Swap or, if one is entered into, that the credit rating of the replacement Swap Counterparty (notwithstanding the terms of the Programme Documents) will be sufficiently high to prevent a reduction, qualification or withdrawal of the then current ratings of the Notes by the Rating Agencies. See also "*Swap Termination Payments may adversely affect the funds available to make payments on the Notes*" immediately below.

The Issuer may from time to time become subject to regulatory, rating or other requirements that may require it to appoint additional third parties (or increase the level of responsibility of an existing third party) to provide relevant services and/or incur additional costs and expenses to enable it to comply with the regulatory requirements. The Issuer may be in breach of the regulatory requirements and adversely affected if it were to be unable to find a third party to provide the relevant services or (where appropriate) perform them itself. Moreover, any such regulatory requirements may give rise to additional costs and expenses for the Issuer which would be payable prior to making payments with respect to the Notes and thereby reduce amounts available to make such payments.

In the event that the Issuer were to be in breach of regulatory requirements or incur additional costs and expenses one or more Series of Notes may be adversely affected.

Swap Termination Payments may adversely affect the funds available to make payments on the Notes

If any of the Interest Rate Swap Agreements or the Currency Swap Agreements terminate, the Issuer may be obliged to pay a Swap Termination Payment to the relevant Swap Counterparty. The amount of any applicable Swap Termination Payment will be based on the cost of entering into a replacement Swap. The amount of such termination payment will be based on the value of any benefit that would otherwise accrue to the Issuer as a result of terminating and replacing the relevant Swap Agreement.

No assurance can be given that the Issuer will have the funds available to make any Swap Termination Payment under the relevant Swap Agreement or to make subsequent payments in respect of the Notes.

Except where termination of any Interest Rate Swap Agreement occurs as a result of any Interest Rate Swap Counterparty Default, any Swap Termination Payment due by the Issuer under such Interest Rate Swap Agreement will rank in priority to payments due on the Notes. Any additional amounts required to be paid by the Issuer following termination of any Interest Rate Swap Agreement (including any extra costs incurred (for example, from entering into other hedging transactions) if the Issuer cannot immediately enter into a replacement swap), will also rank in priority to payments due on the Notes.

Except where termination of a Currency Swap Agreement occurs as a result of a Currency Swap Counterparty Default, any Swap Termination Payment due by the Issuer under a Currency Swap will rank equally with payments due on the Class A Notes. Any additional amounts required to be paid by the Issuer following termination of the relevant Currency Swap Agreement (including any extra costs incurred (for example, from entering into other hedging transactions) if the Issuer cannot immediately enter into a replacement swap), will also rank equally with payments due on the Class A Notes.

Therefore, if the Issuer is obliged to make a termination payment to a Swap Counterparty or to pay any other additional amount as a result of the termination of the relevant Swap Agreement, this may affect the amount of funds which the Issuer has available to make payments on the Notes of any Class.

Termination of the Original Currency Swap Agreement for any Series of Non-Sterling Notes

Prior to the delivery of an Enforcement Notice, the allocation of Available Principal Receipts, if any, towards the redemption of any Series of Non-Sterling Notes will be determined on a *pro rata* basis by reference to the Sterling Equivalent Principal Amount Outstanding of such Non-Sterling Notes (as per Condition 5(b) (*Mandatory redemption of the Notes in part*)). An allocation based on the Sterling Equivalent Principal Amount Outstanding of the Non-Sterling Notes means that the proportion of Available Principal Receipts allocated to the Non-Sterling Notes is the same irrespective of the termination of the Original Currency Swap Agreement or the terms of any replacement Currency Swap Agreement entered into with respect to the Non-Sterling Notes.

Under this allocation arrangement, the risk of any reduction in principal amounts available to make payments in respect of the Non-Sterling Notes on any Note Payment Date following the termination of the Original Currency Swap Agreement because (a) a replacement Currency Swap Agreement is not in place

and the applicable Spot Rate is less favourable to the Issuer than the Original Exchange Rate or (b) the Replacement Exchange Rate in respect of any replacement Currency Swap Agreement is less favourable to the Issuer than the Original Exchange Rate is, prior to the delivery of a an Enforcement Notice, borne by the holders of the relevant Series and Class of Non-Sterling Notes.

If the Original Currency Swap Agreement is terminated (and irrespective of whether a replacement Currency Swap Agreement is in place), prior to the delivery of an Enforcement Notice and while no Asset Trigger Event has occurred and/or no Non-Asset Trigger Event is continuing, on any Note Payment Date falling on or following the Sterling Equivalent Redemption Date, following the application of any amounts held in the Swap Excess Reserve Account towards the redemption of the Non-Sterling Notes, any remaining Principal Amount Outstanding of the Non-Sterling Notes (being the Principal Shortfall Amounts) will only be paid subject to and in accordance with item (iv) of the Pre-Enforcement Pre-Trigger Principal Priority of Payments relating to the application of the Funding Note Principal Portion and item (iv) of the Pre-Enforcement Post-Trigger Priority, and will accordingly be subordinated to, among other things, payments of principal on the other Class A Notes.

Prior to the delivery of an Enforcement Notice and following the occurrence of an Asset Trigger Event and for so long as a Non-Asset Trigger Event is continuing, any remaining Principal Amount Outstanding of the Non-Sterling Notes will only be paid subject to and in accordance with item (iv) of the Pre-Enforcement Post-Trigger Principal Priority of Payments.

Following the delivery of an Enforcement Notice (which constitutes a termination event under the Original Currency Swap Agreement), any remaining Principal Amount Outstanding of the Non-Sterling Notes will cease to be subordinated to the other Class A Notes and will rank *pari passu* with amounts payable in respect of any other Class A Notes in accordance with item (i) of the Post-Enforcement Priority of Payments relating to the application of the Funding Note Principal Portion. Available amounts in accordance with the Post-Enforcement Priority of Payments will be allocated on a *pro rata* basis by reference to the respective Sterling Equivalent amounts of such Notes determined using the applicable prevailing Spot Rate.

An allocation on this basis means that the proportion of funds allocated to the Sterling Notes and the Non-Sterling Notes will be affected by variations in the prevailing Spot Rate. If the prevailing Spot Rate is less favourable to the Issuer than the Original Exchange Rate or a previous Spot Rate, then the Sterling Notes will be allocated a greater proportion of the available amounts applied towards the redemption of the Notes in accordance with the Post-Enforcement Priority of Payments.

Termination of the Servicer and appointment of a substitute servicer

Coventry Building Society has been appointed by the Issuer as Servicer to service the Mortgage Loans. If the Servicer breaches the terms of the Servicing Agreement, then the Issuer will be entitled to terminate the appointment of the Servicer and will be entitled to appoint a substitute servicer with the assistance of the Back-up Servicer Facilitator.

There can be no assurance that a substitute servicer would be found who would be willing and able to service the Mortgage Loans on the terms of the Servicing Agreement. In particular, there can be no assurance that a substitute servicer would be willing to accept an appointment in consideration of the servicing fee, which is calculated as, broadly, a fixed percentage of the aggregate Current Balance of the Mortgage Portfolio. If a substitute servicer were required at a time when the Current Balance of the Mortgage Loans in the Mortgage Portfolio was relatively low, the amount of the servicing fee so calculated might be insufficient to obtain a substitute servicer. The Servicing Agreement provides that the Issuer and a potential substitute servicer (other than Coventry Building Society or a member of its corporate group) may agree a different servicing fee, which could be higher than the current fee. In addition, any substitute servicer will be required to be appropriately licensed under the CCA and, as described under "*Regulation of the UK residential mortgage market*", a substitute servicer will also be required to be authorised with the appropriate permissions under the FSMA in order to administer Mortgage Loans that constitute regulated

mortgage contracts. The ability of a substitute servicer fully to perform the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay in the appointment of (if a substitute servicer can be found) or inability to appoint a substitute servicer may affect payments on the Mortgage Loans and hence the ability of the Issuer to make payments when due on the Notes.

Transfer of the Transaction Accounts

The Account Banks are required to satisfy certain criteria (including certain criteria and/or permissions set or required by the FCA from time to time and compliance by such Account Banks with the required Account Bank Minimum Required Rating), in order for deposits to continue to be made into the Transaction Accounts. If an Account Bank ceases to satisfy these criteria, then the relevant Transaction Accounts held with that Account Bank may need to be transferred to another entity which does satisfy these criteria, and/or new Transaction Accounts may need to be established with such replacement Account Bank. See also "*Triggers Tables – Ratings Triggers Table*". In these circumstances, the new Account Bank may not offer a Transaction Account on terms as favourable as those provided by the previous Account Bank.

Noteholders should be aware that, in the event of the rating of an Account Bank falling below the Account Bank Minimum Required Rating, there will be no requirement to replace such Account Bank and instead a guarantee of such Account Bank's obligations may be obtained by the Issuer from a guarantor bank or financial institution with a rating at least equal to the Account Bank Minimum Required Rating.

The failure to transfer the relevant Transaction Accounts from an Account Bank that no longer satisfies the required Account Bank Minimum Required Rating to one that does may increase the risk of losses on amounts held by the Issuer at the affected Account Bank and affect the ability of the Issuer to make payments when due on the Notes, and may have an adverse effect on the ratings assigned to the Notes.

For a summary of the Account Bank Minimum Required Rating, see "*Cash Management – Account Bank Agreements and Bank Accounts – Account Bank Minimum Required Rating*". The Custodian will be required to hold the Account Bank Minimum Required Rating pursuant to the terms of the Custody Agreement and the Swap Collateral Custody Agreement. These criteria are subject to change by the Rating Agencies.

Certain conflicts of interest involving or relating to the Joint Arrangers, the Dealer(s) and their affiliates

The Joint Arrangers, acting through their investment banks or through their affiliates (the "**Joint Arrangers Parties**"), will play various roles in relation to the offering of the Notes and other offerings of securities or other funds, as described below.

The Joint Arrangers Parties may assist clients and counterparties in transactions related to the Notes (including assisting clients in future purchases and sales of the Notes and hedging transactions) and such Joint Arrangers Parties would expect to earn fees and other revenues from these transactions.

The Joint Arrangers Parties may act as lead managers, arrangers, placement agents and/or initial purchasers or investment managers in other transactions involving issues of residential mortgage-backed securities or other investment funds with assets similar to those of the Issuer, which may have an adverse effect on the price or value of the Notes. The Joint Arrangers Parties will not disclose specific trading positions or their hedging strategies, including whether they are in long or short positions in any Notes or obligations referred to in this Base Prospectus except where required in accordance with applicable law.

In the ordinary course of business, the Joint Arrangers Parties and their employees or customers may actively trade in and/or otherwise hold long or short positions in the Notes or enter into transactions similar to or referencing the Notes for their own accounts and for the accounts of their customers. If any of the Joint Arrangers Parties becomes an owner of any of the Notes, through market-making activity or

otherwise, any actions that it takes in its capacity as owner, including voting, providing consents or otherwise will not necessarily be aligned with the interests of other owners of the Notes. To the extent any of the Joint Arrangers Parties makes a market in the Notes (which it is under no obligation to do), it would expect to receive income from the spreads between its bid and offer prices for the Notes. In connection with any such activity, it will have no obligation to take, refrain from taking or cease taking any action with respect to these transactions and activities based on the potential effect on an investor in the Notes. The price at which any of the Joint Arrangers Parties may be willing to purchase Notes, if it makes a market, will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the Notes and significantly lower than the price at which it may be willing to sell the Notes.

RISKS RELATING TO CHANGES TO THE STRUCTURE AND THE DOCUMENTS

Issuance of additional Notes may affect the timing and amounts of payments in respect of the existing Notes

The Issuer is permitted to issue Notes at any time without notice to existing Noteholders and without their consent, and such Notes may be issued with different terms from the then outstanding Notes. For a description of the conditions that must be met before the Issuer can issue Notes, see "*Issuance of Notes*".

The payment of interest and principal on the Notes will be funded primarily from amounts received by the Issuer from the Mortgage Portfolio. The Issuer's obligation to make payments (or part thereof) in respect of a Series and Class of Notes may rank in priority to payments of interest and principal made by the Issuer in respect of another Series and Class of Notes, subject to the terms and seniority of such payments and the dates on which they are required to be made.

The issuance of Notes by the Issuer could adversely affect the timing and amount of payments on the then outstanding Notes. For example, if Notes of the same Class as existing Notes but issued after such existing Notes have a higher interest rate than such existing Notes, this could result in a reduction in the available funds used to pay interest on the existing Notes. Also, when such Notes are issued, the voting rights of existing Notes will be diluted. Further, the issuance of Notes of the same Class as existing Notes but issued after such existing Notes which have scheduled payments on a more frequent basis than the existing Notes could result in a reduction in the available funds to make payments on the existing Notes.

The proceeds of each such issue may be used, among other things, to pay the Initial Additional Mortgage Portfolio Purchase Price to the Seller in connection with the sale to the Issuer of any Additional Mortgage Portfolio or to refinance all or part of any Series and Class of Notes then outstanding. If any Series and Class of Notes is refinanced, in whole or in part, the relevant Noteholders could be repaid early.

The terms of any Series and Class of Notes to be issued by the Issuer may result in such Notes being repaid prior to the repayment of any Notes already outstanding at the time of such issuance. Noteholders will not have any right of prior review, nor will their consent be required, prior to the issue by the Issuer of any further Series, Class of Notes or any Sub-Series of the Class A Notes.

Principal Amount Outstanding of the Seller's Note may be increased or decreased without consent of the Noteholders

The Principal Amount Outstanding of the Seller's Note may be increased or decreased without consent of the Noteholders, **provided that** any decrease will not cause the Principal Amount Outstanding of the Seller's Note to be less than the Minimum Seller's Note Amount for so long as any Class A Notes (or any other Notes that are not at all times held by the Seller (or its wholly-owned affiliates)) or any Class Z VFNs remain outstanding.

It should be noted that any redemption of the Seller's Note may be funded by the Issuer from consideration to which it is entitled in relation to the repurchase by the Seller of Mortgage Loans in accordance with the Seller's Note Permitted Repurchase Procedure. Any such reduction in the size of the Seller's Note will

therefore affect the amount of Principal Receipts from the Mortgage Loans, and as a result may affect the timing and amount of principal repayments under the Class A Notes.

There may be a conflict between the interests of the holders of the various Classes of Notes and the interests of the holders of other Classes of Notes or other Secured Creditors

The Trust Deed and the Conditions provide that, in connection with the exercise of its trusts, authorities, powers and discretions under the Trust Deed, the Note Trustee is to have regard to the interests of the holders of all the Classes of Notes of all Series. There may be circumstances, however, where the interests of one Class of the Noteholders of any Series conflict with the interests of another Class or Classes of the Noteholders of the same or another Series. In general, the Trust Deed provides that the Note Trustee will give priority to the interests of the holders of the Class of Notes such that the Note Trustee is to have regard only to the interests of the Class A Noteholders in the event of a conflict between the interests of the Class A Noteholders on the one hand and the VFN Holders on the other hand.

There may be circumstances where the interests of a Sub-Class of the Class A Noteholders of a Series of Notes conflict with the interests of another Sub-Class of the Class A Noteholders of that Series.

The Trust Deed and the Conditions provide that where, in the sole opinion of the Note Trustee, there is such a conflict, then a resolution directing the Note Trustee to take any action must be passed at separate meetings of the holders of each such Sub-Class of the relevant Class of Notes of that Series. A resolution may only be passed at a single meeting of the Noteholders of each Sub-Class of the relevant Class of Notes of that Series if the Note Trustee is, in its absolute discretion, satisfied that there is no conflict between them.

In certain circumstances, the Note Trustee or the Security Trustee may agree to make modifications to the Transaction Documents without the prior consent of the Noteholders. The Deed of Charge provides that the Security Trustee will not, and will not be bound to, take any steps, institute any proceedings, exercise its rights and/or to take any other action under or in connection with any of the Transaction Documents (including, without limitation, enforcing the Security) unless the Security Trustee is directed to do so by the Note Trustee or, if there are no Notes outstanding, the other Secured Creditors and, in each case, subject to it being indemnified and/or secured and/or prefunded to its satisfaction. In addition, where a Secured Creditor and/or any of its affiliates act in numerous capacities there may be actual or potential conflicts between (1) the interests of such Secured Creditor and/or any such affiliates in such various capacities and (2) the interests of the Noteholders and such other Secured Creditor and/or any such affiliates.

Coventry Building Society will only be entitled to exercise its rights in respect of the Notes held by it where it holds the entire Principal Amount Outstanding of the relevant Class or Sub-Class of the relevant Series of Notes. Notwithstanding the foregoing, there are no restrictions on the ability of Coventry Building Society to exercise its rights in respect of any Basic Terms Modifications. There may be circumstances where the interests of Coventry Building Society as a Noteholder conflict with the interests of the other Noteholders in the same Class or Sub-Class of a Series.

Consequently, Noteholders should be aware that, in the event that any of the above conflicts of interest materialises, the relevant conflict will be resolved in accordance with the terms of the Transaction Documents and not necessarily in the way that a particular Noteholder may want.

The Note Trustee or the Security Trustee may agree to modifications to the Transaction Documents without the Noteholders' or other Secured Creditors' prior consent

Pursuant to the Conditions, the terms of the Trust Deed and the Deed of Charge, the Note Trustee may from time to time, without the consent or sanction of the Noteholders or other Secured Creditors, concur (or direct the Security Trustee to concur) with the Issuer or any other person in making any (i) modifications to the Notes (including the Conditions) or the Transaction Documents or (ii) waiver of any Conditions, the Notes, or the Transaction Document (other than in respect of a Basic Terms Modification) where the Note Trustee is of the opinion that such modification or waiver will not be materially prejudicial to the interests

of any of the Noteholders or where such modification, waiver or authorisation (i) is made to correct a manifest error or (ii) is of a formal, minor or technical nature.

In addition, the Conditions provide that, subject to certain conditions being met, the Note Trustee and the Security Trustee, acting on the direction of the Note Trustee, will be obliged, without the consent or sanction of the Noteholders or, subject to receipt of the consent from each relevant Secured Creditor (as per the Conditions) to concur with the Issuer in making and/or approving any modification (other than in respect of a Basic Terms Modification) to the Notes (including the Conditions) or to any Transaction Document to which it is a party or (as applicable) in respect of which it holds security or entering into any new, supplemental or additional documents, in each case that the Issuer (or the Cash Manager on its behalf) considers necessary, provided that (among other things) (a) the proposed modifications would not adversely affect the then current ratings of the Notes; (b) the Issuer has provided at least 30 calendar days' notice to the Noteholders which would be affected by the proposed modification; and (c) Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes have not notified the Note Trustee or the Security Trustee that they do not consent to such modification (and Investors should note that is such notification has not been provided, the modification(s) will, provided the other conditions are all met, will be binding on all Noteholders.

Such modification(s) include those that are made for the purpose of: (a) complying or implementing any change in the criteria of the Rating Agencies; (b) **meeting the eligibility criteria for any funding or liquidity scheme provided by a central bank;** (c) enabling the Issuer and/or the relevant Swap Counterparty to comply with any obligation which applies to it under Regulation (EU) 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012, as amended (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators) ("**EU EMIR**") and/or EU EMIR as it forms part of the domestic law of the UK by virtue of the Withdrawal Act ("**UK EMIR**", and together with EU EMIR, "**EMIR**"); (d) complying with any changes in the requirements under the EU Securitisation Regulation (including the EU Risk Retention Requirements), (1) prior to the Recast UK Securitisation Regime Effective Date, the UK Securitisation Regulation (including the UK Risk Retention Requirements), and (2) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime (including the UK Risk Retention Requirements), the EU CRR Amending Regulation, the UK CRR Amending Regulation or the US Credit Risk Retention Requirements or any other risk retention legislation or regulations or official guidance; (e) enabling the Notes to be (or to remain) listed on the London Stock Exchange; (f) for the purposes of enabling the Issuer to comply (or continue to comply) with the provisions of Rule 17g-5 of the Securities Exchange Act 1934; (g) for the purpose of complying with any changes in the requirements of the EU CRA Regulation or the UK CRA Regulation after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the EU CRA Regulation or the UK CRA Regulation or regulations or official guidance in relation thereto; (h) enabling any of the Notes to comply with the criteria for Level 2B securitisations set out in Article 13 of the UK LCR Regulation; (i) enabling the Issuer, the Seller or the Servicer to comply with any obligation which applies to it under the EU Securitisation Regulation, prior to the Recast UK Securitisation Regime Effective Date, the UK Securitisation Regulation and/or, on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, including as a result of the adoption of the relevant technical standards in relation to the EU Securitisation Regulation, prior to the Recast UK Securitisation Regime Effective Date, the UK Securitisation Regulation and/or, on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime or any other legislation or regulations or official guidance in relation thereto and including for the purposes of enabling any Series of Class of Notes to comply with the criteria for simple, transparent and standardised securitisations set out in the EU Securitisation Regulation, prior to the Recast UK Securitisation Regime Effective Date, the UK Securitisation Regulation and/or, on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime or any other such legislation or regulations or official guidance; (j) complying with the applicable requirements of the UK CRR Regulation, the EU CRR Regulation, UK Solvency II or EU Solvency II after the Closing Date, including as a result of the adoption of regulatory

technical standards in relation to the UK CRR Regulation, the EU CRR Regulation, UK Solvency II or EU Solvency II or regulations or official guidance; (k) amending the Eligibility Criteria or the Portfolio Criteria solely for the purpose of the addition of a New Mortgage Product to the Mortgage Portfolio; (l) enabling modifications to the original Swap Agreement, the Account Bank Agreement, or the Custody Agreement in connection with the transfer of any: Swap Agreement to a replacement Swap Counterparty, Account Bank Agreement to a replacement Account Bank, or Custody Agreement to a replacement Custodian, respectively (m) appointing additional Rating Agencies to rate any Series of Notes (each, an "**Additional Rating Agency**") where such Additional Rating Agency is not an Initial Rating Agency; and (n) enabling the Issuer to issue Notes in the future that are subordinated to the Class A Notes, but are senior to Class Z VFNs and the Seller's Note; provided that the relevant entity has certified to the Note Trustee and Security Trustee that such modification is required for such purpose.

Furthermore, at the request of the Issuer, the Note Trustee and the Security Trustee (acting at the direction of the Note Trustee) are required to concur with the Issuer in effecting a Ratings Modification Event without the consent of the Noteholders of any Series of Notes and without consent of the other Secured Creditors, subject to the Issuer certifying that the modifications to the Conditions or the Transaction Documents are solely for that purpose, **provided that**, in each case and at all times, such Series of Notes continues to be rated by at least two Rating Agencies, and further **provided that** the Issuer has given at least 15 Business Days' notice to the holders of each relevant Series and Class of Notes of such Ratings Modification Event.

Furthermore, the Issuer may appoint any number of additional rating agencies to rate any Series of Notes (each, an "**Additional Rating Agency**") in accordance with the procedure set out in Condition 11(f)(1)(xv) (which permits certain class of Noteholders to object to such appointment, which would make such appointment subject to the approval by an Extraordinary Resolution of the Noteholders of such class of Noteholders).

The Noteholders and other Secured Creditors will be bound by the modifications made to the Transaction Documents and/or the terms and conditions to implement any such Ratings Modification Event or the appointment of any Additional Rating Agency whether or not such modifications are materially prejudicial to the interests of Noteholders and the other Secured Creditors, **provided that** neither the Note Trustee nor the Security Trustee will be obliged to agree to any Ratings Modification Event or appointment of an Additional Rating Agency which, in the sole opinion of the Note Trustee 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 protections of the Note Trustee and/or the Security Trustee under the Transaction Documents and/or the Conditions.

Any modifications made in the manner described above will be binding on all Noteholders. There is no guarantee that any modification to the Notes of one or more Series or of any Transaction Documents will not ultimately adversely affect the rights of Noteholders or payments on the Notes.

Risks relating to the replacement of the Screen Rate

Investors should note the various circumstances in which a modification may be made to the Conditions or any other Programme Documents for the purposes of making a Benchmark Rate Modification and to the Swap Agreements for the purpose of making a Swap Rate Modification. These circumstances broadly relate to the disruption or discontinuation of the Screen Rate (which is expected to be SONIA for Sterling, EURIBOR or €STR for Euro or SOFR for US Dollars), but also specifically include, among other things, any public statements by the administrator of the applicable Screen Rate or certain regulatory bodies that EURIBOR will be discontinued or may no longer be used. A Benchmark Rate Modification or a Swap Rate Modification may also be made if the Issuer (or the Servicer on its behalf) reasonably expects any of these events to occur within six months of the proposed effective date of the Benchmark Rate Modification or the Swap Rate Modification, subject to certain conditions. Investors should note the various circumstances in which a Benchmark Rate Modification or a Swap Rate Modification may be made, which are specified

in Condition 11(f) (*Additional rights of modification*) and should also note the various options permitted as an Alternative Benchmark Rate specified therein.

Investors should also be aware that:

(a) if the Screen Rate is discontinued or is otherwise permanently unavailable and a Benchmark Rate Modification (as described in the paragraph above) has not been made, then the rate of interest on the Notes will be determined for a period by the fall-back provisions provided for under Condition 4 (*Interest*), although such provisions, being dependent in part upon the provision by Reference Banks of offered quotations for the EURIBOR rate, may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may result in the effective application of a fixed rate based on the rate which applied in the previous period when EURIBOR was available in respect of the applicable Series;

(b) while an amendment may be made under Condition 11(f)(2) (*Additional rights of modification*) to change the Screen Rate on the Notes to an Alternative Benchmark Rate under certain circumstances broadly related to EURIBOR dysfunction 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 Notes or (ii) be made prior to any date on which any of the risks described in this risk factor may become relevant (in this regard, please also refer to the risk factor above entitled "*The Note Trustee or the Security Trustee may agree to modifications to the Programme Documents without respectively, the Noteholders' or other Secured Creditors' prior consent*"); and

(c) if EURIBOR is discontinued and a Swap Rate Modification is not made, there can be no assurance that the applicable fall-back provisions under any Swap Agreements would operate so as to ensure that the rate used to determine payments under the Swap Agreements is the same as that used to determine interest payments under the Notes, or that any such amendment made under Condition 11(f)(2) *(Additional rights of modification*) would be utilised in such a way that the transactions under the Swap Agreements to effectively mitigate interest rate risk or currency risks on the Notes in circumstances where the reference rate used in a Swap Agreement was no longer aligned with the Notes.

In addition, it should be noted that broadly divergent interest rate calculation methodologies may develop and apply as between the Mortgage Loans, the Notes and/or the Swap Agreements due to applicable fall-back provisions or other matters and the effects of this are uncertain but could include a reduction in the amounts available to the Issuer to meet its payment obligations in respect of the Notes.

Moreover, any of the above matters (including an amendment to change the base rate as described in paragraph (b) above) or any other significant change to the setting or existence of EURIBOR or any other relevant interest rate benchmark could affect the ability of the Issuer to meet its obligations under the Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, any of the Notes. Changes in the manner of administration of EURIBOR or any other relevant interest rate benchmark could result in adjustment to the Conditions, early redemption, discretionary valuation by the calculation agent, delisting or other consequences in relation to the Floating Rate Notes. There can be no assurance that any such amendments will be made, or if made, that they will (i) fully mitigate the interest rate risks or result in an effective replacement methodology for determining the reference rate on the Notes or (ii) will be made prior to any date on which any of the risks described in this risk factor may become relevant.

Ratings Confirmations

The terms of certain of the Programme Documents require that certain actions proposed to be taken by the Note Trustee, Security Trustee, the Issuer and certain other parties to the Programme Documents may not proceed unless a Ratings Confirmation is received.

A written Actual Ratings Confirmation may or may not be given at the sole discretion of that Rating Agency. It should be noted that, depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a written Actual Ratings Confirmation in the time available or at all, and the Rating Agency will not be responsible for the consequences thereof. Certain rating agencies have indicated that, as a matter of policy, they will no longer provide written Actual Ratings Confirmations. Noteholders should therefore be aware that there are situations where an Actual Ratings Confirmation cannot be obtained.

An Actual Ratings Confirmation from the Rating Agencies, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time and in the context of cumulative changes to the transaction of which the securities form part since the Closing Date. An Actual Ratings Confirmation provided by a Rating Agency represents only a restatement of the opinions given by that Rating Agency as at the relevant Closing Date and cannot be construed as advice for the benefit of any parties to the transaction. An Actual Ratings Confirmation does not confirm that such action (i) is permitted by the terms of the Transaction Documents or (ii) is in the best interests of, or prejudicial to, the Noteholders. Therefore, Noteholders should note that the matters confirmed by the Actual Ratings Confirmation are limited to the opinions given by the relevant Rating Agency at the relevant date of publication of the Actual Rating Confirmation and should not be relied upon as confirming any other matters.

To the extent that an Actual Ratings Confirmation cannot be obtained, whether or not a proposed amendment, action, determination or appointment will ultimately take place will be determined in accordance with the provisions of the relevant Transaction Documents.

Where the Transaction Documents allow the Note Trustee or the Security Trustee to seek a Ratings Confirmation and a written request for an Actual Ratings Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer and (i) one Rating Agency indicates that it does not consider an Actual Ratings Confirmation or response necessary in the circumstances or that it does not, as a matter of practice or policy, provide such Actual Ratings Confirmation or response, or (ii) within 30 days of delivery of such request, no Actual Ratings Confirmation or response is received and/or such request elicits no statement by such Rating Agency that such Ratings Confirmation or response could not be given, then the relevant Rating Agency will be considered a "**Non-Responsive Rating Agency**", and such condition to receive a Ratings Confirmation or response from such Rating Agency will be modified so that there will be no requirement for the Actual Ratings Confirmation or response from the Non-Responsive Rating Agency if the Issuer (or the Cash Manager on its behalf) provides to the Note Trustee and the Security Trustee a Deemed Ratings Confirmation. The Note Trustee and the Security Trustee will be entitled to rely on such Deemed Ratings Confirmation without further enquiry or liability. Any Deemed Ratings Confirmation by the Issuer (or the Cash Manager on its behalf) may or may not be given at the sole discretion of the Issuer (or the Cash Manager on its behalf).

Any Deemed Ratings Confirmation delivered by the Cash Manager (on behalf of the Issuer) does not constitute an Actual Ratings Confirmation from and, is not binding on, the Rating Agencies. There is therefore risk that a Rating Agency may not share the opinion of the Cash Manager (on behalf of the Issuer) presented in a certificate provided by the Cash Manager (on behalf of the Issuer), and that the then current ratings assigned to the Notes (or the relevant Series and Class of Notes to which the Ratings Confirmation is required to apply) are reduced, qualified, suspended or withdrawn.

The requirement for an Actual Ratings Confirmation from a Rating Agency will not apply to Notes which are not, at the relevant time, rated by that Rating Agency.

In addition, the terms of the Trust Deed provide that, in determining whether or not the exercise of any power, right, trust, authority, duty or discretion under or in relation to the Trust Deed or any of the other Issuer transaction documents is materially prejudicial to the interests of the Noteholders, the Note Trustee, acting in its sole discretion may (but will not be obliged to) have regard to such Ratings Confirmation.

Noteholders of each Series should also be aware that other Series of outstanding Notes may be rated by different Rating Agencies and consequently that any Ratings Confirmation requested in respect of any Programme-level amendments may be required from additional Rating Agencies to those rating their particular Series of Notes.

MACRO-ECONOMIC RISKS

Absence of secondary market; lack of liquidity

No assurance is provided that there is an active and liquid secondary market for the Notes, and no assurance is provided that a secondary market for the Notes will develop or, if it does develop, that it will provide Noteholders with liquidity of investment for the life of the Notes. Investors in the Notes must be prepared to hold their Notes for an indefinite period of time, which may continue until the Final Maturity Date of those Notes or alternatively that they may only be able to sell the Notes at a discount to the original purchase price of those Notes. The secondary market for mortgage-backed securities similar to the Notes has, at times, experienced limited liquidity. Limited liquidity in the secondary market may have an adverse effect on the market value of mortgage-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors.

Potential investors should be aware that these prevailing market conditions affecting securities similar to the Notes could lead to reductions in the market value and/or a severe lack of liquidity in the secondary market for instruments similar to the Notes. Such falls in market value and/or lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the Mortgage Loans.

The Issuer cannot predict when these circumstances will change and whether, if and when they do change, there would be an increase in the market value and/or there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

None of the Issuer, any Joint Arranger or any Dealer is or will be obliged to make a market for a Series of Notes issued by the Issuer.

The market continues to develop in relation to risk free rates as a reference rate for Floating Rate Notes

Where the relevant Final Terms for a Series of Floating Rate Notes identifies that the Rate of Interest for such Notes will be determined by reference to SOFR, SONIA or €STR the Rate of Interest will be determined on the basis of the relevant reference rate as described in the applicable conditions. All such rates are based on "overnight rates". Overnight rates differ from interbank offered rates, such as EURIBOR, in a number of material respects, including (without limitation) that such rates are backwards-looking, risk-free overnight rates, whereas interbank offered rates are expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that overnight rates may behave materially differently as interest reference rates for notes issued under the programme described in this base prospectus compared to interbank offered rates.

Furthermore, such risk-free rates have a limited performance history and the future performance of such risk-free rates is impossible to predict. As a consequence, no future performance of the relevant risk-free rate or the Notes referencing such risk-free rate may be inferred from any of the hypothetical or actual historical performance data. Moreover, SOFR is a secured rate and, since publication of SOFR began, daily

changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates. The use of overnight rates as a reference rate for securities is developing and is subject to change in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of securities referencing such overnight rates. If the manner in which the relevant risk-free rate is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

Consequently, Notes referencing risk-free rates issued in the future may differ materially in terms of interest determination when compared with any previous Notes referencing risk-free rate rates issued under this Programme. If the market adopts a different calculation method, that could adversely affect the market value of Notes issued pursuant to this Programme. Equally in such circumstances, it may be difficult for the Issuer to find any replacement currency swap counterparty and/or interest rate swap counterparty (as the case may be) should a Currency Swap Counterparty and/or an Interest Rate Swap Counterparty need to be replaced and the relevant Floating Rate Note at that time uses an application of the risk free rate that differs from products then prepared to be hedged by any potential replacement swap counterparties. Rate of Interest on Notes which reference a risk-free rate is only capable of being determined at the end of the relevant Observation Period and immediately prior to the relevant Note Payment Date. It may be difficult for investors in Notes which reference a risk-free rate to estimate reliably the amount of interest which will be payable on such Notes. Some investors may be unable or unwilling to trade such Notes without changes to their IT systems which could adversely impact the liquidity of such Notes.

The Bank of England publishes the SONIA Index and the Federal Reserve Bank of New York publishes the SOFR Index. Further, for SONIA, the Bank of England's February 2020 discussion paper entitled "Supporting Risk-Free Rate transition through the provision of compounded SONIA" set out the Bank of England's consideration whether to publish a set of compounded SONIA period averages, an approach similar to that already taken by the Federal Reserve Bank of New York in respect of SOFR. There is no guarantee that the Bank of England and/or the Federal Reserve Bank of New York will not withdraw, modify or amend any published SONIA index or SOFR index (as applicable) or index data, or that such index or averages will be widely used in the marketplace. This means that a screen rate based on an observable publicly available average rate or index may evolve over time but there is no guarantee of this.

Each risk-free rate is published and calculated by third parties based on data received from other sources and the Issuer has no control over their respective determinations, calculations or publications.

There can be no guarantee that the relevant risk-free rate (including the Compounded Daily SONIA) will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes linked to or which reference a such risk-free rate (or that any applicable benchmark fallback provisions provided for in the Conditions will provide a rate which is economically equivalent for Noteholders). None of the Bank of England, the Federal Reserve, or the European Central Bank have an obligation to consider the interests of Noteholders in calculating, adjusting, converting, revising or discontinuing the relevant risk-free rate. It may be difficult for investors in Notes which reference such risk-free rates to reliably estimate the amount of interest which will be payable on such Notes.

Notes referencing risk-free rates may have no established trading market when issued, and an established trading market may never develop or may not be very liquid which, in turn, may reduce the trading price of the Notes or mean that investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. Investors should consider these matters when making their investment decision with respect to any such Floating Rate Notes.

In addition, market participants and relevant working groups continue to explore alternative reference rates based on risk-free rates, including compounded rates and weighted average rates and observation methodologies for such rates (including so-called ‘shift’, ‘lag’ and ‘lock-out’) and such groups may also

explore forward-looking term reference rates derived from these risk-free rates (which seek to measure the market's forward expectation of an average of the relevant risk-free rate over a designated term).

Further, if Notes referencing a risk-free rate become due and payable as a result of an Event of Default, or are otherwise redeemed early on a date which is not a Note Payment Date, the final Rate of Interest payable in respect of such Notes will only be determined immediately prior to the date on which the Notes become due and payable.

In addition, the manner of adoption or application of risk-free rates in the bond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

Investors should carefully consider these matters when making their investment decision with respect to any such Notes.

Risks relating to the discontinuation of EURIBOR

EURIBOR and other interest rates or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform.

Separate work streams are underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fall-back by reference to a Euro risk-free rate (based on a Euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on Euro risk-free rates recommended Euro Short-term Rate ("**€STR**") as the new risk free rate. €STR was published by the ECB for the first time on 2 October 2019. On 21 January 2019, the Euro risk free-rate working group published a set of guiding principles for fall-back provisions in new Euro denominated cash products (including bonds) referencing EURIBOR and on 11 May 2021, the Euro risk free-rate working group published a set of guiding principles for fall-back trigger events and €STR-based EURIBOR fallback rates. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fall-back provisions) may increase the risk to the Euro area financial system.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may cause one or more interest rate benchmarks to disappear entirely, 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.

Any changes to EURIBOR and other interest rate benchmarks will also require compliance with the EU Benchmarks Regulation.

Under the EU Benchmarks Regulation, which applied as from 1 January 2018 in general, new requirements apply with respect to the provision of a wide range of benchmarks (including EURIBOR), the contribution of input data to a benchmark and the use of a benchmark within the EU. In particular, the EU Benchmarks Regulation will, among other things, (a) require 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 (b) prevent 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). The UK Benchmarks Regulation among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK-supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed). The EU Benchmarks Regulation and the UK Benchmark Regulation could have

a material impact on any Notes linked to or referencing a particular benchmark, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the UK Benchmarks Regulation or the EU Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark. These reforms and other pressures may cause one or more interest rate benchmarks to disappear entirely, 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.

The administrators of SONIA or SOFR and €STR are not currently required to obtain authorisation/registration and SONIA or SOFR and €STR do not fall within the scope of the EU Benchmarks Regulation or the UK Benchmarks Regulation by virtue of Article 2 of each of these regulations.

Changes in the manner of administration of the interest rates EURIBOR could result in adjustment to the Conditions, early redemption, delisting or other consequences in relation to the Notes. No assurance may be provided that relevant changes will not occur with respect to EURIBOR or SONIA or any other relevant interest rate benchmark and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to the Notes.

The issuance of unsolicited ratings on the Notes could adversely affect the market value of and/or liquidity of the Notes

Credit rating agencies that have not been engaged to rate Notes issued by the Issuer (a "**Non-Hired NRSRO**") may issue unsolicited credit ratings on such Notes (or issue other commentary on one or more classes of the Notes) at any time, in each case relying on information they receive pursuant to Rule 17g-5 under the Exchange Act, or otherwise. Any unsolicited ratings (or other commentary) by a Non-Hired NRSRO in respect of the Notes may differ from the ratings expected to be assigned by the Relevant Rating Agencies in respect of such Notes and may not be reflected in any Final Terms. Any requirement for a Ratings Confirmation pursuant to the terms of the Programme Documents will not include a requirement to receive a confirmation from any Non-Hired NRSRO. Issuance of an unsolicited rating which is lower (or commentary that implies a lower rating) by a Non-Hired NRSRO than the ratings assigned by Relevant Rating Agencies in respect of the Notes may adversely affect the market value and/or the liquidity of the Notes. In addition, if the Issuer fails to make available to the Non-Hired NRSROs any information provided to the Relevant Rating Agencies for the purpose of assigning or monitoring the ratings on the Notes, one or more of the Relevant Rating Agencies could withdraw their ratings on the Notes, which could adversely affect the market value of the Notes and/or the liquidity of the Notes.

The Issuer will select two or more Rating Agencies to rate each Series of Class A Notes, as specified in the related Final Terms. There can be no assurance that, had the Issuer selected other rating agencies to rate such Class A Notes, the ratings that such rating agencies would have ultimately assigned to those such Class A Notes would have been equivalent to those assigned by the Relevant Rating Agencies in respect to the relevant Series and Classes of Notes (subject to the Ratings Modification Event or appointment of an Additional Rating Agency). Neither the Issuer nor any other person or entity will have any duty to notify Noteholders if any Non-Hired NRSRO issues, or delivers notice of its intention to issue, unsolicited ratings (or other commentary) on any Notes. Furthermore, the SEC may determine that one or more of the Rating Agencies engaged by the Issuer no longer qualifies as a nationally recognised statistical rating organisation, or is no longer qualified to rate the Notes, and that determination may have an adverse effect on the liquidity, market value and regulatory characteristics of the Notes.

LEGAL AND REGULATORY RISKS RELATING TO THE MORTGAGE LOANS

FCA Consumer Duty

New rules relating to the introduction of a new consumer duty on regulated firms (the "**Consumer Duty**"), which aim to set a higher level of consumer protection in retail financial markets, came into force on 31 July 2023. The Consumer Duty applies for products and services that remain open to sale or renewal and for closed products and services, including the Mortgage Portfolio.

It is not yet possible to predict the precise effect of the new Consumer Duty on the Mortgage Loans with exact certainty, however the costs to the financial services sector as a whole, in terms of both compliance and ongoing annual direct costs, are likely to be significant. Note that the individual costs for each firm will differ from organisation to organisation. Any such action or developments (whether in relation to the new Consumer Duty or otherwise) could lead to a potential increase in civil litigation or claims to the Financial Ombudsman Service by customers alleging breach of any new or additional regulations or guidance which may have a material adverse effect on the Mortgage Loans and an impact on the Issuer's business and revenue. This may adversely affect the ability of the Issuer to dispose of the Mortgage Loans or any part thereof in a timely manner and/or the realisable value of the Mortgage Loans or any part thereof and accordingly affect the ability of the Issuer to meet its obligations under the Notes and/or its payment obligations under the Notes by the Note Payment Date or the Final Maturity Date.

Any subsequent measures taken by the FCA could cause delays in the payments received in respect of the Mortgage Loans, and, therefore may adversely affect payments due on the Notes.

For further information on Consumer Duty please refer to "*Regulation of the UK Residential Mortgage Market – FCA Consumer Duty*".

Breathing Space Regulations

Mortgage lenders will - to a limited extent be - within scope of the Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium (England and Wales) Regulations 2020 (the "**Breathing Space Regulations**"), insofar as any borrowers enter a "breathing space" and have amounts in arrears that are not capitalised, as well as any interest or charges on those arrears. Breathing spaces will impact the ability of the Servicer to collect arrears on the Mortgage Loans which constitute "qualifying debt" during the breathing space period. The Servicer would also not be able to commence or continue with any possession proceedings against the "dwelling house" of an individual who is currently within a breathing space, meaning that enforcement options will be very limited during this time in respect of any mortgaged properties which constitute a "dwelling" for the relevant individual. This may negatively impact the Servicer's ability to enforce the debt of relevant individuals and consequently impact Mortgage Loans for a limited time period.

For more information on the Breathing Space Regulations please refer to "*Regulation of the UK Residential Mortgage Market – Breathing Space Regulations"*

Scotland has similar rules in place under its Debt Arrangement Scheme.

FCA response to the cost of living crisis

In response to the ongoing cost of living crisis, the FCA has been instituting revised rules and guidance to support and protect consumers, and notably borrowers, in financial difficulty. In this context, the new rules came into force on 4 November 2024, at which time the existing Mortgages Tailored Support Guidance published on 25 March 2021 (the "**Mortgage Tailored Support Guidance**") was also withdrawn.

There can be no assurance that the FCA, or other UK government or regulatory bodies, will not take further steps in response to the rising cost of living in the UK which may impact the performance of the Mortgage Loans, including further amending and extending the scope of the existing rules and guidance.

Specifically with regard to existing rules and guidance on product switches, it should be noted that a borrower, when requesting a product switch from its current lender, following the end of any initial fixed

rate or discounted period, is not permitted to be subject to any further affordability checks; the intention of the FCA is to permit a borrower to transfer its mortgage product to a new fixed rate or discounted period which is less than the reversionary rate on that borrower's current mortgage product and thus not be trapped into a punitive reversionary rate.

Therefore, as a consequence, the Borrower of a Mortgage Loan, which is sold to the Issuer after the occurrence of a previous Product Switch, will have only been subject to the Seller's initial affordability and underwriting checks (as required by the relevant Lending Criteria that was applicable at the time of initial origination) and no further affordability or underwriting checks will have been conducted at the time of any subsequent Product Switches. Therefore, no assurance can be given that any such Borrower would have passed such affordability or underwriting checks in relation to the new economic terms and conditions of the Mortgage Loan, had the Borrower been subject to such examination (as it would have been, if a new Mortgage Loan had been granted to the Borrower at the time of the Product Switch).

For further information please refer to the section entitled "*Regulation of the UK Residential Mortgage Market - FCA response to the cost of living crisis*" below.

Mortgage Charter

On 26 June 2023, the HM Treasury published the 'Mortgage Charter', in light of the current pressures on households following interest rate rises and the cost-of-living crisis, which contains a set of standards to be adopted by the UK's largest mortgage lenders and the FCA when helping their regulated mortgage borrowers worried about high interest rates.

There can be no assurance that the FCA or other UK government or regulatory bodies will not take further steps in response to the rising cost of living in the UK, including further amending and extending the scope of the Mortgage Charter or related rules. Such developments may adversely affect the ability of the Issuer to make payments in full on the Notes when due.

For further information please refer to the section entitled "*Regulation of the UK Residential Mortgage Market - Mortgage Charter*" below.

Potential effects of current regulations or any additional regulatory changes

Generally, lenders are required to assess the affordability of a loan made to a borrower and to verify the income of a borrower. The Financial Policy Committee took the decision to withdraw its affordability test recommendation (in relation to stress rates) with effect from 1 August 2022. Although lenders are not required to make changes as a result of the withdrawal, this decision could impact the Seller's assessment of affordability in the medium term. Additionally, in relation to interest-only loans that are not buy-to-let loans, the FCA requires lenders to obtain evidence (with permitted exceptions) that a borrower will have in place a clearly understood and credible payment strategy and that the payment strategy has the potential to repay the principal at the end of the term of an interest-only loan.

Over the past decade, the FCA has put in place new rules and guidance for firms to make sure interest-only borrowers were being treated fairly, especially those at risk of not being able to repay. The FCA carried out a review in 2018 to assess the fair treatment of interest-only borrowers. On 15 August 2023, the FCA published a research note on interest-only mortgages noting that interest-only mortgages currently make up 9% of all regulated mortgages in the UK and 55% of these interest-only mortgages were taken out before the 2008 financial crisis when lenders were not required to check whether a borrower had a credible repayment plan. The FCA has stated that it will now be engaging with industry and consumer groups to discuss the research findings and how lenders can further support borrowers who may not be able to repay all the capital owed at the end of their mortgage term. The FCA has also indicated that firms should now be considering whether their treatment of interest-only borrowers is in line with the higher standards set by the Consumer Duty. It is difficult to predict the impact that any future FCA requirements for further support

for interest-only borrowers would have on the Issuer or whether it would materially affect the ability of the Issuer to make payments under the Notes.

It is possible that further changes may be made to MCOB, FSMA and the Consumer Rights Act 2015 (the "**Consumer Rights Act**"). To the extent that new rules do apply to any of the Mortgage Loans, failure to comply with these rules may entitle a borrower to claim damages for loss suffered or to set off the amount of the claim against the amount owing under the applicable Mortgage Loan, and may adversely affect the Mortgage Loans, the Seller and/or the Servicer and their respective businesses and operations.

In addition, failure by the Issuer to comply with the regulations to which the UK residential mortgage market is subject may result in adverse effects on the enforceability of certain Mortgage Loans in the Mortgage Portfolio, and may affect the ultimate amount received by the Issuer in respect of the relevant Mortgage Loans in the Mortgage Portfolio and the realisable value of the Mortgage Portfolio, which may in turn adversely affect the Issuer's ability to make payment in full on the Notes when due.

There are risks in relation to Mortgage Loans which may adversely affect the funds available to pay the Notes

As described under "*Risk factors – The Seller will initially retain legal title to the Mortgage Loans*", the Seller will make an equitable assignment of the relevant Mortgage Loans and Related Security to the Issuer (or, in the case of Scottish Mortgage Loans and Related Security, will procure that a beneficial interest in the relevant Scottish Mortgage Loans is created in favour of the Issuer pursuant to a Scottish Declaration of Trust, with legal title being retained by the Seller). Therefore, the rights of the Issuer may be subject to the direct rights of the Borrowers against the Seller, including rights of set-off existing prior to notification to the Borrowers of the assignment of the Mortgage Loans and Related Security. The exercise of set-off rights by Borrowers would reduce the incoming cash flow to the Issuer.

Further, there may be circumstances in which:

- a Borrower may seek to argue that certain Flexible Feature Payments and Further Advances are unenforceable by virtue of non-compliance with the CCA;
- a Borrower may seek to argue that a Mortgage Loan is unenforceable under the FSMA or that there has been a breach of an FCA or PRA rule, and claim damages in respect thereof (see "*Regulation of the UK Residential Mortgage Market*"); or
- certain Further Advances may rank behind security created by a Borrower after the date upon which the Borrower entered into its Mortgage Loan with the Seller.

The Required Subordination Percentage has been calculated such that it is expected to be sufficient to allow Class Z(S) VFN to cover these risks. The Required Subordination Percentage is used to calculate the Required Subordination Amount. There can be no assurance that the Required Subordination Percentage, and so the Required Subordination Amount, will be sufficient to allow the Class Z(S) VFN to cover the risks described above. If they are not sufficient, the Class A Noteholders may not receive all amounts due on the Class A Notes, or payments to the Class A Noteholders may not be made when due.

Undisclosed Commissions

In a significant decision recently in Johnson v FirstRand Bank Limited, Wrench Johnson v FirstRand Bank Limited, Wrench v FirstRand Bank Limited, and Hopcraft v Close Brothers [2024] EWCA Civ 1282, which consisted of three appeals, each relating to hire-purchase agreements for the purchase of motor vehicles, the United Kingdom Court of Appeal ruled in favour of the appellants on the basis that brokers owed a "disinterested duty" to borrowers to provide information, advice or recommendation on an impartial or disinterested basis unless the broker makes it clear that they could not act impartially because they have a financial incentive to put forward an offer from a particular lender or lenders. This requires informed

consent from the borrower (the nature of which may vary according to the sophistication of the borrower). Where there is a secret commission, including where disclosure is so minimal as to be insufficient to negate secrecy, the lender has primary liability with the broker. The Court also confirmed that partial disclosure (i.e., where the existence but not the amount of commission is disclosed) may amount to a breach of fiduciary duty by a broker, unless informed consent has been given, and that a lender may be liable as an accessory to such breach. The court however left it open to argue that the level of disclosure required for informed consent may depend to some extent on the sophistication of the customer. It is worth noting that the defendant lenders have submitted applications to appeal the decision to the UK Supreme Court.

This judgement has potentially broad application of the ruling (including beyond motor finance) on the level of the disclosure lenders need to notify borrowers, with respect to broker commissions and goes beyond the FCA's rules introduced in 2021 on credit broking commission disclosure. The FCA has published a short statement on 25 November 2024 indicating that it is carefully considering the decision and it remains to be seen what further action the FCA will deem appropriate. It is also worth noting that there generally has been greater disclosure of commissions in the residential mortgage space by FCA regulated firms so the topic of undisclosed commissions is less common compared to the motor finance industry. Nevertheless, no assurance can be given that changes will not be made to the regulatory regime as a result of the factors above.

CERTAIN REGULATORY REQUIREMENTS

THE UK SECURITISATION REGULATION AND THE RECAST UK SECURITISATION REGIME

Prior to the Recast UK Securitisation Effective Date, the EU Securitisation Regulation forms part of the domestic law of the UK pursuant to the Withdrawal Act, and as amended by the Securitisation (Amendment) (EU Exit) Regulations 2019 (SI 2019/660), including the UK Securitisation Rules applicable from time to time in the UK, with such regime being the UK Securitisation Regulation.

See the section above entitled "*The EU Securitisation Regulation, the UK Securitisation Regulation and the Recast UK Securitisation Regime*" for a discussion of changes to the UK Securitisation Regulation regime.

UK risk retention requirements

The Seller (in its capacity as originator) will:

(a) retain, on an ongoing basis, a material net economic interest of not less than 5 per cent. in the securitisation as required by (i) prior to the Recast UK Securitisation Regime Effective Date, Article 6(1) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, Article 6(1) of Chapter 2 of the PRA Securitisation Rules;

(b) at all relevant times comply with the requirements of (i) prior to the Recast UK Securitisation Regime Effective Date, Article 7(1)(e)(iii) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, Article 7(1)(e)(iii) of Chapter 2 of the PRA Securitisation Rules, by confirming in the Investor Reports the risk retention of the Seller as contemplated by (i) prior to the Recast UK Securitisation Regime Effective Date, Article 6(1) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, Article 6(1) of Chapter 2 of the PRA Securitisation Rules;

(c) not change the manner in which it retains such material net economic interest, except to the extent permitted by (i) prior to the Recast UK Securitisation Regime Effective Date, the UK Securitisation Regulation and (ii) on and from the Recast UK Securitisation Regime Effective Date, the PRA Securitisation Rules; and

(d) not sell, hedge or otherwise enter into any credit risk mitigation, short position or any other credit risk hedge with respect to its retained material net economic interest, except to the extent permitted by (i) prior to the Recast UK Securitisation Regime Effective Date, the UK Securitisation Regulation and (ii) on and from the Recast UK Securitisation Regime Effective Date, the PRA Securitisation Rules.

The Seller intends to satisfy the UK Risk Retention Requirements through the retention of the Minimum Seller's Note Amount which will not be less than 5 per cent. of the then nominal value of each of the securitised exposures in accordance with (i) prior to the Recast UK Securitisation Regime Effective Date, Article 6(3)(b) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, Article 6(3)(b) of Chapter 2 of the PRA Securitisation Rules. Any change to the manner in which such interest is held will be notified to the Issuer, the Note Trustee and the Noteholders in accordance with the Conditions.

UK Transparency requirements

The Seller (as the originator for the purposes of (i) prior to the Recast UK Securitisation Regime Effective Date, the UK Securitisation Regulation and (ii) on and from the Recast UK Securitisation Regime Effective Date, the PRA Securitisation Rules) (the "**Designated Reporting Entity**") will be designated, pursuant to

(i) prior to the Recast UK Securitisation Regime Effective Date, Article 7(2) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, Article 7(2) of Chapter 2 of the PRA Securitisation Rules, as the entity responsible to fulfil the information requirements pursuant to (i) prior to the Recast UK Securitisation Regime Effective Date, Article 7 of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, Article 7 of Chapter 2 of the PRA Securitisation Rules. The Issuer has appointed the Seller to perform any obligations that the Issuer may have under (i) prior to the Recast UK Securitisation Regime Effective Date, Article 7 of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, Article 7 of Chapter 2 of the PRA Securitisation Rules. See further "*The Servicer and the Servicing Agreement – Services and Undertakings of the Servicer*" and "*Cash Management – The Cash Management Agreement – Reporting*".

The Cash Manager will:

(a) publish a monthly investor report in respect of the relevant period, as required by and in accordance with (i) prior to the Recast UK Securitisation Regime Effective Date, Article 7(1)(e) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, Article 7(1)(e) of Chapter 2 of the PRA Securitisation Rules ("**UK Investor Report**"); and

(b) publish prior to the pricing date of each Series of Notes upon request and thereafter on a monthly basis certain loan-by-loan information in relation to the Mortgage Portfolio in respect of the relevant period as required by and in accordance with (i) prior to the Recast UK Securitisation Regime Effective Date, Article 7(1)(a) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, Article 7(1)(a) of Chapter 2 of the PRA Securitisation Rules ("**UK Loan Level Report**").

(c) make available the documents required by (i) prior to the Recast UK Securitisation Regime Effective Date, Article 7(1)(b) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, Article 7(1)(b) of Chapter 2 of the PRA Securitisation Rules, prior to the pricing date of each Series of Notes (and in final form, if applicable, at the latest 15 days after the closing of any Series of Notes);

(d) publish details of any information required to be reported in accordance with (i) prior to the Recast UK Securitisation Regime Effective Date, Article 7(1)(f) or Article 7(1)(g) (as applicable) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date,7(1)(f) or Article 7(1)(g) (as applicable) of Chapter 2 of the PRA Securitisation Rules are published without delay, **provided that** the Designated Reporting Entity shall not be required to monitor the price at which the Notes are trading at any time; and

(e) make available each draft UK STS Notification is made available prior to the pricing of a Series of Notes (as applicable) and the final form at the latest 15 days after the closing of any Series of Notes.

The reports set out in paragraphs (a) and (b) above will be simultaneously published and together with the documentation and the information set out in paragraphs (c), (d) and (e) above, will be published on the UK Securitisation Repository Website. Each such report set out in paragraphs (a) and (b) above will be made available no later than one month following the due date for the payment of interest. For the avoidance of doubt, the UK Securitisation Repository Website (and the contents thereof) do not form part of this Base Prospectus.

Investors to assess compliance

In accordance with (i) prior to the Recast UK Securitisation Regime Effective Date, Article 5 of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, in particular, SECN 4.2 (for the purposes of investors that are regulated

by the FCA) and Article 5 of Chapter 2 of the PRA Securitisation Rules (for the purposes of investors that are regulated by the PRA), each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Base Prospectus and the related Final Terms generally for the purposes of complying with each of (i) prior to the Recast UK Securitisation Regime Effective Date, Article 6, Article 7 and Article 9 of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, in particular, SECN 5.2 (for the purposes of investors that are regulated by the FCA) and Article 6 of Chapter 2 of the PRA Securitisation Rules (for the purposes of investors that are regulated by the PRA), SECN 6.2 (for the purposes of investors that are regulated by the FCA) and Article 7 of Chapter 2 of the PRA Securitisation Rules (for the purposes of investors that are regulated by the PRA), and SECN 8.2 (for the purposes of investors that are regulated by the FCA) and Article 9 of Chapter 2 of the PRA Securitisation Rules (for the purposes of investors that are regulated by the PRA) (respectively), and none of the Issuer, the Seller, any Joint Arranger or any Dealer makes any representation that the information described above or in this Base Prospectus and any Final Terms is sufficient in all circumstances for such purposes. In addition, each prospective investor should ensure that they comply with the implementing provisions in respect of (i) prior to the Recast UK Securitisation Regime Effective Date, Article 6, Article 7 and Article 9 of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, in particular, SECN 5.2 (for the purposes of investors that are regulated by the FCA) and Article 6 of Chapter 2 of the PRA Securitisation Rules (for the purposes of investors that are regulated by the PRA), SECN 6.2 and Article 7 of Chapter 2 of the PRA Securitisation Rules (for the purposes of investors that are regulated by the PRA), and SECN 8.2 (for the purposes of investors that are regulated by the FCA) and Article 9 of Chapter 2 of the PRA Securitisation Rules (respectively) in their relevant jurisdiction. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

Investor that are FCA regulated are required to comply with the FCA Securitisation Rules and investors that are PRA regulated are required to comply with the PRA Securitisation Rules. Investors of pensions schemes are required to ensure that they comply with the PRA Securitisation Rules and the rules of the FCA, to the extent they relate to "simple, transparent and standardised" securitisations. Further, the UK Securitisation Regulation SI (2024) sets out certain due diligence obligations on occupational pension schemes which are set out as: before holding a securitisation position (Article 32B), ongoing requirements (Article 32C) and delegation of investment management decisions (Article 32C). For instance, Article 32B of the UK Securitisation Regulation SI (2024) states that before holding a securitisation position, the trustees or managers of an occupational pension scheme must, amongst others, (i) verify that where the originator or original lender is established in the UK and is not a CRR firm or an FCA investment firm, the originator or original lender grants all the credits giving rise to the underlying exposures, unless they are trade receivables not originated in the form of a loan, on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits in accordance with the FCA Securitisation Rules or the PRA Securitisation Rules relating to credit-granting requirements, as applicable and has effective systems in place to apply those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness, (ii) verify that where the originator, sponsor or original lender is established in the United Kingdom, the originator, sponsor or original lender continually retains on an ongoing basis, a material net economic interest in the securitisation in accordance with the FCA Securitisation Rules or the PRA Securitisation Rules and that the risk retention is disclosed to the trustees or managers of the occupational pension scheme in accordance with any applicable FCA Securitisation Rules or PRA Securitisation Rules relating to transparency requirements, (iii) carry out a due-diligence assessment which enables them to assess the risks involved and consider, amongst others, (a) the risk characteristics of the individual securitisation position and of the underlying exposures and (b) structural features of the securitisation that could materially impact the performance of the securitisation position and compliance with the STS criteria and with any applicable designated activity rules. Article 32C further sets out ongoing due diligence requirements for occupational pension schemes such as, amongst others, the trustees or managers of an occupational pension scheme establishing appropriate written procedures that are proportionate to the risk profile of the securitisation position and,

where relevant, to their trading and non-trading book, in order to monitor on an ongoing basis, compliance with Regulation 32B and ensure internal reporting so that the trustees or managers of an occupational pension scheme are aware of the material risks arising from the securitisation position and so that those risks are adequately managed.

See further "*Risk Factors – Legal and Regulatory Risks relating to the Structure and the Notes – Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the notes*" and "*Simple, Transparent and Standardised Securitisations*" below for further information on the implications of the UK Risk Retention Requirements, the UK Securitisation Regulation and the Recast UK Securitisation Regime.

Information regarding the policies and procedures of the Seller

As required by (i) prior to the Recast UK Securitisation Regime Effective Date, Article 9(1) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, Article 9(1) of Chapter 2 of the PRA Securitisation Rules, the Seller has applied the same sound and well-defined credit-granting criteria for the Mortgage Loans as it has applied to equivalent Mortgage Loans that are not part of the Mortgage Portfolio. In particular:

(a) the Seller has applied the same clearly established processes for approving and, where relevant, amending, renewing and refinancing Mortgage Loans as it has applied to equivalent mortgage loans that are not part of the Mortgage Portfolio; and

(b) the Seller has effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the Borrower's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the relevant Borrower's meeting his obligations under the relevant Mortgage Loan Agreement,

as to which please see "*The Mortgage Loans and the Mortgage Portfolio – Origination of the Mortgage Loans – Lending Criteria*".

Simple, Transparent and Standardised Securitisations

The Seller, in its capacity as originator for the purposes of prior to the Recast UK Securitisation Regime Effective Date, the UK Securitisation Regulation, and on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, may procure that a UK STS Notification is submitted to the FCA, in accordance with (i) prior to the Recast UK Securitisation Regime Effective Date, Article 27 of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, in particular, SECN 2.5 and Regulation 10(1) of the UK Securitisation Regulation SI (2024), confirming that the UK STS Criteria Requirements have been satisfied with respect to the issuance of a Series and Class of Notes. UK STS Securitisations appear on the FCA STS Register in accordance with (i) prior to the Recast UK Securitisation Regime Effective Date, Article 27(5) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, Regulation 10(2) of the UK Securitisation Regulation SI (2024). Each UK STS Notification and accompanying explanation from the Seller of the Series and Class of Notes' compliance with the UK STS Criteria Requirements will be available for inspection on the FCA STS Register and the UK Securitisation Repository Website. The STS status of any Series and Class of Notes is not static and prospective investors should verify the current status of such Notes on the FCA STS Register.

Verification of data

Prior to the issuance of any Series or Classes of Notes, the Seller may cause a sample of the Mortgage Loans included in the Mortgage Portfolio (including the data disclosed in the applicable Final Terms in respect of the Mortgage Loans) to be subject to external verification by one or more appropriate and

independent third parties (such as a review of a representative sample of loans based on agreed upon procedures and/or a verification of the stratification tables set out in the applicable Final Terms), the details of which will be set out in the applicable Final Terms.

Liability cashflow model

The Seller will make available a liability cashflow model, either directly or indirectly through one or more entities which provide such liability cashflow models to investors generally, the details of which will be set out in the applicable Final Terms. The Seller will procure that such liability cashflow model (a) precisely represents the contractual relationship between the Mortgage Loans and the payments flowing between the Seller, investors in the Notes, other third parties and the Issuer, and (b) is made available to (i) prior to pricing of the notes, potential investors, and (ii) on an on-going basis, investors in the Notes and to potential investors in the Notes upon request.

Authorised verification agent

With respect to a UK STS Notification, the Seller may obtain a UK STS Assessment from an Authorised Verification Agent. If an Authorised Verification Agent is appointed to prepare a UK STS Assessment with respect to any Notes issued under the Programme, the name of such agent will be disclosed in the relevant UK STS Notification (and the relevant Final Terms) and the corresponding UK STS Assessment will be publicly available.

THE EU SECURITISATION REGULATION

The EU has introduced securitisation reforms through the implementation of a new regime regulating securitisations, the EU Securitisation Regulation, which in general applies to securitisations under which securities are issued on or after 1 January 2019 (although some legislative measures necessary for the full implementation of the new regime have not yet been finalised and compliance with certain new requirements is subject to the application of transitional provisions). The Issuer and the Seller have agreed to comply with certain provisions of the EU Securitisation Regulation on an ongoing basis as further described below.

It is expected that the EU Securitisation Regulation regime will be amended as a result of the wider review, under Article 46 of the EU Securitisation Regulation, of the functioning of the EU Securitisation Regulation regime, on which the European Commission published the October Report. The October Report outlined a number of areas where legislative changes may be introduced. It is expected that this will include amendments to the EU Reporting Requirements, as the October Report includes a mandate to ESMA to review the EU Technical Standards. As at the date of this Base Prospectus, ESMA has commenced an informal consultation on the review of the Article 7 Technical Standards, although it is unclear as to what amendments may be made or when any such amendments will take effect.

EU risk retention requirements

The Seller (in its capacity as originator as if the EU Securitisation Regulation applies to it) will:

(a) retain, on an ongoing basis, a material net economic interest of not less than 5 per cent. in the securitisation as required by Article 6(1) of the EU Securitisation Regulation;

(b) at all relevant times comply with the requirements of Article 7(1)(e)(iii) of the EU Securitisation Regulation by confirming in the Investor Reports the risk retention of the Seller as contemplated by Article 6(1) of the EU Securitisation Regulation;

(c) not change the manner in which it retains such material net economic interest, except to the extent permitted by the EU Securitisation Regulation; and

(d) not sell, hedge or otherwise enter into any credit risk mitigation, short position or any other credit risk hedge with respect to its retained material net economic interest, except to the extent permitted by the EU Securitisation Regulation.

The Seller intends to satisfy the EU Risk Retention Requirements through the retention of the Minimum Seller's Note Amount which will not be less than 5 per cent. of the then nominal value of each of the securitised exposures in accordance with Article 6(3)(b) of the EU Securitisation Regulation. Any change to the manner in which such interest is held will be notified to the Issuer, the Note Trustee and the Noteholders in accordance with the Conditions.

EU Transparency requirements

The Seller (as the originator for the purposes of the EU Securitisation Regulation) has been designated, pursuant to Article 7(2) of the EU Securitisation Regulation, as the entity responsible to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first paragraph of Article 7(1) of the EU Securitisation Regulation (as if applicable). The Seller is responsible for compliance with Article 7 of the EU Securitisation Regulation (as if applicable). The Issuer has appointed the Seller to perform any obligations that the Issuer may have under Article 7 of the EU Securitisation Regulation (as if applicable). See further "*The Servicer and the Servicing Agreement – Services and Undertakings of the Servicer*" and "*Cash Management – The Cash Management Agreement – Reporting*".

The Cash Manager will:

(a) publish a monthly investor report in respect of the relevant period, as required by and in accordance with Article 7(1)(e) of the EU Securitisation Regulation (as if applicable to the Seller) ("**EU Investor Report**"); and

(b) publish prior to the pricing date of each Series of Notes upon request and thereafter on a monthly basis certain loan-by-loan information in relation to the Mortgage Portfolio in respect of the relevant period as required by and in accordance with Article 7(1)(a) of the EU Securitisation Regulation (as if applicable to the Seller) ("**EU Loan Level Report**").

(c) make available the documents required by Article 7(1)(b) of the EU Securitisation Regulation (as if applicable to the Seller) are made available prior to the pricing date of each Series of Notes (and in final form, if applicable, at the latest 15 days after the closing of any Series of Notes); and

(d) publish details of any information required to be reported in accordance with Article 7(1)(f) or Article 7(1)(g) (as applicable) of the EU Securitisation Regulation without delay (as if applicable to the Seller) are published without delay, **provided that** the Designated Reporting Entity shall not be required to monitor the price at which Notes are trading at any time;

provided however, if after the date of this Base Prospectus and after the date that the £500,000,000.00 floating rate Class A2 Notes due June 2072, the £350,000,000.00 floating rate Class A Notes due June 2073, the £350,000,000.00 floating rate Class A Notes due 2074, the £400,000,000 floating rate Class A due 2075 and the £500,000,000.00 floating rate Class A Notes due 2075 have been redeemed, there are any amendments or changes to the EU Reporting Requirements, the Seller may elect, at its sole discretion, not to comply with the EU Reporting Requirements following any such amendments or changes thereto.

The reports set out in paragraphs (a) and (b) above will be simultaneously published and together with the documentation and the information set out in paragraphs (c), (d) and (e) above, will be published on the EU Securitisation Repository Website. Each such report set out in paragraphs (a) and (b) above will be made available no later than one month following the due date for the payment of interest

For the avoidance of doubt, the EU Securitisation Repository Website (and the contents thereof) does not form part of this Base Prospectus.

Investors to assess compliance

In accordance with Article 5 of the EU Securitisation Regulation, each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Base Prospectus and the related Final Terms generally for the purposes of complying with each of Article 6, Article 7 and Article 9 of the EU Securitisation Regulation, and none of the Issuer, the Seller, any Joint Arranger or any Dealer makes any representation that the information described above or in this Base Prospectus and any Final Terms is sufficient in all circumstances for such purposes. In addition, each prospective investor should ensure that they comply with the implementing provisions in respect of Article 6, Article 7 and Article 9 of the EU Securitisation Regulation in their relevant jurisdiction. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

See further "*Risk Factors – Legal and Regulatory Risks relating to the Structure and the Notes – Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the notes*" above for further information on the implications of the EU Risk Retention Requirements and the EU Securitisation Regulation.

Information regarding the policies and procedures of the Seller

As required by Article 9(1) of the EU Securitisation Regulation, the Seller has applied the same sound and well-defined credit-granting criteria for the Mortgage Loans as it has applied to equivalent Mortgage Loans that are not part of the Mortgage Portfolio. In particular:

(a) the Seller has applied the same clearly established processes for approving and, where relevant, amending, renewing and refinancing Mortgage Loans as it has applied to equivalent mortgage loans that are not part of the Mortgage Portfolio; and

(b) the Seller has effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the Borrower's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the Borrower meeting his obligations under the relevant Mortgage Loan Agreement,

as to which please see "*The Mortgage Loans and the Mortgage Portfolio – Origination of the Mortgage Loans – Lending Criteria*".

US CREDIT RISK RETENTION

The Seller, as the "sponsor" of a "securitisation transaction", is required, under Section 15G of the Exchange Act and the final rules and regulations promulgated thereunder (the "**US Credit Risk Retention Requirements**"), to retain an economic interest in the credit risk of the securitised assets of the Issuer of at least 5 per cent. (the "**US Required Risk Retention Interest**").

The Seller, in its capacity as sponsor, intends to satisfy the US Credit Risk Retention Requirements by retaining and maintaining, either directly or through one or more wholly-owned affiliates, a "seller's interest" (as defined in the US Credit Risk Retention Requirements) in the form of the Seller's Note, equal to at least 5 per cent. of the aggregate Principal Amount Outstanding of the Notes of all Series issued by the Issuer, other than any Notes that are at all times held by the Seller (or its wholly-owned affiliates), calculated in all cases in accordance with the US Credit Risk Retention Requirements and measured at the Closing Date of each issuance of Notes and on a monthly basis on each Payment Date. As used herein the term "Notes" does not include the Seller's Note. For the purposes of the calculation described in the second preceding sentence, a wholly-owned affiliate of the Seller will include any person, other than the Issuer,

that directly or indirectly, wholly controls (i.e. owns 100 per cent. of the equity in such person), is wholly controlled by, or is wholly under common control with, the Seller.

The amount of the Seller's Note will be calculated as a percentage of the aggregate Principal Amount Outstanding of all Notes issued by the Issuer, other than any Notes that are at all times held by the Seller or one or more of its wholly-owned affiliates, as of the Closing Date of each issuance of Notes (after any sale of Mortgage Loans to the Issuer on that date) and on a monthly basis on each Payment Date (each, a "**Retention Calculation Date**"). If on any Retention Calculation Date, the Seller's Note is less than 5 per cent. of such amount and if such percentage is not increased to at least 5 per cent. of such amount within one month after such Retention Calculation Date, the US Credit Risk Retention Requirements will not be satisfied. See "*The VFNs – the Seller's Note*" for a description of how the amount of the Seller's Note is computed.

For each issuance of a Series and Class of Notes, the related Final Terms will specify the amount and the percentage of the Seller's Note that the Seller expects to hold at the issuance of such Series and Class of Notes. Such calculation will be based on the outstanding principal amount of all Notes as of the immediately preceding Note Payment Date, or such other specified date (such date being not more than 60 or, where the payment dates are quarterly (or less frequent), 135 days, days prior to the date of first use of this Base Prospectus (together with the related Final Terms) for such Series with investors, adjusted to reflect the hypothetical issuance of Notes on such Closing Date. Any material difference in the amount of the seller's interest retained at the Closing Date of any offering of Notes from the expected seller's interest disclosed in the relevant Final Terms will be disclosed in the first monthly investor report following the relevant Closing Date. For the purposes of the above calculation, the Seller may exclude the amount of any Notes intended to be held for life by the Seller (or its wholly-owned affiliates) as permitted under the US Credit Risk Retention Requirements. As such retention is at the Programme level, the Seller will provide details in the relevant Final Terms irrespective of whether such offering of Notes is pursuant to Regulation S or Rule 144A.

The method of retention by the Seller and/or any changes in the method of retention will be disclosed in the investor reports in accordance with applicable disclosure requirements. In addition to holding the Seller's Note as described above, the Seller will not purchase or sell a security or other financial instrument, enter into any derivative, agreement or position that reduces or limits its financial exposure to the Seller share that it will maintain to satisfy the US Credit Risk Retention Requirements to the extent such activities would be prohibited hedging activities in accordance with US Credit Risk Retention Requirements. Subject to compliance with the US Credit Risk Retention Requirements, the Seller may hedge or finance the Seller's Note, but such financing must be full recourse to the Seller. In the event that there is an event of default under a secured financing of the Seller's Note, the Seller's Note may be subject to foreclosure, and in such instance, the Seller may be out of compliance with the US Credit Risk Retention Requirements.

If the Seller fails to retain credit risk in accordance with the US Credit Risk Retention Requirements, the value and liquidity of the Notes may be adversely affected. If the Seller fails to retain credit risk in accordance with the US Credit Risk Retention Requirements, the price and liquidity of the Notes in the secondary market may be adversely impacted.

In the future, the Seller may elect to comply with the US Credit Risk Retention Requirements through any other means permitted thereunder. In making such election, the Seller will comply with the provisions of the US Credit Risk Retention Requirements, including applicable disclosure requirements.

Notwithstanding any references in this Base Prospectus to the US Credit Risk Retention Requirements, the Seller and other risk retention related matters, in the event the US Credit Risk Retention Requirements (or any relevant portion thereof) are repealed or determined by applicable regulatory agencies to be no longer applicable to the Programme, neither the Seller nor any other party will be required to comply with or act in accordance with the US Credit Risk Retention Requirements (or such relevant portion thereof).

US REGULATORY CONSIDERATIONS

Filing of Diligence Results

On 27 August 2014, the SEC approved rules and issued a release regarding third-party due diligence reports. The release relates primarily to Rule 15Ga-2 and Rule 17g-10 under the Exchange Act, each of which became effective on 10 June 2015. Rule 15Ga-2 requires any Issuer or underwriter of asset-backed securities (including securitisations of residential and commercial mortgage loans as well as other asset classes) rated by a nationally recognised statistical rating organisation to furnish a form (a Form ABS-15G Report) via the SEC's EDGAR database describing the findings and conclusions of any third-party due diligence report obtained by the Issuer or underwriter. Notably, the filing requirements apply to both publicly registered offerings and unregistered securitisations of assets offered within the US such as those relying on Rule 144A. A third party due diligence report is any report containing findings and conclusions relating to due diligences services, which are defined as a review of pool assets for the purposes of issuing findings on: (1) the accuracy of the asset data; (2) determining whether the assets conform to stated underwriting standards; (3) asset value(s); (4) legal compliance by the Seller; and (5) any other factor material to the likelihood that the Issuer will pay interest and principal as required. These due diligence services are routinely provided by third-party due diligence vendors in asset-backed securities structured transactions and affect their credit ratings.

If required pursuant to Rule 15Ga-2, a Form ABS-15G containing diligence findings and conclusions with respect to any relevant third party due diligence reports prepared for the purpose of the transactions contemplated by this Base Prospectus in respect of any Series or Classes of Notes will be prepared and furnished by the Issuer to the SEC pursuant to Rule 15Ga-2 and will be publicly available. Any Form ABS-15G filed via the SEC's EDGAR database is not and will not be, by this reference or otherwise, incorporated into this Base Prospectus or the relevant Final Terms and should not be relied upon by any prospective investor as a basis for making a decision to invest in any Notes. Prospective investors should rely exclusively on this Base Prospectus and the relevant Final Terms.

Rule 17g-5 Compliance

In order to permit the Rating Agencies specified in the Final Terms in respect of the applicable Series or Class of Notes (subject, where applicable, to the Ratings Modification Event and the appointment of an Additional Rating Agency) to comply with their obligations under Rule 17g-5 under the Exchange Act, all information that is provided to the Rating Agencies for the purposes of determining the initial credit ratings of the Notes or undertaking credit surveillance of the Notes will be posted on a password-protected internet website (the "**Rule 17g-5 Website**"), at the same time such information is provided to the Rating Agencies.

On each Closing Date, the Issuer will request Coventry Building Society, in accordance with the Cash Management Agreement, to assist in complying with certain of the posting requirements under Rule 17g-5 in respect of the Programme (in such capacity, the "**Information Agent**"). Any notices or requests to, or any other written communications with or written information provided to, the Rating Agencies, or any of their officers, directors or employees pursuant to, in connection with or related directly or indirectly to, the Programme or Transaction Documents, will be in each case furnished directly to the Rating Agencies after a copy has been delivered to the Information Agent for posting to the Rule 17g-5 Website.

The Volcker Rule

On 10 December 2013, U.S. regulators adopted final regulations to implement Section 619 of the Dodd-Frank Act, commonly referred to as the "**Volcker Rule**". The regulations generally prohibit "banking entities" (broadly defined to include U.S. banks, bank holding companies and foreign banking organisations, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in, or sponsoring, a "covered fund" and (iii) entering into certain relationships with such funds, subject to certain exceptions and exclusions.

The Issuer has been structured not to be a "covered fund" for the purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended (such statutory provisions, together with such implementing regulations, being the Volcker Rule). In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act and under the Volcker Rule may be available, the Issuer has relied on an exemption from registration as an "investment company" under the Investment Company Act under Section (3)(c)(5)(C) thereof. Under the Volcker Rule, a "covered fund" does not include an issuer that may rely on an exclusion or exemption from the definition of "investment company" under the Investment Company Act other than the exclusions contained in Section 3(c)(1) and Section 3(c)(7) thereof.

Any prospective investor in any Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding the effect of the Volcker Rule.

TRANSACTION OVERVIEW

The information set out below is an overview of various aspects of the transaction. This overview does not purport 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 Base Prospectus.

OVERVIEW OF TRANSACTION PARTIES

Party	Name	Address	Document under which appointed / Further Information
Issuer	Economic Master Issuer PLC	10th Floor 5 Churchill Place London E14 5HU	N/A. See the section entitled "*The Issuer*" for more information.
Holdings	Economic Master Holdings Limited	10th Floor 5 Churchill Place London E14 5HU	N/A. See the section entitled "*Holdings*" for more information.
Seller	Coventry Building Society	Oakfield House, Binley Business Park, Harry Weston Road, Coventry CV3 2TQ	Mortgage Sale Agreement. See the section entitled "*Coventry Building Society*" for further information.
Servicer	Coventry Building Society	Oakfield House, Binley Business Park, Harry Weston Road, Coventry CV3 2TQ	The Servicer was appointed pursuant to the Servicing Agreement. See the sections entitled "*Coventry Building Society*" and "*The Servicer and the Servicing Agreement*" for further information. The Servicer may delegate its duties under the Servicing Agreement.
Back-up Servicer Facilitator	CSC Capital Markets UK Limited	10th Floor 5 Churchill Place London E14 5HU	The Back-up Servicer Facilitator was appointed pursuant to the Servicing Agreement. See the sections entitled "*The Servicer and the Servicing Agreement*" for further information.
Security Trustee	Citicorp Trustee Company Limited	Citigroup Centre Canada Square London E14 5LB	The Security Trustee was appointed pursuant to the Deed of Charge. See the section entitled "*The Note Trustee and the Security Trustee*" for more information.
Note Trustee	Citicorp Trustee Company Limited	Citigroup Centre Canada Square London E14 5LB	The Note Trustee was appointed pursuant to the Trust Deed. See the section entitled "*The Note Trustee and the Security Trustee*" for more 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	The issued share capital of Holdings is held by the Share Trustee under the terms of a discretionary trust. See the section entitled "*Holdings*" for more information.
Cash Manager	Coventry Building Society	Oakfield House, Binley Business Park, Harry Weston Road, Coventry CV3 2TQ	The Cash Manager was appointed pursuant to the Cash Management Agreement. See the section entitled "*Cash Management*" for more information.
Corporate Services Provider	CSC Capital Markets UK Limited	10th Floor 5 Churchill Place London E14 5HU	The Corporate Services Provider was appointed pursuant to the Corporate Services Agreement.
First Account Bank	Coventry Building Society	Oakfield House, Binley Business Park, Harry Weston Road, Coventry CV3 2TQ	The First Account Bank was appointed pursuant to the First Account Bank Agreement. See the section entitled "*Cash Management – Account Bank Agreements and Bank Accounts*" for more information.
Second Account Bank	Citibank, N.A., London Branch	Citigroup Centre Canada Square London E14 5LB	The Second Account Bank was appointed pursuant to the Second Account Bank Agreement. See the section entitled "*Cash Management – Account Bank Agreements and Bank Accounts*" for more information.
Custodian	Citibank, N.A., London Branch	Citigroup Centre Canada Square London E14 5LB	The Custodian was appointed pursuant to the Custody Agreement and the Swap Collateral Custody Agreement. See the section entitled "*Cash Management – Custody Agreement and Custody Accounts"* and "*Cash Management – Swap Collateral Custody Agreement and Swap Collateral Custody Accounts"* for more information.
Swap Collateral Account Bank	Citibank, N.A., London Branch	Citigroup Centre Canada Square London E14 5LB	The Swap Collateral Account Bank was appointed pursuant to the Swap Collateral Account Bank Agreement. See the section entitled "*Cash Management – Swap*

Party	Name	Address	Document under which appointed / Further Information
			Collateral Account Bank Agreement" for more information.
Collection Account Bank	HSBC Bank plc	8 Canada Square London E14 5HQ	See the section entitled "*Collection Account Bank*" for more information.
Interest Rate Swap Counterparty	Coventry Building Society	Oakfield House, Binley Business Park, Harry Weston Road, Coventry CV3 2TQ	One or more Interest Rate Swaps will be entered into in respect of the Current Balance of the Fixed Rate Mortgage Loans in the Mortgage Portfolio multiplied by the Swap Funding Note Percentage from time to time. See the section entitled "*The Swap Agreements – The Interest Rate Swap Agreements*" for more information.
	Such other Interest Rate Swap Counterparty as may be appointed pursuant to the applicable Final Terms	As set out in the applicable Final Terms	
Currency Swap Counterparty	As set out in the applicable Final Terms	As set out in the applicable Final Terms	A Currency Swap will be entered into for any Series of Non-Sterling Notes. See the section entitled "*The Swap Agreements – Currency Swap Agreements*" for more information.
Principal Paying Agent	Citibank, N.A., London Branch	Citigroup Centre Canada Square London E14 5LB	The Principal Paying Agent was appointed pursuant to the Agency Agreement.
Agent Bank	Citibank, N.A., London Branch	Citigroup Centre Canada Square London E14 5LB	The Agent Bank was appointed pursuant to the Agency Agreement.
Registrar	Citibank, N.A., London Branch	Citigroup Centre Canada Square London E14 5LB	The Registrar was appointed pursuant to the Agency Agreement.
Exchange and Transfer Agent	Citibank, N.A., London Branch	Citigroup Centre Canada Square London E14 5LB	The Exchange and Transfer Agent was appointed pursuant to the Agency Agreement.
US Paying Agent	Citibank, N.A., London Branch	Citigroup Centre Canada Square London E14 5LB	The US Paying Agent was appointed pursuant to the Agency Agreement.
	HSBC Bank plc	8 Canada Square London E14 5HQ	The Joint Arrangers were appointed pursuant to the

Party	Name	Address	Document under which appointed / Further Information
Joint Arrangers	Lloyds Bank Corporate Markets plc	10 Gresham Street London EC2V 7AE	Programme Agreement. See the section entitled "*Subscription and Sale and Transfer and Selling Restrictions – Transfer Restrictions*" for further information.
Dealers	HSBC Bank plc Lloyds Bank Corporate Markets plc Such other dealers as may be appointed from time to time	8 Canada Square London E14 5HQ 10 Gresham Street London EC2V 7AE	The Dealers were appointed pursuant to the Programme Agreement. See the section entitled "*Subscription and Sale and Transfer and Selling Restrictions – Transfer Restrictions*" for further information.
VFN Registrar	Coventry Building Society	Oakfield House, Binley Business Park, Harry Weston Road, Coventry CV3 2TQ	See the section entitled "*Terms and Conditions of the Notes*" for further information.
Class Z VFN Holder	Coventry Building Society	Oakfield House, Binley Business Park, Harry Weston Road, Coventry CV3 2TQ	N/A
Holder of the Seller's Note	Coventry Building Society	Oakfield House, Binley Business Park, Harry Weston Road, Coventry CV3 2TQ	N/A
Listing Authority	Financial Conduct Authority	N/A	N/A
Stock Exchange	London Stock Exchange's regulated market	N/A	N/A
Clearing Systems	Euroclear, Clearstream, Luxembourg and DTC	N/A	N/A
Rating Agencies	Two or more (as specified in the applicable Final Terms) out of:		N/A. See further "*Overview of the Terms and Conditions of the Notes – Ratings Modification Events*", including with respect to the ability

Party	Name	Address	Document under which appointed / Further Information
			to appoint Additional Rating Agencies.
	Standard & Poor's Credit Market Services Europe Limited	20 Canada Square Canary Wharf London E14 5LH	
	Moody's Investors Service Limited	1 Canada Square London E14 5FA	
	Fitch Ratings Ltd	30 North Colonnade Canary Wharf London E14 5GN	
	DBRS Ratings Limited	20 Fenchurch Street 31st Floor London EC3M 3BY	

OVERVIEW OF MORTGAGE PORTFOLIO AND SERVICING

Please refer to the sections entitled "The Mortgage Loans and the Mortgage Portfolio", "Assignment of the Mortgage Loans and Related Security" and "The Servicer and the Servicing Agreement" for further detail in respect of the characteristics of the Mortgage Portfolio and the sale and servicing arrangements in respect of the Mortgage Portfolio.

Sale of Mortgage Portfolio.....

The Mortgage Portfolio consists of Mortgage Loans and their Related Security sold from time to time by the Seller to the Issuer in accordance with the terms of the Mortgage Sale Agreement. The types of Mortgage Loans forming part of the Mortgage Portfolio will vary over time **provided that**, at the time the relevant Mortgage Loans are sold to the Issuer, the Eligibility Criteria and the Portfolio Criteria (each as described below) in respect of such Mortgage Loans are met on the relevant Assignment Date.

Each Mortgage Loan will be governed by English law or Scots law.

The Mortgage Loans comprising the Initial Mortgage Portfolio and any Additional Mortgage Portfolio may be Variable Rate Mortgage Loans, Flexx Rate Mortgage Loans, Fixed Rate Mortgage Loans, Capped (Variable Rate) Mortgage Loans, Discount Variable Rate Mortgage Loans or Tracker Rate Mortgage Loans and/or other types of Mortgage Loans that may be assigned to the Issuer, from time to time, in accordance with the Mortgage Sale Agreement.

All of the Mortgage Loans in the Mortgage Portfolio will be secured by first ranking legal charges over freehold, leasehold or commonhold properties located in England or Wales or by first ranking standard securities over heritable or long leasehold properties located in Scotland.

See "*Assignment of the Mortgage Loans and Related Security*" for further information on this.

Features of Mortgage Loans .....

The following is a summary of certain features of the Mortgage Loans as at the date of this Base Prospectus and investors should refer to, and carefully consider, the section entitled "*The Mortgage Loans and the Mortgage Portfolio*".

Type of Borrower	Prime
Mortgage Loan Payment Types	Repayment Mortgage Loans, Interest Only Mortgage Loans and Part and Part Mortgage Loans
Self-Certified Mortgage Loans	Not Permitted
Fast-Track Loans	Not Permitted
Buy-To-Let Mortgage Loans	Not Permitted

As at the First Closing Date, the Initial Mortgage Portfolio did not include Interest Only Mortgage Loans and Part and Part Mortgage Loans. The Seller may, however, sell Interest Only Mortgage Loans to the Issuer on any subsequent Assignment Dates. In addition, certain Mortgage Loans in the Mortgage Portfolio may be Offset Mortgage Loans.

Additional Mortgage Loans and New Mortgage Products may be sold to the Issuer after the date of this Base Prospectus. The Mortgage Loan Warranties, Eligibility Criteria and Portfolio Criteria may be modified as required to accommodate New Mortgage Products, subject to receipt of a Ratings Confirmation.

Consideration..... The consideration payable by the Issuer in respect of the sale of each Mortgage Portfolio is a combination of:

(a) the Initial Purchase Price in respect of the Initial Mortgage Portfolio;

(b) the Initial Additional Mortgage Portfolio Purchase Price in respect of any Additional Mortgage Portfolio; and

(c) the payment to the Seller of Deferred Consideration with respect to the Initial Mortgage Portfolio and each Additional Mortgage Portfolio.

Eligibility Criteria ..... Any Mortgage Loans and the Related Security must comply with, among other things, the following criteria on, and as at, the relevant Assignment Date for that Mortgage Loan:

(a) the Mortgage Loan complies with the Mortgage Loan Warranties in the Mortgage Sale Agreement;

(b) the Mortgage Loan is not a Mortgage Loan in relation to which (1) a payment holiday has been granted and is in effect (including, for these purposes, any payment holidays granted in connection with the COVID-19 relief measures), or (2) the Seller has, prior to the relevant Assignment Date, agreed to a payment holiday which takes effect following the relevant Assignment Date (including, for these purposes, any payment holidays granted in connection with the COVID-19 relief measures);

(c) the Mortgage Loan has an aggregate amount in arrears which is no more than the amount of the Monthly Payment then due;

(d) the Mortgage Loan has been made to a Borrower who is a natural legal person over the age of 18;

(e) the Mortgage Loan is not a Buy-To-Let Mortgage Loan, nor has a permission to let been granted;

(f) the Mortgage Loan has an original LTV Ratio of no more than 95 per cent.;

(g) the Mortgage Loan has a current indexed LTV Ratio of no more than 90 per cent.;

(h) the Mortgage Loan was not originated prior to 1 January 2014;

(i) the Mortgage Loan has a Current Balance of no more than £1,500,000 at the relevant Assignment Date;

(j) the Mortgage Loan is not a shared ownership loan;

(k) the Mortgage Loan's maturity date is no later than three years prior to the latest Final Maturity Date in respect of any Series and Class of Notes then outstanding;

(l) if such Mortgage Loan is a Fixed Rate Mortgage Loan, the Issuer has entered into one or more Interest Rate Swaps which account for the Current Balance of the Fixed Rate Mortgage Loans in the Mortgage Portfolio with respect to the relevant Swap Funding Note Percentage from time to time; and

(m) in respect of each Flexx Rate Mortgage Loan, the interest rate applicable with respect to that Flexx Rate Mortgage Loan was greater than or equal to SONIA plus 1 per cent.

The Issuer has the right to amend the Eligibility Criteria, subject to receipt of a Ratings Confirmation. The prior written consent of the Note Trustee, the Security Trustee, the Noteholders and the other Secured Creditors to the amendments will not be required.

See "*Assignment of the Mortgage Loans and Related Security – Eligibility Criteria*" for more information on the Eligibility Criteria.

Portfolio Criteria ..... In addition, on each Assignment Date, the Mortgage Portfolio (including any Mortgage Loans and the Related Security to be sold to the Issuer on that Assignment Date) must comply with, among other things, the following criteria as at that Assignment Date:

(a) the aggregate Current Balance of Mortgage Loans which are greater than three months in arrears is less than or equal to 5 per cent. of the Current Balance of the Mortgage Portfolio;

(b) no Asset Trigger Event has occurred;

(c) no Event of Default has occurred which is continuing;

(d) where the sale would include any Mortgage Loan which is a New Mortgage Product, the Issuer has received a Ratings Confirmation in respect of the inclusion of such New Mortgage Product and any modifications to the Eligibility Criteria, the Portfolio Criteria or the Mortgage Loan Warranties;

(e) the weighted average Original LTV Ratio of the Mortgage Portfolio immediately following the sale will not exceed the weighted average Original LTV Ratio of the Mortgage Portfolio measured as at the most recent Closing Date in respect of the Class A Notes by more than 5 per cent.;

(f) the weighted average Current LTV Ratio of the Mortgage Portfolio immediately following the sale will be less than or equal to 80 per cent.;

(g) for so long as Moody's rates any Notes, the Moody's Portfolio Variation Test Value in respect of the Mortgage Portfolio immediately following the sale will not exceed the Moody's Portfolio Variation Test Value as at the most recent date on which

Moody's performed a full pool analysis on the Mortgage Portfolio (not to be less frequent than annually) by more than 0.3 per cent.;

(h) the aggregate of the Current Balances of each Interest Only Mortgage Loan in the Mortgage Portfolio immediately following the sale will be less than or equal to 5 per cent. of the Current Balance of the Mortgage Portfolio measured as at the most recent Closing Date in respect of the Class A Notes;

(i) the aggregate of the Current Balances of each New Build Mortgage Loan in the Mortgage Portfolio immediately following the sale will be less than or equal to 15 per cent. of the Current Balance of the Mortgage Portfolio measured as at the most recent Closing Date in respect of the Class A Notes;

(j) the aggregate of the Current Balances of each Mortgage Loan with an Original LTV Ratio greater than 85 per cent. in the Mortgage Portfolio immediately following the sale will be less than or equal to 25 per cent. of the Current Balance of the Mortgage Portfolio measured as at the most recent Closing Date in respect of the Class A Notes; and

(k) the aggregate of the Current Balances of each Mortgage Loan which is a Flexx Rate Mortgage Loan in the Mortgage Portfolio immediately following the sale will be less than or equal to 10 per cent. of the Current Balance of the Mortgage Portfolio measured as at the most recent Closing Date in respect of the Class A Notes.

The Issuer has the right to amend the Portfolio Criteria, subject to receipt of a Ratings Confirmation. The prior written consent of the Note Trustee, the Security Trustee, the Noteholders and the other Secured Creditors to the amendments will not be required.

See "*Assignment of the Mortgage Loans and Related Security – Portfolio Criteria*" for more information on the Portfolio Criteria.

Representations and Warranties ..... The Seller is required to give the Mortgage Loan Warranties in respect of the Initial Mortgage Portfolio and each Additional Mortgage Portfolio sold to the Issuer. The Seller will give the relevant Mortgage Loan Warranties to the Issuer on each Assignment Date.

The Mortgage Loan Warranties include (but are not limited to) the following matters:

(a) legal nature of the Mortgage Loans and their Related Security (that is, the valid, binding and enforceable nature of the relevant Mortgage Loan and the Related Security);

(b) subject to completion of any registration which may be pending at HM Land Registry and the Registers of Scotland, the Seller is the absolute unencumbered legal and beneficial owner of the Mortgage Loans, their Related Security and all property to be sold and assigned by the Seller to the Issuer pursuant to the Mortgage Sale Agreement, and the Mortgage Loans and their Related Security are not subject, either totally or partially, to any lien, assignment (whether by way of absolute assignment or assignation by way of security only), charge or pledge to any third parties or are otherwise in a condition that could be foreseen to adversely affect the enforceability of the sale to the Issuer;

(c) (in England and Wales) a first ranking charge by way of legal mortgage, or (in Scotland) a first ranking standard security, existing over the relevant Mortgaged Property;

(d) each relevant Mortgaged Property is located in England, Wales or Scotland;

(e) each Borrower has a good and marketable title to the relevant Mortgaged Property;

(f) prior to making a Mortgage Loan, the nature and amount of such Mortgage Loan, the circumstances of the relevant Borrower and nature of the relevant Mortgaged Property satisfied the Seller's Lending Criteria in force at that time in all material respects subject only to such exceptions and waivers as made on a case by case basis as would be acceptable to a Prudent Mortgage Lender; and

(g) each Mortgage Loan has a remaining term of less than 50 years.

See the section entitled "*Assignment of the Mortgage Loans and Related Security – Representations and warranties*" for the full list of Mortgage Loan Warranties given by the Seller.

Seller's Lending Criteria..... Each of the Mortgage Loans was originated in accordance with the Lending Criteria applicable at the time of origination.

Subject to the terms of the Mortgage Sale Agreement, and **provided that** it acts in accordance with the standard of a Prudent Mortgage Lender, the Seller is entitled to change its Lending Criteria from time to time, so that Additional Mortgage Loans originated after the date of that change will be subject to such new Lending Criteria. Notwithstanding any such change to such Lending Criteria, such Additional Mortgage Loans may still be sold to the Issuer provided that the Mortgage Loans are able to continue to comply with the Eligibility Criteria.

Repurchase of the Mortgage Loans..... The Seller will repurchase the relevant Mortgage Loans and their Related Security in the following circumstances:

(a) upon material breach of the Mortgage Loan Warranties (which is either not capable of remedy or if the Seller failed to remedy it within the agreed grace period); or

(b) upon the breach of the Portfolio Criteria (which is either not capable of remedy or if the Seller failed to remedy it within the agreed grace period); or

(c) in certain circumstances, following the making of a Further Advance or the granting of a Product Switch to the relevant Borrower.

The Seller may also, in accordance with the terms of the Transaction Documents and the Conditions, offer to repurchase Mortgage Loans and their Related Security:

(a) in order to effect any permitted redemption of any Notes; and

(b) where such Mortgage Loans are at least two months in arrears,

provided, in each case, that the Mortgage Portfolio will continue to meet the Portfolio Criteria immediately following such repurchase. The Issuer will be required to accept any such offer. See "*Assignment of the Mortgage Loans and Related Security – General ability to repurchase*".

Consideration for Repurchase..... Consideration payable by the Seller in respect of the repurchase of the Mortgage Loans will be an amount (not less than zero) equal to the Current Balance thereof as at the date of completion of such repurchase.

Redress Payments..... In the event that any Redress is required to be made in respect of a Mortgage Loan, the Seller may, by a date no later than the date by which the FCA or any other regulatory authority requires such Redress to be made, at its sole discretion, either repurchase the relevant Mortgage Loan and its Related Security or make a Redress Payment to the Issuer.

Perfection Trigger Events ..... Transfer of the legal title to the relevant Mortgage Loans will be completed on the occurrence of a Perfection Trigger Event. See further "*Assignment of the Mortgage Loans and Related Security – Transfer of Title to the Mortgage Loans to the Issuer*" and the definition of Perfection Trigger Event set out therein.

Prior to the completion of the transfer of legal title to the Mortgage Loans, the Issuer will hold only the equitable title to those Mortgage Loans or, in the case of Scottish Mortgage Loans, will be the sole beneficiary under the grant of a declaration of trust and will therefore be subject to certain risks as set out in "*The Seller will initially retain legal title to the Mortgage Loans*" in the section entitled "*Risk Factors*".

Servicing of the Mortgage Portfolio..... The Servicer has been appointed by the Issuer to administer the Mortgage Loans on a day-to-day basis. The Servicer will perform the day-to-day servicing of the Mortgage Loans from its mortgage service centres and telephone banking and operations centres. The appointment of the Servicer may be terminated by the Issuer upon the occurrence of a Servicer Termination Event, which includes:

(a) failure to pay any amount due under the Servicing Agreement to the Issuer which is not remedied within thirty Business Days from when the Servicer becomes aware of such failure;

(b) insolvency of the Servicer; or

(c) material non-performance.

The Servicer may also resign upon giving 6 months' (or such shorter period as the Issuer and the Security Trustee may otherwise agree) notice to the Issuer, and the Security Trustee **provided**, among other things, **that** the Issuer, and (following the delivery of an Enforcement Notice) the Security Trustee consent in writing to such termination and that the resignation has no adverse effect on the then current ratings of the Class A Notes (unless the holders of the Class A Notes agree otherwise by Extraordinary Resolution).

The termination of the appointment of the Servicer or resignation of the Servicer will not be effective until a replacement servicer has been appointed. Any replacement servicer will be required (a) to be authorised and licensed to act as such under the FSMA; (b) to have a management team with experience of administering mortgage loans secured on residential mortgaged properties in England, Wales and Scotland; and (c) to enter into a servicing agreement with the Issuer substantially on the same terms as the Servicing Agreement whereby such replacement servicer will agree to carry out the same obligations as performed by the Servicer.

Delegation..... The Servicer may delegate some or all of its servicing function to a third party provided that it meets conditions as set out in the Servicing Agreement.

See "*The Servicer and the Servicing Agreement*".

OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES

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

General..... The Notes will be issued in Series. Series of Class A Notes will be issued from time to time and may consist of one or more Sub-Classes and one or more Sub-Series. However, there will be no more than one Series of Class Z VFNs or the Seller's Note in respect of the Programme. The Class Z VFNs consist of two Sub-Classes, being the Class Z(S) VFN and the Class Z(R) VFN, as further explained below. The Class Z(S) VFN, Class Z(R) VFN and the Seller's Note were issued on the First Closing Date. A class designation determines the relative seniority for receipt of cashflows. The Class A Notes in different Series (and the Class A Notes of differing Sub-Classes of the same Class and Series) will not necessarily have the same terms. Differences may include principal amount, interest rates, interest rate calculations, currency, permitted redemption dates and/or Final Maturity Dates.

Furthermore, the Issuer retains the right to issue notes in the future that are subordinated to the Class A Notes, but are senior to Class Z VFNs and the Seller's Note, and modify the terms of the Programme accordingly.

The Issuer will, subject to the terms of the Trust Deed, be at liberty from time to time, without the consent of the Noteholders, subject to the Issuance Tests, to create and issue further Class A Notes (and, as the case may be, further Sub-Series of the Class A Notes) having terms and conditions the same as the Class A Notes of any Series then in existence in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same will be consolidated and form a single Series and Class with the outstanding Notes of such Series (including all the Sub-Series then in existence).

The Class A Notes, the Class Z(S) VFN, the Class Z(R) VFN and the Seller's Note are constituted by the Trust Deed and share the same Security pursuant to the Deed of Charge.

Payment priority and ranking..... The Notes of each Series are direct, secured unconditional obligations of the Issuer.

The payment of interest due on any Payment Date in respect of the Class Z(R) VFN and the Class Z(S) VFN is subordinated to the payment of interest due on such Payment Date in respect of the Class A Notes of all Series and the Seller's Note, with the payment of interest on the Class A Notes and the Seller's Note ranking *pro rata* and *pari passu*.

The payment of interest due on any Payment Date in respect of the Class Z(R) VFN and the Class Z(S) VFN is also subordinated to the replenishment of the Reserve Fund up to the Reserve Fund Required Amount. None of the VFNs or the Seller's Note has the benefit of amounts standing to the credit of the Reserve Fund.

The repayment of principal due on any Payment Date in respect of the Class Z(S) VFN is subordinated to the repayment of principal due on such Payment Date in respect of the Class A Notes.

The repayment of principal due on any Payment Date in respect of the Seller's Note (i) prior to service of an Enforcement Notice (for so long as no Asset Trigger Event has occurred and/or no Non-Asset Trigger Event is continuing), and (ii) following service

of an Enforcement Notice, will rank *pro rata* and *pari passu* with the repayment of principal on the Class A Notes.

Where an Asset Trigger Event has occurred and/or a Non-Asset Trigger Event is continuing, and provided that no action has been taken to enforce the security created by the Issuer under the Transaction Documents, the repayment of principal due on any Payment Date in respect of the Seller's Note is subordinated to the repayment of principal on the Class A Notes and the Class Z(S) VFN.

The Note Payment Dates for a Series and Class of Notes will be the Payment Dates specified for such Notes in the applicable Final Terms.

For more information on the Priority of Payments, see "*Credit Structure and Cashflows*" and see also "*Risk factors – Subordination of other Classes may not protect Noteholders from all risk of loss*".

Payments..... Prior to service of an Enforcement Notice, the Issuer, or the Cash Manager on its behalf, will, in accordance with the relevant Priority of Payments (and after making the appropriate hedging exchanges pursuant to the applicable Swap Agreement(s) entered into by the Issuer (as described under "*The Swap Agreements*")), pay interest on and repay principal of each Series of Notes using, primarily, interest payments and principal repayments received in respect of the Mortgage Loans in the Mortgage Portfolio.

Following service of an Enforcement Notice, the Security Trustee, or the Cash Manager on its behalf, will apply amounts received or recovered by it to repay all Series and Classes of outstanding Notes in accordance with the Post-Enforcement Priority of Payments.

Security..... As security for the payment of all monies payable in respect of the Notes of each Series, the Issuer has, pursuant to the Deed of Charge, created security in favour of the Security Trustee for itself and on trust for, among others, the Noteholders of each Series including the following:

- a first fixed charge over all of the Issuer's right, title, interest and benefit, present and future, in, to and under the Mortgage Portfolio in respect of the English Mortgage Loans and their Related Security and all other related rights under the same;

- an assignment by way of first fixed security of the Issuer's right, title, interest, benefit and interest, present and future, in, to and under each of the Transaction Documents to which it is a party (but excluding all of the Issuer's right, title, interest and benefit in the Deed of Charge, any Scottish Declaration of Trust, any Scottish Supplemental Charge and any Scottish Sub-Security (and, in respect of the Swap Agreements, after giving effect to all applicable netting and set-off provisions therein));

- a first fixed charge over the Issuer's right, title, interest and benefit in each Transaction Account, each Custody Account, each Swap Collateral Account and each other account (if any) of the Issuer and all amounts or securities standing to the credit of those accounts (including all interest or other income or distributions earned on such amounts or securities) and the debts represented by them, together with all rights and claims relating or attached thereto including, without limitation, the right to interest and the proceeds of any of the foregoing;

- a first fixed charge over the Issuer's right, title, benefit and interest, present and future in, to and under all Authorised Investments made by or on behalf of the Issuer (including all interest and other income or distributions paid or payable on such investments), any Swap Collateral in the form of securities from time to time being owned by the Issuer and all rights in respect of or ancillary to such Authorised Investments and such Swap Collateral, including the right to income, distributions and the proceeds of any of the foregoing;

- an assignment by way of first fixed security of the Issuer's rights, title, interest and benefit in any Insurance Policies;

- an assignation in security in respect of the Issuer's right, title and interest in the Scottish Mortgage Loans and their Related Security (comprising the Issuer's beneficial interest under the initial Scottish Declaration of Trust); and

- a first floating charge over all the assets and undertaking of the Issuer which are not otherwise effectively subject to a fixed charge or assignment by way of security as described in the preceding paragraphs (and also extending over all of the Issuer's Scottish assets and undertaking whether or not effectively charged or assigned by way of security as aforesaid).

See "*Security for the Issuer's obligations*" for more information.

Interest provisions .... Interest will accrue on a Series and Class of Notes from its date of issuance (or such other date specified for such Notes in the applicable Final Terms) at the interest rate specified for such Notes in the applicable Final Terms which may be a fixed or floating rate or have a combination of these characteristics (see Condition 4 (*Interest*). Interest on a Series and Class of Notes will be due and payable on the Note Payment Dates specified for such Notes in the applicable Final Terms.

Please refer to the applicable Final Terms for a Series of Notes for the interest provisions applicable to such Notes.

Interest deferral ..... The Issuer is not permitted to defer payments of interest in respect of the Class A Notes of any Series. The failure to pay interest on the Class A Notes of any Series will, subject to a five Business Day grace period, constitute an Event of Default. The Issuer may defer payments of interest on the Class Z(S) VFN, the Class Z(R) VFN and/or on the Seller's Note and failure to pay interest on the Class Z(S), the Class Z(R) VFN and/or on the Seller's Note will not constitute an Event of Default.

Gross-up ..... None of the Issuer, the Note Trustee, the Security Trustee, any agent or any other person will be obliged to gross-up payments to the Noteholders if any withholding or deduction for or on account of taxes is required to be made in respect of the Notes.

Redemption. The Notes are subject to the following optional or mandatory redemption events (and as fully set out in Condition 5 (*Redemption, Purchase and Cancellation*)):

- mandatory redemption in full on the Final Maturity Date for such Series;

- for Controlled Amortisation Notes, mandatory redemption in instalments on each Note Payment Date to the extent of Available Principal Receipts in an amount up to the Controlled Amortisation Amount;

- for Pass-Through Redemption Notes, mandatory redemption on each Note Payment Date to the extent of Available Principal Receipts;
- for Soft Bullet Redemption Notes, mandatory redemption in whole on the relevant Soft Bullet Scheduled Redemption Date, and on each Note Payment Date thereafter until the relevant Soft Bullet Final Redemption Date, in each case subject to the amount of Available Principal Receipts then available;
- for Hard Bullet Redemption Notes, mandatory redemption in whole on the relevant Hard Bullet Redemption Date;
- optional redemption of a Series and Class of Notes in whole exercisable by the Issuer on the Step-Up Date and on any Note Payment Date thereafter;
- optional redemption of a Series of the Class A Notes in whole exercisable by the Issuer on any Note Payment Date on which the aggregate Sterling Equivalent Principal Amount Outstanding of such Series of Class A Notes is less than 10 per cent. of the aggregate Sterling Equivalent Principal Amount Outstanding of such Series of Class A Notes as at the Closing Date for such Series of Class A Notes;
- optional redemption of a Series and Class of Notes in whole (or, where specified in the applicable Final Terms, in part (in such case to be reflected in the records of ICSDs as either a pool factor or reduction in nominal amount, at their discretion)) exercisable by the Issuer on any date **provided that** all the Noteholders of such Notes have given prior written consent to such redemption;
- on each Note Payment Date following the occurrence of an Asset Trigger Event and for so long as a Non-Asset Trigger Event is continuing and on each Note Payment Date following the Step-Up Date (if any) in respect of a Series and Class of Notes, mandatory redemption in part on each Note Payment Date to the extent of Available Principal Receipts;
- optional redemption of a Series and Class of Notes in whole exercisable by the Issuer for tax and other reasons; and
- optional redemption of a series of the Class A Notes that satisfy UK STS Criteria Requirements at any time following the occurrence of a Revolving Period End Trigger Event.

Unless stated otherwise in the applicable Final Terms, any Note redeemed pursuant to the above redemption provisions will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed, together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note.

In addition, following the exercise by the Seller of the Seller's Note Permitted Repurchase Procedure, the Issuer must redeem the Seller's Note using the proceeds of the sale of the relevant Mortgage Loans.

Termination of the Original Currency Swap

As more fully set out in Condition 5(c) (*Termination of the applicable Original Currency Swap Agreement*), prior to the delivery of an Enforcement Notice, in respect of any principal due and payable in respect of any Series and Class of Non-Sterling Notes on any Note Payment Date following termination of the Original Currency Swap Agreement applicable to such Notes:

Agreement for Non-Sterling Notes

(a) the Non-Sterling Notes will be allocated a *pro rata* share of the Available Principal Receipts which will be converted into the relevant Specified Currency at the Spot Rate or the Replacement Exchange Rate, as the case may be; and

(b) if such conversion produces:

(i) an excess over the amount required to pay principal due on the Non-Sterling Notes, then such excess will be transferred to the Swap Excess Reserve Account for the relevant Class of Non-Sterling Notes; or

(ii) a shortfall in terms of the amount required to pay principal due on the Non-Sterling Notes, then, to the extent that such shortfall cannot be compensated from amounts already standing to the credit of the Swap Excess Reserve Account for such Class of Non-Sterling Notes, the remaining principal due in respect of such Series and Class of Non-Sterling Notes will be subordinated to all other principal amounts payable in respect of the Class A Notes.

Events of Default ..... As fully set out in Condition 9 (*Events of Default*), an Event of Default broadly includes (where relevant, subject to any applicable grace period):

- non-payment of principal and/or non-payment of interest on the Class A Notes of any Series;
- breach of contractual obligations by the Issuer under the Programme Documents that are material to the Most Senior Class of Notes; or
- certain insolvency related events with respect to the Issuer (unless in certain cases it is approved by the Most Senior Class of outstanding Notes).

Acceleration All Notes will become immediately due and payable and the Note Trustee will be entitled to instruct the Security Trustee to enforce the Security upon the service on the Issuer by the Note Trustee of an Enforcement Notice. The Note Trustee will be entitled to serve an Enforcement Notice at any time after the occurrence of an Event of Default in respect of the Most Senior Class and it will do so, subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction: (i) on the written instructions of holders of not less than 25 per cent. in aggregate of the Sterling Equivalent Principal Amount Outstanding of the Most Senior Class across all Series; or (ii) if directed to do so by an Extraordinary Resolution of the Most Senior Class across all Series.

Enforcement At any time after the Security has become enforceable (including after the service of an Enforcement Notice), the Security Trustee will be bound to take action to enforce the Security if it has been so directed by the Note Trustee, provided that the Security Trustee has been indemnified and/or secured and/or prefunded to its satisfaction.

The Note Trustee will not be bound to so direct the Security Trustee unless:

(a) (subject in all cases to restrictions contained in the Trust Deed to protect the interests of any higher-ranking Class of Noteholders) it will have been so directed by an Extraordinary Resolution of the Most Senior Class or so requested in writing by the holders of not less than 25 per cent. of the aggregate Sterling Equivalent Principal Amount Outstanding of the Most Senior Class across all Series; and

(b) it will have been indemnified and/or secured and/or prefunded to its satisfaction.

Any Extraordinary Resolution of the Noteholders of any Class of Notes to direct the Note Trustee to deliver an Enforcement Notice or to take any enforcement action or to instruct the Security Trustee to enforce the Security will only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes.

Limited recourse ..... All Notes are and will be limited recourse obligations of the Issuer. Where, following the occurrence of certain events, and following the realisation and application of the Charged Property, amounts outstanding under the Notes are not paid in full, any such unpaid amounts will cease to be due and payable, which is described in more detail in Condition 10(b) (*Limited Recourse*).

Non petition. The Noteholders will not be entitled to take any corporate action or other steps or legal proceedings for the winding up, dissolution, arrangement, reconstruction or reorganisation of the Issuer, unless the Note Trustee or, as applicable, the Security Trustee, has become bound to institute such proceedings but has failed to do so within 30 days of becoming so bound and the failure is continuing. See Condition 10(b) (*Limited Recourse*).

Certain ERISA and related considerations for investors ..... Unless otherwise specified in the applicable Final Terms, Class A Notes of any Series that are the Rule 144A Notes will be eligible for purchase by employee benefit and other plans subject to Title I of ERISA or Section 4975 of the Code and by governmental, church or non-US plans that are subject to any Similar Law, subject to consideration of the issues described in this Base Prospectus under "*Certain ERISA and Related Considerations*". Each purchaser of any such Notes (and all subsequent transferees thereof) will be deemed to have represented and warranted that its purchase, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code or a violation of any applicable Similar Law. In addition, any fiduciary of a plan subject to the fiduciary responsibility provisions of ERISA or any applicable Similar Law should consult with their counsel to determine whether an investment in the Notes satisfies the prudence, investment diversification and other applicable requirements of those provisions.

Regulation S Notes and the VFNs will not be eligible for purchase by employee benefit and other plans subject to Title I of ERISA or Section 4975 of the Code (see the "*Certain ERISA and Related Considerations*" for further information).

Governing Law ..... The Notes and any non-contractual obligations arising out of or in connection with them will be governed by and construed in accordance with English law.

OVERVIEW OF RIGHTS OF NOTEHOLDERS

Please refer to section entitled "Terms and Conditions of the Notes" for further information in respect of the rights of Noteholders, conditions for exercising such rights and relationship with other Secured Creditors.

Convening a Meeting..... Meetings of the Noteholders to consider matters relating to the Notes of one or more Series will be convened by the Note Trustee at a place in the UK if it is requested to do so by Noteholders holding no less than one tenth in principal amount of the Notes of any Class for the time being outstanding subject in each case to the Note Trustee having been indemnified and/or secured and/or prefunded to its satisfaction. Noteholders may also participate in any appropriate Noteholders' meeting convened by the Issuer or the Note Trustee to consider any matter affecting such Noteholders' interests.

Noteholders meeting provisions .....

Notice Periods

Initial meeting	No less than 21 clear days and no more than 365 clear days for the initial meeting
Adjourned meeting	No less than 13 clear days and no more than 42 clear days for the adjourned meeting

Quorum

	Initial meeting	**Adjourned meeting**
Ordinary resolution	one or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the relevant one or more Series of Notes of the same Class.	one or more persons holding or representing the Notes of the relevant Series and Class of Notes or of the relevant one or more Series of Notes of the same Class whatever the aggregate Principal Amount Outstanding of the Notes so held or represented by them.
Extraordinary resolution	one or more persons holding or representing more than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the relevant one or more Series of	one or more persons holding or representing the Notes of the relevant Series and Class of Notes or of the relevant one or more Series of Notes of the same Class whatever the aggregate Principal Amount Outstanding of the Notes so held or represented by them.

	Notes of the same Class.	
Extraordinary resolution including a Basic Terms Modification	one or more persons holding or representing not less than 75 per cent. of the aggregate principal amount of the Notes outstanding of the relevant Series and Class or of the relevant one or more Series of Notes of the same Class.	one or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the relevant one or more Series of Notes of the same Class.
Programme resolution	one or more persons holding or representing more than 75 per cent. of the aggregate principal amount of the Notes outstanding of the relevant Class of Notes.	one or more persons holding or representing Notes of the relevant Class whatever the aggregate principal amount of the Notes outstanding so held or represented by them.

Required majority

Resolution	Simple majority
Extraordinary resolution	A majority consisting of not less than 75 per cent. of votes cast for matters requiring an Extraordinary Resolution
Written resolution	A resolution signed by or on behalf of 75 per cent. of the Noteholders of the relevant Series and Class or of the relevant Class of more than one Series of Notes. A written resolution has the same effect as an Extraordinary Resolution.

Matters requiring Extraordinary Resolution..... Broadly, the following matters, among others, require an Extraordinary Resolution:

- sanctioning a Basic Terms Modification;
- sanctioning any compromise or arrangement proposed to be made between the Issuer, the Note Trustee, any appointee of the Note Trustee and the Noteholders or any of them;
- sanctioning any abrogation, modification, compromise or arrangement in respect of the rights of the Note Trustee, any appointee of the Note Trustee, the Noteholders or the Issuer against any other or others of them

or against any other party to any of the Programme Documents or against any of their property, whether such rights will arise under the Trust Deed, any other Programme Document or otherwise;

- assenting to any modification of the provisions of the Conditions, the Trust Deed or any other Programme Document which will be proposed by the Issuer, the Note Trustee, or any Noteholder or any other person;
- approving a person to be appointed as a Note Trustee or a Security Trustee and power to remove any Note Trustee or Security Trustee for the time being;
- discharging or exonerating the Note Trustee or the Security Trustee and/or any appointee of the Note Trustee or the Security Trustee from all liability in respect of any act or omission for which the Note Trustee and/or the Security Trustee and/or such appointee may have become responsible under the Trust Deed;
- instructing the Note Trustee to deliver an Enforcement Notice following an Event of Default or to take any enforcement action or to instruct the Security Trustee to enforce the Security; and
- the approval of certain modifications in the circumstances set out in Condition 11(f) (*Additional Rights of Modification*).

See Condition 11 (*Meeting of Noteholders, modifications and waiver*) for further information.

An Extraordinary Resolution of the holders of the Most Senior Class will be binding on all other classes **provided that** no Extraordinary Resolution to sanction a modification (including a Basic Terms Modification) of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions will take effect unless it has been sanctioned by an Extraordinary Resolution (or written resolution) of the VFN Holders (including, for the avoidance of doubt the holder of the Seller's Note), provided no such sanction by the VFN Holders (including, for the avoidance of doubt the holder of the Seller's Note) will be required where the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the VFN Holders (including, for the avoidance of doubt the holder of the Seller's Note).

Relationship between Classes of Noteholders..

The Security Trustee will be bound to exercise its rights under the Deed of Charge only in accordance with the directions of the Note Trustee, which will in turn be bound to act as directed by the Noteholders, subject to both the Security Trustee and the Note Trustee being indemnified and/or secured and/or prefunded to their satisfaction. If there is a conflict between the interests of one Class of Noteholders of one Series and the same Class of Noteholders of another Series, then a resolution directing the Note Trustee to take any action must be passed at separate meetings of the holders of each Series of the relevant Class of Notes. Where the interests of the Class A Noteholders conflict with the interests of the holders of the Class Z VFNs or the holder of the Seller's Note, then the Note Trustee is to have regard only to the interests of the Class A Noteholders.

For the avoidance of doubt, a resolution may only be passed at a single meeting of the Noteholders of each Sub-Class of the relevant Class of Notes of that Series if the Note Trustee is, in its sole discretion, satisfied that there is no conflict between them.

Seller as Noteholder..... The Seller will only be able to exercise voting rights in respect of any Series of Class A Notes where the Seller holds the entire Principal Amount Outstanding of the relevant Series of Class A Notes. Notwithstanding the foregoing, there are no restrictions on the ability of the Seller to exercise its voting rights in respect of sanctioning any Basic Terms Modification.

Relationship between Noteholders and other Secured Creditors ..... While any Notes are outstanding, the Note Trustee will only take into account the interests of the Noteholders in the exercise of its powers, trusts, authorities, and discretions under the Trust Deed or any other Transaction Documents, and not the interests of any other Secured Creditors. While any Notes are outstanding, the Security Trustee will act only at the direction of the Note Trustee.

Provision of information to the Noteholders Information in respect of the Mortgage Portfolio will be provided to the investors on a monthly basis. See "*Certain Regulatory Requirements – The UK Securitisation Regulation and the Recast UK Securitisation Regime*" and "*Certain Regulatory Requirements – The EU Securitisation Regulation*".

Communication with Noteholders..... Any notice to be given by the Issuer or the Note Trustee to Noteholders may be given in the following manner:

- where the Notes are held in the Clearing Systems, by delivering to the relevant Clearing System for communication by it to Noteholders; and/or
- where the Notes are held in definitive form, (i) sent by first class mail (or its equivalent) or (if posted to a non-UK address) by airmail at the respective addresses on the Register or the VFN Register, and (ii) published in The Financial Times and, for so long as amounts are outstanding on the Rule 144A Notes, in a daily newspaper of general circulation in New York (which is expected to be The New York Times); or
- publication of the notice in accordance with the rules of the relevant stock exchange on or by which the relevant Notes are listed and/or admitted to trading.

In addition to the above, simultaneous notice may also be given at the relevant time to Noteholders via a regulatory information service (such as the Regulatory News Service of the London Stock Exchange).

OVERVIEW OF CREDIT STRUCTURE AND CASHFLOWS

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

General credit structure ..... The general credit structure of the transaction includes, broadly speaking, the following elements:

Credit Support from Available Revenue Receipts ..... It is expected that, during the life of the Notes, Revenue Receipts received from Borrowers on the Mortgage Loans in the Mortgage Portfolio will be greater than the sum of the interest which the Issuer will be required to pay on the Class A Notes and its other senior costs and expenses under the Programme.

Reserve Fund ..... Prior to the delivery of an Enforcement Notice, the Reserve Fund will be available to help (i) pay Senior Fees and Expenses, (ii) pay interest due and payable (if any) on the Class A Notes of each Series of Notes, and (iii) eliminate any debit entries on the Class A Principal Deficiency Sub-Ledger, on each Payment Date (and for the avoidance of doubt, the Reserve Fund will not be available to support the Seller's Note, the Class Z(S) VFN or the Class Z(R) VFN).

Following the delivery of an Enforcement Notice, the Reserve Fund will be utilised by the Issuer in payment of any of its other liabilities, subject to and in accordance with the relevant Priority of Payments and may be applied in making payments of principal due under the Class A Notes.

The Reserve Fund has been funded on the First Closing Date through an initial drawdown under the Class Z(R) VFN. It will be replenished through the application of Available Revenue Receipts, the proceeds of any further drawdowns under the Class Z(R) VFN on subsequent Closing Dates and the proceeds of any further drawdowns under the Class Z(R) VFN at any time at the sole discretion of the Class Z VFN Holder as to whether such drawdowns will be funded.

The Reserve Fund will be replenished up to the Reserve Fund Required Amount as applicable from time to time.

See "*Credit Structure and Cashflow – Reserve Fund*" for more details.

Excess Principal Fund. The Excess Principal Fund has been established in the name of the Issuer on the First Closing Date. Funds standing to the credit of the Excess Principal Fund will be added to certain other funds of the Issuer in calculating Available Principal Receipts on each Calculation Date, and will be recorded on the Excess Principal Ledger.

Where (a) the amount standing to the credit of the Excess Principal Fund at any time exceeds the Excess Principal Fund Threshold Amount, or (b) on any date, any amounts would on the next succeeding Payment Date, have remained recorded on the Excess Principal Ledger, on a first in first out basis, for a period of 18 months or more, where that period starts on the date on which such amounts were first so recorded (such event being an "**Excess Principal Fund Threshold Event**"), a Non-Asset Trigger Event shall occur.

Any Available Principal Receipts which remain following the application of Available Principal Receipts towards items (i) to (vi) (inclusive) in the Pre-Enforcement Pre-Trigger Principal Priority of Payments (in respect of the application of the Funding Note Principal Portion) will be credited to the Excess Principal Fund on each Payment Date. No amounts will be credited to the Excess Principal Fund where an Asset Trigger Event has occurred and/or a Non-Asset Trigger Event is continuing.

Following the delivery of an Enforcement Notice, the Excess Principal Fund may be utilised by the Issuer in payment of any of its other liabilities, subject to and in accordance with the relevant Priority of Payments and may be applied in making payments of principal due under all Classes of Notes.

See "*Credit Structure and Cashflow – Excess Principal Fund*" for more detail.

The Seller's Note..... The Seller's Note has been issued on the First Closing Date. It can be drawn for one or more of the following purposes:

(a) maintaining the requisite level of on-going Principal Receipts necessary so as to meet scheduled payments on the Controlled Amortisation Notes and the Cash Accumulation Requirement in respect of Bullet Redemption Notes;

(b) funding all or any part of the Initial Additional Mortgage Portfolio Purchase Price for Additional Mortgage Portfolios;

(c) funding the purchase by the Issuer of Additional Mortgage Loans and their Related Security in circumstances where the Actual Subordination Amount is equal to, or greater than, the Required Subordination Amount;

(d) compliance with the EU Risk Retention Requirements, the UK Risk Retention Requirements and the US Credit Risk Retention Requirements;

(e) application of the drawings thereunder as Available Principal Receipts to effect the redemption of the Class A Notes on the next following Payment Date in accordance with Condition 5(b) (*Mandatory redemption of the Notes in part*) and the applicable Priority of Payments and Principal Repayment Rules;

(f) application of the drawings thereunder to effect the redemption of the Class Z(S) VFN in accordance with Condition 5 (*Redemption, Purchase and Cancellation*), subject to maintaining the Required Subordination Amount;

(g) funding in whole or in part the purchase of any Further Advances or further consideration in respect of any Flexible Feature Payments on the applicable Mortgage Loans in the Mortgage Portfolio; and/or

(h) making up for any shortfalls caused by payment holidays granted to Borrowers and any other authorised underpayments under the Mortgage Loans in the Mortgage Portfolio through the application

of drawings thereunder as the Funding Note Revenue Portion and the Funding Note Principal Portion,

provided that the Principal Amount Outstanding of the Seller's Note is at least equal to the Minimum Seller's Note Amount for so long as any Class A Notes (or any other Notes that are not at all times held by the Seller (or its wholly-owned affiliates)) or any Class Z VFNs remain outstanding.

The Minimum Seller's Note Liquidity Amount will be sized at the time of each issuance of the Class A Notes (and as specified in the then applicable Final Terms) so as to enable the Issuer to acquire additional Mortgage Loans to support the timely payment of the Class A Notes.

Application of Available Principal Receipts to cover a Remaining Revenue Shortfall.....

If, after the application of the Reserve Fund to make up a Revenue Shortfall as described above, there remains a Remaining Revenue Shortfall, then the Cash Manager is required to apply, on behalf of the Issuer, Available Principal Receipts, if any, to make up that deficit.

Principal Deficiencies and the Principal Deficiency Ledger.....

The Principal Deficiency Ledger is constituted by the Funding Principal Deficiency Sub-Ledger and the Seller's Note Principal Deficiency Sub-Ledger. Any Losses realised on the Mortgage Loans will be recorded on the Principal Deficiency Ledger as follows:

(a) the Seller's Note Percentage of such Losses will be recorded on the Seller's Note Principal Deficiency Sub-Ledger; and

(b) the Adjusted Funding Note Percentage of such Losses will be recorded on the Funding Principal Deficiency Sub-Ledgers.

In addition, the Funding Principal Deficiency Sub-Ledgers will record any application of Available Principal Receipts to meet any Remaining Revenue Shortfall. For the avoidance of doubt, with the exception of any Losses realised on the Mortgage Portfolio, no debit entries will be made on the Seller's Note Principal Deficiency Sub-Ledger.

There will be a separate Principal Deficiency Sub-Ledger for each of the Class A Notes and the Class Z(S) VFN (but not, for the avoidance of doubt, for the Class Z(R) VFN). Debit entries will be recorded on each Funding Principal Deficiency Sub-Ledger for the Class A Notes and the Class Z(S) VFN in reverse sequential order, starting with the Class Z(S) VFN. Debit entries may be adjusted in the event that the Principal Amount Outstanding of any Sub-Class of Class Z VFN is increased following any further drawdowns permitted under the Programme. Debit entries may also be reduced by the application of Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments in sequential order starting with the Class A Principal Deficiency Sub-Ledger.

See "*Credit Structure and Cashflow – Principal Deficiencies and the Principal Deficiency Ledger*" for more details.

Cash Accumulation Ledger .....

The Cash Manager will maintain separate Cash Accumulation Ledgers for the Issuer, which will record amounts accumulated by the Issuer to pay each outstanding Series of Bullet Redemption Notes.

Interest on the Class Z VFNs ..... At all times, interest payments due and payable under the Class Z(R) VFN and the Class Z(S) VFN will be subordinated to the payment of interest on the Class A Notes.

Deferral of interest ..... Interest due and payable on Class Z(S) VFN, Class Z(R) VFN and/or on the Seller's Note may be deferred until sufficient funds are available. Interest due and payable on the Class A Notes may not be deferred. Interest payable on the Class A Notes and the Seller's Note will rank *pro rata* and *pari passu*, in accordance with the Seller's Note Revenue Portion and the Funding Note Revenue Portion.

Interest Rate Swap Agreements ..... The Issuer has entered, on the First Closing Date, and will enter on each subsequent Closing Date on which any further Series of Class A Notes that are Floating Rate Notes are issued, into one or more Interest Rate Swap Agreements with the relevant Interest Rate Swap Counterparty to hedge against the difference between the rates of interest payable by the Borrowers under any Fixed Rate Mortgage Loans in the Mortgage Portfolio and interest payments due by the Issuer on the Floating Rate Notes in respect of each Series of the Class A Notes. See "*The Swap Agreements – Interest Rate Swap Agreements*" for more information.

Key terms of the Interest Rate Swap Agreements ..... The Interest Rate Swap Agreements will include the following key commercial terms:

Swap notional amount	In respect of the aggregate swap notional amounts, equal to the Current Balance of the Fixed Rate Mortgage Loans multiplied by the Swap Funding Note Percentage as at the Calculation Date immediately preceding each Payment Date, sized on a monthly basis.
Issuer payment	Periodic Sterling amounts calculated by reference to a weighted average of the rates of interest applicable under the Fixed Rate Mortgage Loans in the Mortgage Portfolio.
Interest Rate Swap Counterparty payment	Periodic Sterling amounts calculated by reference to either (a) compounded SONIA (expected to be Compounded Daily SONIA) plus relevant applicable margin (each as referenced in the latest Final Terms), or (b) fixed rate, as specified in the applicable Final Terms.
Frequency of payment	Monthly.

Currency Swap Agreements .....

For each Series and Class of Non-Sterling Notes, the Issuer will enter into an Currency Swap with a Currency Swap Counterparty to protect the Issuer against certain currency and/or interest rate fluctuations in respect of amounts payable to the Issuer under the Mortgage Loans and/or as applicable the relevant Interest Rate Swap Agreement and amounts payable by the Issuer under such corresponding Classes of Notes of the relevant Series. See "*The Swap Agreements – The Currency Swaps*" for more information.

Key terms of the Currency Swap Agreements .....

Each Currency Swap will include the following key commercial terms:

Issuer initial payment	on the applicable Closing Date, an amount in the Specified Currency equal to the proceeds of the issue of the Series and Class of Notes to which the Currency Swap relates;
Currency Swap Counterparty initial payment	on the applicable Closing Date, the Sterling Equivalent of the proceeds of the issue of the Series and Class of Notes to which the Currency Swap relates;
Issuer notional amount	the Sterling Equivalent Principal Amount Outstanding of the Series and Class of Notes to which the Currency Swap relates from time to time;
Currency Swap Counterparty notional amount	the Principal Amount Outstanding of the Series and Class of Notes to which the Currency Swap relates from time to time;
Issuer ongoing payments	the Sterling Equivalent of the amounts of interest to be paid on the Series and Class of Notes to which the Currency Swap relates;
Currency Swap Counterparty ongoing payments	the amounts of interest to be paid on the Series and Class of Notes to which the Currency Swap relates;
Issuer repayment amounts	the Sterling Equivalent of the principal amount of the Series and Class of Notes to which the Currency Swap relates being redeemed on a given day;
Currency Swap Counterparty repayment amount	the principal amount of the Series and Class of Notes to which the Currency Swap relates being redeemed on a given day;
Frequency of payment	as described in the applicable Final Terms; and
Termination Events/Events of Default	failure by a party to pay any amounts due and payable; delivery of an Enforcement Notice; imposition of withholding taxes due to a change in law; certain insolvency events; merger without an assumption of obligations; illegality.

See "*The Swap Agreements*" for further information.

Principal payments on Non-Sterling Notes ..... For the purposes of making payments in respect of any Series or Class of Non-Sterling Notes:

(a) the Cash Manager will transfer to the relevant Currency Swap Counterparty the relevant principal exchange amount due under the relevant Currency Swap Agreement and the relevant Currency Swap Counterparty will transfer the corresponding principal exchange amount in the currency of the relevant Class A Notes to the Principal Paying Agent for the account of the relevant Non-Sterling Noteholders; or

(b) if there is no Currency Swap Agreement in place for the relevant Series of the Class A Notes (including, without limitation, as a result of the termination of the Original Currency Swap Agreement in relation to such Series), the Cash Manager will convert an amount equal to the applicable share of Available Principal Receipts into the currency of the relevant Class A Notes at the applicable Spot Rate (booked for conversion for value on that Payment Date) and will transfer the amounts received following such conversion to the Principal Paying Agent for the account of the relevant Non-Sterling Noteholders.

Issuance Tests ..... The issuance of any new Series of Class A Notes, or any Sub-Series of Class A Notes, under the Programme is subject to the satisfaction of the following tests:

(a) no Event of Default has occurred and is continuing (and has not been waived) or will occur as a consequence of the issue of such Notes;

(b) no Enforcement Notice has been delivered to the Issuer by the Note Trustee;

(c) no Asset Trigger Event has occurred and no Non-Asset Trigger Event is continuing;

(d) the Issuer has obtained a Ratings Confirmation in respect thereof;

(e) each of the applicable Programme Issuance Documents has been executed by the relevant parties to those documents;

(f) the Issuer having delivered the applicable solvency certificate to the Note Trustee;

(g) on the Closing Date of such Series and after giving effect to the issuance of such Series, the Actual Subordination Amount must be equal to, or greater than, the Required Subordination Amount; and

(h) following the issuance of such Series, the Principal Amount Outstanding of the Seller's Note must be at least equal to the Minimum Seller's Note Amount.

See "*Issuance of Notes*" for further details.

Required Subordination Amount

The Issuer (or the Cash Manager on its behalf) will ensure at all times that the Actual Subordination Amount is not less than the Required Subordination Amount.

The Actual Subordination Amount for the Programme has initially been funded through the Class Z(S) VFN. However, on an ongoing basis, the Actual Subordination Amount will reflect the aggregate of the Principal Amount Outstanding of the Class Z(S) VFN.

If the Actual Subordination Amount is in excess of the Required Subordination Amount (or will be following the application of Available Revenue Receipts and Available Principal Receipts on a Payment Date) the Class Z(S) VFN may, in accordance with the relevant Pre-Enforcement Principal Priority of Payments, be redeemed in an amount such that the Actual Subordination Amount is equal to the Required Subordination Amount.

See "*Credit Structure and Cashflow*" and "*The Class Z VFNs*" for more details.

Minimum Seller's Note Amount

The Issuer (or the Cash Manager on its behalf) will ensure that, for so long as any Class A Notes (or any other Notes that are not at all times held by the Seller (or its wholly-owned affiliates)) or any Class Z VFNs remain outstanding, the Principal Amount Outstanding of the Seller's Note is at least equal to the Minimum Seller's Note Amount. The Minimum Seller's Note Amount will be the greatest of the (i) Required Retention Amount, (ii) Minimum Seller's Note Liquidity Amount and (iii) Deposit Set-Off Protection Excess Amount as determined from time to time.

If the Principal Amount Outstanding of the Seller's Note is greater than the Minimum Seller's Note Amount (or will be following the application of Available Revenue Receipts and Available Principal Receipts on a Payment Date), then:

(a) the Seller's Note may, in accordance with the relevant Pre-Enforcement Principal Priority of Payments, be redeemed in an amount such that the Principal Amount Outstanding of the Seller's Note is at least equal to the Minimum Seller's Note Amount; or

(b) the Seller may elect to exercise the Seller's Note Permitted Repurchase Procedure in order to repurchase Mortgage Loans and their Related Security from the Issuer, and the proceeds from such repurchase will be applied directly and exclusively towards the repayment of the Seller's Note.

In addition, the Issuer may apply an amount up to the gross proceeds of the issuance of the Class A Notes of any Series (the "**Class A Note Issuance Proceeds**") (with any costs and expenses associated with such issuance being funded by a drawing made under the Class Z(R) VFN), to redeem the Seller's Note, provided that:

(a) following such redemption, the Principal Amount Outstanding of the Seller's Note would not be less than the Minimum Seller's Note

Amount (the amount of such redemption being the "**Seller's Note Redemption Amount**"); and

(b) the Seller's Note Redemption Amount shall not exceed the amount of such Class A Note Issuance Proceeds.

If some or all of the relevant Class A Notes are subscribed for by the holder of the Seller's Note (the "**Retained Class A Notes**"), then, to the extent that the Seller's Note Redemption Amount is less than or equal to the Class A Note Issuance Proceeds, the Seller's Note Redemption Amount shall be netted against an amount equal to the Retained Class A Notes. The holder of the Seller's Note shall procure that any surplus Class A Note Issuance Proceeds relating to Retained Class A Notes left following such netting are turned over to the Issuer.

Any such redemption of the Seller's Note shall take place on the Closing Date in respect of the relevant Class A Notes, and shall occur otherwise than in accordance with any Priority of Payments.

For the avoidance of doubt, the Seller may exercise the Seller's Note Permitted Repurchase Procedure irrespective of whether (i) an Asset Trigger Event has occurred, (ii) a Non-Asset Trigger Event is continuing, or (iii) an Event of Default has occurred and is continuing.

See "*Credit Structure and Cashflow*" and "*The Class Z VFNs*" for more details.

Transfer of collections

Collections of interest and principal in respect of the Mortgage Loans in the Mortgage Portfolio are received by the Seller into the Collection Account and swept into the Transaction Accounts by the end of the next Business Day following the identification of such amounts as collection amounts. Payments of interest and, in the case of Repayment Mortgage Loans, principal, are predominantly payable monthly in arrear.

See "*The Servicer and the Servicing Agreement*" for more details.

Transaction Accounts

As at the Programme Date, the Issuer holds Transaction Accounts with the First Account Bank and the Second Account Bank.

Pursuant to the terms of the First Account Bank Agreement, where the First Account Bank fails to satisfy the required Account Bank Minimum Required Rating, the Issuer will be required to move any amounts recorded to any of Excess Principal Ledger, Cash Accumulation Ledger and/or the Reserve Ledger (and, where the Note Payment Dates in respect of any Class A Notes that are then outstanding are less frequent than quarterly, the Interest Provision Ledger and the Principal Provision Ledger) (collectively, the "**Affected Ledgers**") maintained on the Transaction Accounts held with the First Account Bank to a replacement transaction account opened with a financial institution that complies with the required Account Bank Minimum Required Rating (which can be, for the avoidance of doubt, the Second Account Bank), and record the relevant amounts on the ledgers corresponding to the Affected Ledgers maintained with such replacement financial institution.

See "*Cash Management*" for more details.

Authorised Investments..... Amounts standing to the credit of the Transaction Accounts, including the Reserve Fund may be invested in Authorised Investments. Authorised Investments are only required to mature or be liquidated, as applicable, to the extent that there are insufficient funds to meet the Issuer's obligations on such Payment Date standing to the credit of the Transaction Accounts. The remainder may continue to be held in Authorised Investments beyond the relevant Payment Date. Authorised Investments will be held with the Custodian in a Custody Account.

See "*Credit Structure and Cashflows*" and "*Cash Management*" for more details.

Payment Holidays..... On each Calculation Date, if the Cash Manager determines that there will be a shortfall in payment of interest and/or principal in respect of the Class A Notes on the next following Payment Date as a result of payment holidays being granted to Borrowers and any other authorised underpayments being permitted under the Mortgage Loans in the Mortgage Portfolio during the corresponding Calculation Period, the Issuer may draw down on the Seller's Note in the following amounts, as applicable:

(a) an amount equal to such revenue shortfall multiplied by the then Adjusted Funding Note Percentage (such amount being the "**Payment Holiday Revenue Shortfall Amoun**t"), to be added to the Funding Note Revenue Portion and applied in accordance with the Pre-Enforcement Revenue Priority of Payments; and/or

(b) an amount equal to such principal shortfall, multiplied by the then Adjusted Funding Note Percentage (such amount being the "**Payment Holiday Principal Shortfall Amount**") to be added to the Funding Note Principal Portion and applied in accordance with the relevant Pre-Enforcement Principal Priority of Payments.

Summary of Priorities of Payments..... The Cash Manager will apply Available Revenue Receipts and Available Principal Receipts on each Payment Date in accordance with the order of priority set out in the Cash Management Agreement, as summarised below. It should be noted that this is a summary of some of the main cashflows, and does not include every possible cashflow. For more information on cashflows please refer to "*Credit Structure and Cashflows – Allocation of Available Revenue Receipts prior to delivery of an Enforcement Notice*", "*Credit Structure and Cashflows – Allocation and distribution of Available Principal Receipts*" and "*Credit Structure and Cashflow – Application of available funds following the delivery of an Enforcement Notice*".

Pre-Enforcement Revenue Priority of Payments

Prior to the split of the Available Revenue Receipts into the Seller's Note Revenue Portion and the Funding Note Revenue Portion:

1. Amounts due to the Security Trustee and Note Trustee and any Appointee;
2. (a) Amounts due to the Agents and (b) amounts due to the Servicer, Cash Manager, Corporate Services Provider, Back-up Servicer Facilitator, Account Banks, Custodian and any Tender Agent;
3. Amounts due to third party creditors of the Issuer, including in respect of tax (save to the extent that such tax is corporation tax on the taxable profits of the Issuer which can be met out of the Issuer Profit Amount); and
4. Issuer Profit Amount.

The Seller's Note Revenue Portion will be applied towards:

1. Interest on the Seller's Note;
2. Eliminate debit entries on the Seller's Note Principal Deficiency Sub-Ledger; and
3. Deferred Consideration. The Seller may, however direct the Issuer, at its sole discretion, that, instead of receiving the Deferred Consideration, such amounts are, in whole or in part, instead added to the Funding Note Revenue Portion.

Pre-Enforcement Principal Priorities of Payments

Prior to the occurrence of an Asset Trigger Event and for so long as no Non-Asset Trigger Event is continuing, and prior to the split of the Available Principal Receipts into the Seller's Note Principal Portion and the Funding Note Principal Portion, Senior Fees and Expenses (to the extent not covered by the application of the Pre-Enforcement Revenue Priority of Payments).

The Seller's Note Principal Portion will be applied to repay principal on the Seller's Note down to the Minimum Seller's Note Amount, **provided that** to the extent there is a Funding Note Principal Portion Shortfall, the Seller's Note Principal Portion will be reduced by an amount equal to the Funding Note Principal Portion Shortfall and such amount will be added to the Funding Note Principal Portion.

The Funding Note Principal Portion, as well as any amounts to be added to the Funding Note Principal Portion to make up any Funding Note Principal Portion Shortfall and any Payment Holiday Principal Shortfall Amount will be applied in the following order of priority:

1. Interest on Class A Notes (to the extent a Revenue Shortfall is present following the application of the Funding Note Revenue Portion in accordance with the Pre-Enforcement Revenue Priority of Payments);
2. (a) (i) with respect to any Bullet Redemption Notes, to the Cash Accumulation Ledger up to an amount

Post-Enforcement Priority of Payments

Prior to the split of the Available Enforcement Receipts into the Sellers Note Post-Enforcement Portion and the Funding Note Post-Enforcement Portion:

1. Amounts due to the Security Trustee and Note Trustee, any Receiver and any Appointee;
2. (a) Amounts due to the Agents and (b) amounts due to the Servicer, Cash Manager, Corporate Services Provider, Back-up Servicer Facilitator, Account Banks, Custodian and any Tender Agent; and
3. Amounts due to any Swap Counterparty (excluding any Swap Excluded Termination Amount).

The Seller's Note Post-Enforcement Portion will be applied to pay interest due or overdue on, and to repay principal of, the Seller's Note.

The Funding Note Post-Enforcement Portion will be applied in the following order of priority:

1. In no order of priority, interest, principal and fees due on the Class A Notes and amounts due to Swap Counterparties;
2. In no order of priority among them, interest due or overdue in respect of each Sub-Class of Class Z VFN;
3. In no order of priority among them but in proportion to the respective amounts due, to pay any Swap Excluded Termination Amounts to any Swap Counterparty;

Pre-Enforcement Revenue Priority of Payments

The Funding Note Revenue Portion, as well as (i) (at the discretion of the Seller) any amounts to be added to the Funding Note Revenue Portion in accordance with item 3 above, and (ii) any Payment Holiday Revenue Shortfall Amount will be applied in the following order of priority:

1. Amounts due to any Interest Rate Swap Counterparty (excluding any Interest Rate Swap Excluded Termination Amount);
2. Interest on the Class A Notes, amounts due to the Currency Swap Counterparties in respect of payments of interest (other than Currency Swap Excluded Termination Amounts) and credit the Interest Provision Fund;
3. Eliminate debit entries on the Class A Principal Deficiency Sub-Ledger;
4. Credit the Reserve Fund up to the Reserve Fund Required Amount;
5. Eliminate debt entries on the Class Z(S) VFN Principal Deficiency Sub-Ledger;
6. Following the occurrence of an Asset Trigger Event and for so long as a Non-Asset Trigger Event is continuing, the remainder to be applied as Available Principal Receipts in order to be applied at items 2 to 4 inclusive of the Pre-Enforcement Post-Trigger Principal Priority of Payments, and thereafter to be applied at items 7 to 11 inclusive of

Pre-Enforcement Principal Priorities of Payments

equal to the Cash Accumulation Requirement (during the Cash Accumulation Period), (ii) to apply amounts standing to the credit of the relevant Cash Accumulation Ledger towards redeeming Bullet Redemption Notes, and (iii) with respect to any Soft Bullet Redemption Notes which have not been repaid in full on the relevant Soft Bullet Scheduled Redemption Date, to pay any remaining amount of principal due and payable on such Class A Notes, (b) payment of principal due and payable on Controlled Amortisation Notes in an amount up to the Controlled Amortisation Amount, (c) payment of principal due and payable on Pass-Through Redemption Notes until their Sterling Equivalent Principal Amount Outstanding is zero, (d) payment of amounts due to any Currency Swap Counterparties (excluding any Currency Swap Excluded Termination Amount), and (e) credit the Principal Provision Fund up to the Principal Provision Fund Required Amount;

3. For so long as a Revolving Period End Trigger Event is not continuing, and provided that any Series of the Class A Notes that satisfy the UK STS Criteria Requirements and which were outstanding at the time of the occurrence of such Revolving Period End Trigger Event have been redeemed by the Issuer in full, the purchase of any Additional Mortgage Portfolios, Further Advances and paying

Post-Enforcement Priority of Payments

4. Issuer Profit Amount;
5. Principal on the Class Z(R) VFN;
6. Principal on the Class Z(S) VFN;
7. Third party creditors of the Issuer, including any relevant tax authorities; and
8. Deferred Consideration.

Pre-Enforcement Revenue Priority of Payments

the Pre-Enforcement Revenue Priority of Payments;

7. Interest on the Class Z(R) VFN;
8. Interest on the Class Z(S) VFN;
9. Principal on the Class Z(R) VFN;
10. Swap subordination amounts; and
11. Deferred Consideration.

Pre-Enforcement Principal Priorities of Payments

further consideration in respect of any Flexible Feature Payments;

4. To the extent any Non-Sterling Notes remain outstanding following their Sterling Equivalent Redemption Date (after the application of any Principal Excess Amounts) to redeem any Non-Sterling Notes until they have been redeemed in full;
5. Subject to the Required Subordination Amount, principal on the Class Z(S) VFN;
6. Repayment of principal on the Seller's Note down to the Minimum Seller's Note Amount; and
7. Remainder to be credited to the Excess Principal Fund.

The Reapplication Rule (as described in "*Credit Structure and Cashflows – Rules for the repayment of principal amounts due on the Notes*") will apply in determining the amounts to be paid under item 2 of the application of the Funding Note Principal Portion in the Pre-Enforcement Pre-Trigger Principal Priority of Payments summarised above.

Following the occurrence of an Asset Trigger Event and for so long as a Non-Asset Trigger Event is continuing:

1. Senior Fees and Expenses;
2. Interest on Class A Notes (to the extent a Revenue Shortfall is present following the application of the

Post-Enforcement Priority of Payments

Pre-Enforcement Revenue Priority of Payments	Pre-Enforcement Principal Priorities of Payments	Post-Enforcement Priority of Payments
	Funding Note Revenue Portion in accordance with the Pre-Enforcement Revenue Priority of Payments); 3. (a) amounts due to any Currency Swap Counterparties (excluding any Currency Rate Swap Excluded Termination Amount), and (b) if an Asset Trigger Event has occurred, to redeem all the Class A Notes which remain outstanding in no order of priority among them but in proportion to the respective amounts due or, if a Non-Asset Trigger Event is continuing, but an Asset Trigger Event has not occurred, in the following order of priority: (i) in the order of their Final Maturity Date, beginning with the earliest such date (and if two or more Series of Class A Notes have the same Final Maturity Date, in proportion to the respective amounts due), any Class A Notes with Final Maturity Dates falling within 5 years from the date on which the respective Non-Asset Trigger Event has occurred; and (ii) in no order of priority among them but in proportion to the respective amounts due, the remaining Class A Notes with Final Maturity Dates falling 5 years or later from the date on which the respective Non-Asset Trigger Event has occurred. 4. To the extent any Non-Sterling Notes remain outstanding following their Sterling Equivalent	

Pre-Enforcement Revenue Priority of Payments	Pre-Enforcement Principal Priorities of Payments	Post-Enforcement Priority of Payments
	Redemption Date (after the application of any Principal Excess Amounts), redemption of any Non-Sterling Notes until they have been redeemed in full; 5. Repayment of the Class Z(S) VFN; 6. Repayment of the Seller's Note; and 7. Remainder to be applied as Available Revenue Receipts.	

TRIGGERS TABLES

RATING TRIGGERS TABLE

The ratings triggers summarised below apply in respect of the Rating Agencies rating a particular Series of Class A Notes, as indicated in the applicable Final Terms, and are subject to removal, replacement and substitution from time to time. See further "*Transaction Overview – Overview of the Terms and Conditions of the Notes – Ratings Modification Events*" and "*Risk Factors – Risks Relating to the Structure and the Notes – Ratings Modification Event*".

Transaction Party	Required Ratings/Triggers	Possible effects of trigger being breached
Swap Counterparty (or any credit support provider from time to time in respect of the Swap Counterparty)	**Fitch derivative counterparty rating (or, in the absence of such a rating with respect to such entity, the long-term issuer default rating) and short-term issuer default rating requirements**	
	The required ratings and triggers described below, as well as possible effects of the relevant trigger being breached, will apply for so long as the Notes are rated by Fitch.	
	Derivative counterparty or long-term issuer default rating at least "A" or short-term issuer default rating at least "F1"	Subject to the terms of the Swap Agreement, the Swap Counterparty will be obliged to post collateral within 14 calendar days unless, within 30 calendar days, it either (i) procures a transfer to an eligible replacement of its obligations under the Swap Agreement or (ii) procures a guarantee from an eligible guarantor in respect of its obligations under the Swap Agreement or (iii) take such other action as required to maintain or restore the rating of the Class A Notes by Fitch.
	Derivative counterparty or long-term issuer default rating at least "BBB-" or short-term issuer default rating at least "F3"	Subject to the terms of the Swap Agreement, the Swap Counterparty will be obliged to post (within 14 calendar days) or continue to post collateral (pending the taking of any actions set out in sub-paragraphs (i) to (iii)) and also to use its best endeavours to take one of the following actions within 30 calendar days: (i) to procure a transfer to an eligible replacement of its obligations under the Swap Agreement or (ii) procure a guarantee from an eligible guarantor in respect of its obligations under the Swap Agreement or (iii) take such other action as required to maintain or restore the rating of the Class A Notes by Fitch.
	Moody's senior unsecured debt rating requirements or counterparty risk assessment requirements	
	The required ratings and triggers described below, as well as possible effects of the relevant trigger being breached, will apply for so long as the Notes are rated by Moody's.	

Transaction Party	Required Ratings/Triggers	Possible effects of trigger being breached
	Senior unsecured debt rating of at least "A3" or counterparty risk assessment of at least "A3(cr)"	Subject to the terms of the Swap Agreement, the Swap Counterparty will be obliged to post collateral.
	Senior unsecured debt rating of at least "Baa3" or counterparty risk assessment of at least "Baa3(cr)"	Subject to the terms of the Swap Agreement, the Swap Counterparty will be obliged within 30 business days to post or continue to post collateral (pending the taking of any actions set out in sub-paragraphs (i) and (ii)) and also to (i) procure a transfer to an eligible replacement of its obligations under the Swap Agreement or (ii) procure a guarantee from an eligible guarantor in respect of its obligations under the Swap Agreement.

S&P resolution counterparty rating requirements or issuer credit rating requirements

For so long as the Notes are rated by S&P, the S&P Required Ratings will apply. The relevant S&P Required Ratings depend on the S&P Framework and the rating of the S&P Relevant Notes. There are four S&P Frameworks: "Strong", "Adequate", "Moderate" and "Weak".

The Swap Counterparty will have the relevant S&P Required Rating if its issuer credit rating or its resolution counterparty rating assigned by S&P is at least as high as the applicable S&P Required Rating corresponding to the then current rating of the S&P Relevant Notes and the applicable S&P Framework as specified in the S&P Required Ratings.

	The Swap Counterparty and (if applicable) any guarantor fails to have any S&P Initial Required Rating where S&P Framework "Strong", "Adequate" or "Moderate" applies.	The Swap Counterparty must provide collateral within 10 business days (to the extent required depending on the value of the Swap Agreement) to each of the parties at such time unless such Swap Counterparty (i) transfers its obligations in respect of the Swap Agreement to an entity that is eligible to be a Swap Counterparty under the S&P Ratings Criteria, (ii) obtains a guarantee in respect of the Swap Agreement from an entity with the S&P Initial Required Ratings, or (iii) takes such other action as is required to maintain, or restore, the rating of the S&P Relevant Notes. The Issuer may terminate the Swap Agreement if the Swap Counterparty fails to provide collateral in respect of the Swap Agreement in the relevant time period (to the extent the Swap Counterparty is required to do so).
	The Swap Counterparty and (if applicable) any guarantor fails to have	The Swap Counterparty must use its commercially reasonable efforts to, within 90 calendar days, either (i) transfer its obligations in respect of the Swap Agreement to an entity that is eligible to be a Swap

Transaction Party	Required Ratings/Triggers	Possible effects of trigger being breached
	any S&P Subsequent Required Rating where S&P Framework "Strong", "Adequate" or "Moderate" applies.	Counterparty under the S&P Ratings Criteria, (ii) obtain a guarantee in respect of the Swap Agreement from an entity with at least the S&P Subsequent Required Ratings, or (iii) take such other action as is required to maintain, or restore, the rating of the S&P Relevant Notes. Whilst this process is on-going, the Swap Counterparty must also provide collateral within 10 business days (to the extent required depending on the value of the Swap Agreement) to each of the parties at such time. The Issuer may terminate the Swap Agreement if the Swap Counterparty fails to provide collateral in respect of the Swap Agreement in the relevant time period (to the extent the Swap Counterparty is required to do so). The Issuer may also terminate the Swap Agreement if the Swap Counterparty either fails to use its commercially reasonable efforts to take the relevant actions or the relevant time period has expired.
	The Swap Counterparty and (if applicable) any guarantor fails to have any S&P Required Rating where S&P Framework "Weak" applies.	The Swap Counterparty must use its commercially reasonable efforts to, within 90 calendar days, either (i) transfer its obligations in respect of the Swap Agreement to an entity that is eligible to be a Swap Counterparty under the S&P Ratings Criteria, (ii) obtain a guarantee in respect of the Swap Agreement from an entity with at least the S&P Required Ratings, or (iii) take such other action as is required to maintain, or restore, the rating of the S&P Relevant Notes. There is no requirement to provide collateral whilst the process is on-going. The Issuer may terminate the Swap Agreement if the Swap Counterparty either fails to use its commercially reasonable efforts to take the relevant actions or the relevant time period has expired.
	DBRS Critical obligations rating	
	The required ratings and triggers described below, as well as possible effects of the relevant trigger being breached, will apply for so long as the Notes are rated by DBRS.	
	(1) COR of at least "A" by DBRS, or (2) long-term unsecured, unguaranteed and unsubordinated debt obligations which	Subject to the terms of the Swap Agreement, the Swap Counterparty will be obliged to post collateral within 14 calendar days unless, within 30 calendar days, it either (i) procures a transfer to an eligible replacement of its obligations under the Swap Agreement or (ii) procures a guarantee from an eligible

Transaction Party	Required Ratings/Triggers	Possible effects of trigger being breached
	are rated by DBRS at least "A" (by way of a public rating), **provided that** if the Swap Counterparty is not rated by DBRS, a DBRS Equivalent Rating at least equal to "A" by DBRS.	guarantor in respect of its obligations under the Swap Agreement or (iii) takes such other action as required to maintain or restore the rating of the Class A Notes by DBRS.
	(1) a COR of at least "BBB" by DBRS, or (2) long-term unsecured, unguaranteed and unsubordinated debt obligations which are rated by DBRS at least "BBB" (by way of a public rating), **provided that** if the Swap Counterparty is not rated by DBRS, a DBRS Equivalent Rating at least equal to "BBB" by DBRS	Subject to the terms of the Swap Agreement, the Swap Counterparty will be obliged to post (within 14 calendar days) or continue to post collateral (pending the taking of any actions set out in sub-paragraphs (i) to (iii)) and also to use its best endeavours to take one of the following actions within 30 calendar days: (i) to procure a transfer to an eligible replacement of its obligations under the Swap Agreement or (ii) procure a guarantee from an eligible guarantor in respect of its obligations under the Swap Agreement or (iii) take such other action as required to maintain or restore the rating of the Class A Notes by DBRS.
Account Bank	• **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; • **Moody's**. A long-term bank deposits rating of at least A3 by Moody's or a short-term issuer default rating of at least P1 by Moody's; • **S&P**. A short-term unsecured, unguaranteed and	Within 60 days of the breach, one of the following will occur: (a) the Transaction Account may be closed by, or on behalf of, the Issuer and all amounts standing to the credit thereof will be transferred by, or on behalf of, the Issuer to accounts held with a financial institution which satisfies the required Account Bank Minimum Required Rating, or (b) a guarantee of such Account Bank's obligations under the relevant Account Bank Agreement may be obtained from a financial institution which satisfies the required Account Bank Minimum Required Rating, or (c) a Ratings Confirmation will be obtained or the relevant Account Bank will take such other actions as may be reasonably requested by the parties to the Account Bank Agreement (other than the Security Trustee) to ensure that the rating of the Class A Notes immediately prior to the breach is not adversely affected by the breach.

Transaction Party	Required Ratings/Triggers	Possible effects of trigger being breached
	unsubordinated debt rating of at least A-1 by S&P (if a short-term unsecured, unguaranteed and unsubordinated debt rating is assigned by S&P) and a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A by S&P, or should the relevant Account Bank not benefit from a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-1 from S&P, a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A+ by S&P; and • **DBRS**. The higher of (A) if a COR is currently maintained in respect of the relevant Account Bank, a rating one notch below such Account Bank's COR, being a rating of "A" from DBRS, and (B) a long-term senior unsecured debt rating or deposit rating of "A" from DBRS or (C) if none of (A) or (B) above are currently maintained in respect of the relevant Account Bank, a DBRS	

Transaction Party	Required Ratings/Triggers	Possible effects of trigger being breached
	Equivalent Rating at least equal to "A", or such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then rating of the Class A Notes.	
Swap Collateral Account Bank	• **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; • **Moody's**. A long-term bank deposits rating of at least A3 by Moody's or a short-term issuer default rating of at least P1 by Moody's; • **S&P**. A short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-1 by S&P (if a short-term unsecured, unguaranteed and unsubordinated debt rating is assigned by S&P) and a long-term unsecured, unguaranteed	Within 60 days of the breach, one of the following will occur: (a) the Swap Collateral Account may be closed by, or on behalf of, the Issuer and all amounts standing to the credit thereof will be transferred by, or on behalf of, the Issuer to accounts held with a financial institution which satisfies the required Swap Collateral Account Bank Minimum Required Rating, or (b) a guarantee of such Swap Collateral Account Bank's obligations under the relevant Swap Collateral Account Bank Agreement may be obtained from a financial institution which satisfies the required Swap Collateral Account Bank Minimum Required Rating, or (c) a Ratings Confirmation will be obtained or the relevant Swap Collateral Account Bank will take such other actions as may be reasonably requested by the parties to the Swap Collateral Account Bank Agreement (other than the Security Trustee) to ensure that the rating of the Class A Notes immediately prior to the breach is not adversely affected by the breach.

Transaction Party	Required Ratings/Triggers	Possible effects of trigger being breached
	and unsubordinated debt rating of at least A by S&P, or should the relevant Swap Collateral Account Bank not benefit from a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-1 from S&P, a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A+ by S&P; and • **DBRS**. The higher of (A) if a COR is currently maintained in respect of the relevant Swap Collateral Account Bank, a rating one notch below such Swap Collateral Account Bank's COR, being a rating of "A" from DBRS, and (B) a long-term senior unsecured debt rating or deposit rating of "A" from DBRS or (C) if none of (A) or (B) above are currently maintained in respect of the relevant Swap Collateral Account Bank, a DBRS Equivalent Rating at least equal to "A",	

Transaction Party	Required Ratings/Triggers	Possible effects of trigger being breached
	or such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then rating of the Class A Notes.	
Custodian	• **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; • **Moody's**. A long-term bank deposits rating of at least A3 by Moody's; • **S&P**. A short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-1 by S&P (if a short-term unsecured, unguaranteed and unsubordinated debt rating is assigned by S&P) and a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A by S&P, or should the Custodian not benefit from a short-term unsecured, unguaranteed and	Within 60 days of the breach, one of the following will occur: (a) the Custody Account and the Swap Collateral Custody Account may be closed by, or on behalf of, the Issuer and all amounts standing to the credit thereof will be transferred by, or on behalf of, the Issuer to accounts held with a Qualified Institution, or (b) a guarantee of the Custodian's obligations under the Custody Agreement and the Swap Collateral Custody Agreement may be obtained from a financial institution which has all the Custodian Ratings, or (c) a Ratings Confirmation will be obtained or the Custodian will take such other actions as may be reasonably requested by the parties to the Custody Agreement and the Swap Collateral Custody Agreement (other than the Security Trustee) to ensure that the rating of the Class A Notes immediately prior to the breach is not adversely affected by the breach.

Transaction Party	Required Ratings/Triggers	Possible effects of trigger being breached
	unsubordinated debt rating of at least A-1 from S&P, a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A+ by S&P; and • **DBRS**. The higher of (A) if a COR is currently maintained in respect of the Custodian, a rating one notch below the Custodian's COR, being a rating of "A" from DBRS, and (B) a long-term senior unsecured debt rating or deposit rating of "A" from DBRS or (C) if none of (A) or (B) above are currently maintained in respect of the Custodian, a DBRS Equivalent Rating at least equal to "A", or such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then rating of the Class A Notes.	

NON-RATING TRIGGERS TABLE

Nature of Trigger	Description of Trigger	Consequence of Trigger
Asset Trigger Event	Any amount is recorded as a debit on the Class A Principal Deficiency Sub-Ledger after the application of available funds in accordance with the applicable Priorities of Payment on a Payment Date.	Following the occurrence of an Asset Trigger Event and/or for as long as a Non-Asset Trigger Event is continuing: (i) all Bullet Redemption Notes and Controlled Amortisation Notes will become Pass-Through Redemption Notes; (ii) following the occurrence of an Asset Trigger Event (but not following the occurrence of a Non-Asset Trigger Event), interest on all Class A Notes and Sub-Classes of Class A Notes in each Series will be determined and paid on a monthly basis and will be due and payable by the Issuer on each applicable Payment Date; (iii) principal on all Class A Notes and Sub-Classes of Class A Notes in each Series will be paid: (a) if an Asset Trigger Event has occurred, in no order of priority among them but in proportion to the respective amounts due; or (b) if a Non-Asset Trigger Event is continuing but an Asset Trigger Event has not occurred, in the following order of priority: (A) first, in the order of their Final Maturity Date, beginning with the earliest such date (and if two or more Series of Class A Notes have the same Final Maturity Date, in proportion to the respective amounts due), any Class A Notes with Final Maturity Dates falling within 5 years from the date on which the respective Non-Asset Trigger Event has occurred; and (B) second, in no order of priority among them but in proportion to the respective amounts due, the remaining Class A Notes with Final Maturity Dates falling 5 years or later from the date on which the respective Non-Asset Trigger Event has occurred;
Non-Asset Trigger Event	(a) Insolvency Event in relation to the Seller or the Servicer; (b) notice is provided by the Issuer to the Servicer terminating the appointment of the Servicer following the occurrence of a Servicer Termination Event in accordance with the terms of the Servicing Agreement, and a replacement Servicer is not appointed within six months following the provision of such notice; (c) the Actual Subordination Amount continues to be less than the Required Subordination Amount for a period of two months following the date on which	

Nature of Trigger	Description of Trigger	Consequence of Trigger
	the Servicer became aware of the reduction of the Actual Subordination Amount below the Required Subordination Amount, and the Actual Subordination Amount is not restored to the level which is at least equal to the Required Subordination Amount by the end of such period;	(iv) on each Payment Date, the Issuer will be required to apply Available Principal Receipts in accordance with the Priority of Payment set out under "*Credit Structure and Cashflows – Allocation and distribution of Available Principal Receipts - Application of Available Principal Receipts following the occurrence of an Asset Trigger Event and for so long as a Non-Asset Trigger Event is continuing but prior to the delivery of an Enforcement Notice*";
	(d) the Principal Amount Outstanding of the Seller's Note continues to be less than the Minimum Seller's Note Amount for a period of two months following the date on which the Servicer became aware of the reduction of the Principal Amount Outstanding of the Seller's Note below the Minimum Seller's Note Amount, and the Principal Amount Outstanding of the Seller's Note is not restored to the Minimum Seller's Note Amount by the end of such period; or	(v) at any time where a Sale Period is not continuing, the Seller will be required to repurchase any Mortgage Loans in respect of which a Further Advance was granted or a Product Switch was made following the occurrence of an event which resulted in the suspension of a Sale Period; and (vi) for as long as a Non-Asset Trigger Event is continuing, and provided that a Sale Period is still continuing, the purchase of any Additional Mortgage Portfolio, any Further Advances or paying further consideration in respect of any Flexible Feature Payments can be funded solely by drawings under the Seller's Note.

Nature of Trigger	Description of Trigger	Consequence of Trigger
	(e) Excess Principal Fund Threshold Event.	
Revolving Period End Trigger Event	(a) Insolvency Event in relation to the Seller or the Servicer; or (b) Excess Principal Fund Threshold Event	Following the occurrence of a Revolving Period End Trigger Event, the Issuer will be prohibited from applying any of the Available Principal Receipts or the proceeds of any further drawdowns under the Class Z(S) VFN or the Seller's Note towards the purchase of any Additional Mortgage Portfolio or any Further Advances and paying further consideration in respect of Flexible Feature Payments. Upon the redemption in full of all Series of Class A Notes that were both (i) outstanding at the time that a Revolving Period End Trigger Event occurred; and (ii) designated as being in compliance with the UK STS Criteria Requirements, the Issuer will no longer be prohibited from applying Available Principal Receipts or the proceeds of any further drawdowns under the Class Z(S) VFN or the Seller's Note towards the purchase of any Additional Mortgage Portfolio or any Further Advances and paying further consideration in respect of any Flexible Feature Payments. At any time following the occurrence of a Revolving Period End Trigger Event the Issuer may, having given not more than 60 nor less than 30 days' notice to the Note Trustee, the relevant Currency Swap Counterparty (if any) and the Noteholders in accordance with Condition 14 (*Notice to Noteholders*), redeem all (but not some only) of such Series of the Class A Notes that satisfy the UK STS Criteria Requirements as of the date on which such Revolving Period End Trigger Event first occurred on the immediately succeeding Note Payment Date for such Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof.
Perfection Trigger Event	(a) delivery of an Enforcement Notice; (b) Insolvency Event in relation to the Seller; (c) a breach of obligations by the Seller (or the Servicer on behalf of the Seller) under the	The Issuer (with the consent of the Note Trustee) or, following the service of an Enforcement Notice, the Note Trustee may decide that the Borrowers will be notified of the sale of the Loans to the Issuer and legal title to the Mortgage Portfolio will be transferred to the Issuer. Following the occurrence of an Insolvency Event in relation to the Seller, the Servicer will not set the Issuer Standard Variable Rate below SONIA plus 2 per cent. per annum.

Nature of Trigger	Description of Trigger	Consequence of Trigger
	Transaction Documents, where such breach, if capable of remedy, has not been remedied within 90 calendar days following the day on which the Seller is aware of such breach. The Seller may amend this paragraph (c) so long as the Seller delivers a certificate to the Issuer that such amendment does not impact the designation as a 'simple, transparent and standardised' securitisation (within the meaning of, prior to the Recast UK Securitisation Regime Effective Date, the UK Securitisation Regulation, and on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime) in respect of any Series or Class of Notes then outstanding which are intended to satisfy the UK STS Criteria Requirements;	

Nature of Trigger	Description of Trigger	Consequence of Trigger
	(d) (with certain caveats) termination of the Seller's role as Servicer under the Servicing Agreement;	
	(e) the Seller and/or the Issuer being required to perfect legal title to the Mortgage Loans by an order of a court of competent jurisdiction, a change in law occurring after the Programme Date, or by a regulatory authority of which the Seller is a member or any organisation whose members comprise (but are not necessarily limited to) mortgage lenders with whose instructions it is customary for the Seller to comply;	
	(f) 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; and	

Nature of Trigger	Description of Trigger	Consequence of Trigger
	(g) if the Seller determines, as at any date, that its CET1 Ratio has fallen below 6.00 per cent.	
Servicer Termination Event	(a) the Servicer fails to pay any amount due and payable by it to the Issuer under the Servicing Agreement and such failure is not remedied for a period of thirty Business Days after becoming aware of the default;	Successor servicer to be appointed in accordance with the terms of the Servicing Agreement.
	(b) unremedied breach of obligation which is material to the Class A Noteholders and the Servicer does not remedy that failure within thirty Business Days after becoming aware of the failure; or	
	(c) Insolvency Event in relation to the Servicer.	
Cash Manager Termination Event	(a) failure to pay which continues unremedied for a period of five Business Days;	Successor cash manager to be appointed in accordance with the terms of the Cash Management Agreement.
	(b) unremedied breach of obligation which is material to the Class A Noteholders	

Nature of Trigger	Description of Trigger	Consequence of Trigger
	which continues unremedied for a period of thirty Business Days; or (c) Insolvency Event in relation to the Cash Manager.	

FEES

The table below sets out the principal on-going transaction fees to be paid by the Issuer to Transaction Parties. Each of these fees is subject to change at any time without the notification or approval of Noteholders, including upon the appointment of any successor service provider or any other successor transaction party pursuant to the applicable Programme Document.

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
Servicing fee.	0.2 per cent. per annum (inclusive of any VAT) of the aggregate Current Balances of the Mortgage Portfolio.	Ahead of all interest payments on the Notes.	Each Payment Date.
Cash management fee.	0.01 per cent. per annum (inclusive of any VAT) of the Principal Amount Outstanding of the Notes each year.	Ahead of all interest payments on the Notes.	Each Payment Date.
Corporate expenses of Issuer.	Estimated at £66,000 per annum (exclusive of any VAT).	Ahead of all interest payments on the Notes.	Each Payment Date.
Fees related to the admission of the Notes to trading.	Calculated by the London Stock Exchange plc depending on the principal amount outstanding of the Notes to be admitted to trading.	Ahead of all interest payments on the Notes.	Within 30 days following the respective Closing Date.

The corporate expenses of the Issuer are exclusive of any VAT, which is currently chargeable at 20 per cent., so that an amount equal to any VAT may be added to such expenses. Each of the servicing fee and the cash management fee is inclusive of any VAT, so that the actual amount of the fee will be the amount as set out above.

DESCRIPTION OF THE NOTES

THE CLASS A NOTES

Issuance Tests ..... The Issuer may only issue a Series of Class A Notes or a Sub-Series of the Class A Notes on the satisfaction of certain conditions precedent including Issuance Tests, the details of which are set out in "*Issuance of Notes – Issuance*". Under the Issuance Tests, any Class A Notes and each Sub-Series of the Class A Notes may be issued only if the amount of credit enhancement on the date of issuance of those Notes (after giving effect to such issuance), in the form of the Class Z VFNs, is equal to or greater than the Required Subordination Amount applicable across all outstanding Series of Class A Notes. The Required Subordination Amount will be calculated by reference to, among other things, the Required Subordination Percentage, which will be specified in the Final Terms for each Series of Class A Notes. The Required Subordination Percentage may, subject to certain conditions, be increased or decreased without Noteholder consent.

Ratings..... It is a condition of the issuance of each Series of Class A Notes issued by the Issuer (other than the Money Market Notes) that they be assigned the following ratings by at least two of Standard & Poor's, Moody's, Fitch or DBRS:

S&P	Moody's	Fitch	DBRS
AAA(sf)	Aaa(sf)	AAAsf	AAA(sf)

It is a condition of the issuance of any Series and Class of Money Market Notes that they be assigned a rating of A-1+, P-1, F1+ or R-1(low) by at least one of S&P, Moody's, Fitch or DBRS respectively.

The Relevant Rating Agencies and the ratings assigned by them to each Series and Class of Notes will be specified in the applicable Final Terms.

Ratings Modification Events ..... At any time after the Issuance Date of a Series of Notes, the Issuer may, without the consent or sanction of Noteholders of a Series of Notes or the Secured Creditors:

(a) remove any of the Rating Agencies (a "**Removed Rating Agency**") from rating such Series of Notes (an "**Existing Rating Agency Removal**"); and/or

(b) reappoint any such Removed Rating Agency or substitute any such Removed Rating Agency for one of the Rating Agencies then rating such Series of Notes ("**Existing Rating Agency Reappointment**"),

(a "**Ratings Modification Event**"), **provided that**, in each case and at all times, such Series of Notes continues to be rated by at least two Rating Agencies, and further **provided that** the Issuer has given at least 15 Business Days' prior notice to the holders of each relevant Series and Classes of Notes of such Ratings Modification Event.

Furthermore, the Issuer may appoint any number of additional rating agencies to rate any Series of Notes (each, an "**Additional Rating Agency**") **provided that**, where such Additional Rating Agency is not an Initial Rating

Agency, such appointment will be made in accordance with the procedure set out in Condition 11(f)(1)(xvi) (whereby the Noteholders representing at least 10 per cent. of the aggregate Sterling Equivalent Principal Amount Outstanding of the Most Senior Class of Notes will be allowed to object to such appointment, which would make such appointment subject to the approval by an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding).

In the event of an Existing Rating Agency Removal, all ratings criteria, rating tests, rating triggers and any and all requirements specified by and/or relating to the removed Rating Agency will cease to apply as they relate to such Series of Notes and the Issuer may make such consequential modifications to the Conditions applying to the relevant Notes or any Transaction Document as are necessary to implement the removal of the relevant Rating Agency and all ratings criteria, rating tests, rating triggers and any and all requirements specified by and/or relating to such removed Rating Agency.

In the event of an Existing Rating Agency Reappointment, all then current relevant ratings criteria, rating tests, rating triggers and any and all relevant requirements specified by and/or relating to the reappointed Rating Agency will apply and the Issuer may make such consequential modifications to the terms and conditions applying to the relevant Notes or any Transaction Document as are necessary to implement the reappointment of the relevant Rating Agency and all then current relevant ratings criteria, rating tests, rating triggers and any and all relevant requirements specified by and/or relating to such reappointed Rating Agency.

Any modifications to the Conditions of any Series of Notes and/or any Transaction Document to implement a Ratings Modification Event or an appointment of an Additional Rating Agency will not require consent or sanction of any holder of any such Series of Notes or the Secured Creditors and will be binding on all the holders of any such Series of Notes or the Secured Creditors. There is no guarantee that any such modification will not ultimately adversely affect the rights of the holders of any such Series of Notes or the Secured Creditors, or payments on the Notes.

Denominations of the Notes ..... No less than £100,000 (and integral multiples of £1,000 in excess thereof) or, in respect of any Note issued which has a maturity of less than a year, £100,000 (or, in each case, its equivalent in the relevant currencies as at the date of issue of such Notes) or as otherwise specified in the applicable Final Terms.

Currencies ..... Sterling, US Dollar and Euro, or as otherwise specified in the applicable Final Terms.

Maturities ..... As specified in the applicable Final Terms.

Issue price ..... Fully paid/par, or at discount from, or premium over, par.

Selling restrictions ..... See "*Subscription and Sale and Transfer and Selling Restrictions*".

Fixed Rate Notes ..... A Series and Class of Class A Notes which are Fixed Rate Notes will bear interest at the fixed rate specified in the applicable Final Terms, which will

be calculated on the basis of the Day Count Fraction specified in the applicable Final Terms (see Condition 4(a) (*Interest on Fixed Rate Notes*).

Floating Rate Notes ..... A Series and Class of Class A Notes which are Floating Rate Notes will bear interest at a floating rate determined on the basis of SONIA, EURIBOR, €STR, SOFR or such other reference rate appearing on the agreed screen page of a commercial quotation service specified in the applicable Final Terms. The margin (if any) will be as specified in the applicable Final Terms. (see Condition 4(b) (*Interest on Floating Rate Notes*)).

Floating Rate Notes may also have a Maximum Rate of Interest, a Minimum Rate of Interest, certain step-up rates and/or a combination of such rates, in each case, as may be specified for such Notes in the applicable Final Terms.

Interest on a Series and Class of Floating Rate Notes will be calculated on the basis of the Day Count Fraction specified for such Notes in the applicable Final Terms.

Pass-Through Redemption Notes ..... A Series and Class of Class A Notes which are Pass-Through Redemption Notes will be issued by the Issuer with no specified maturity date other than the Final Maturity Date specified for such Notes in the applicable Final Terms and will be redeemable in full on such Final Maturity Date.

Each Series and Class of Bullet Redemption Notes and each Series and Class of Controlled Amortisation Notes will become a Series and Class of Pass-Through Redemption Notes following the occurrence of an Asset Trigger Event and/or for so long as a Non-Asset Trigger Event is continuing.

Subject to the Principal Repayment Rules described in "*Credit Structure and Cashflows*", the Issuer may, on each applicable Note Payment Date for a Series and Class of Pass-Through Redemption Notes, repay all or part of such Notes in accordance with the Conditions prior to their Final Maturity Date. Following the occurrence of an Asset Trigger Event and for so long as a Non-Asset Trigger Event is continuing, the Issuer will repay such Notes in accordance with the Conditions, to the extent that funds are available and subject to the conditions for repayment, on the applicable Note Payment Dates.

Controlled Amortisation Notes..... A Series and Class of Class A Notes which are Controlled Amortisation Notes will be issued by the Issuer on terms which allow for the redemption of the Sterling Equivalent Principal Amount Outstanding of such Notes on the Payment Dates specified as Controlled Amortisation Dates for such Notes in the applicable Final Terms, subject to limits on the Redemption Amount (specified as the Controlled Amortisation Amount for such Notes in the applicable Final Terms) which may be repaid on such Notes on each Controlled Amortisation Date.

To the extent that there are insufficient funds available on a Controlled Amortisation Date to repay the relevant Controlled Amortisation Amount then the Issuer will be required to pay the shortfall, to the extent it receives funds therefor, on subsequent Note Payment Dates in respect of such Notes.

Following the occurrence of an Asset Trigger Event and for so long as a Non-Asset Trigger Event is continuing in relation to a Series and Class of

Controlled Amortisation Notes, such Notes will become Pass-Through Redemption Notes and the Issuer will repay such Notes to the extent that funds are available and subject to the conditions regarding repayment, on the applicable Note Payment Dates. Furthermore, on each applicable Note Payment Date following the occurrence of an Asset Trigger Event and/or for so long as a Non-Asset Trigger Event is continuing, the Issuer, or the Cash Manager on its behalf, will apply Available Principal Receipts, after making the requisite payments towards the Senior Fees and Expenses, any Revenue Shortfall and any amounts due to any Currency Swap Counterparty (excluding any Currency Swap Excluded Termination Amount), to redeem, if an Asset Trigger Event has occurred, all the Class A Notes which remain outstanding in no order of priority among them but in proportion to the respective amounts due or, if a Non-Asset Trigger Event is continuing, but an Asset Trigger Event has not occurred, in the following order of priority (i) in the order of their Final Maturity Date, beginning with the earliest such date (and if two or more Series of Class A Notes have the same Final Maturity Date, in proportion to the respective amounts due), any Class A Notes with Final Maturity Dates falling within 5 years from the date on which the respective Non-Asset Trigger Event has occurred, and (ii) in no order of priority among them but in proportion to the respective amounts due, the remaining Class A Notes with Final Maturity Dates falling 5 years or later from the date on which the respective Non-Asset Trigger Event has occurred.

If, following the occurrence of a Non-Asset Trigger Event, the relevant Non-Asset Trigger Event is no longer continuing, the Controlled Amortisation Notes which became Pass-Through Redemption Notes while the Non-Asset Trigger Event was continuing will revert to being Controlled Amortisation Notes, and the Issuer may make repayments on such Notes in excess of the Controlled Amortisation Amount for such Notes, or may suspend making repayments on such Notes, on each Controlled Amortisation Date until the Sterling Equivalent Principal Amount Outstanding of such Notes is equal to the expected Sterling Equivalent Principal Amount Outstanding of such Notes on a Controlled Amortisation Date.

Hard Bullet Redemption Notes ..... A Series and Class of Class A Notes which are Hard Bullet Redemption Notes will be issued by the Issuer on terms which schedule the redemption of such Notes on one Note Payment Date specified as the Hard Bullet Redemption Date for such Notes in the applicable Final Terms.

The Issuer will seek to accumulate principal amounts for a Series and Class of Hard Bullet Redemption Notes over the Cash Accumulation Period for such Notes and thus to redeem the Hard Bullet Redemption Notes in full on the relevant Hard Bullet Redemption Date. A Cash Accumulation Period for a Series and Class of Hard Bullet Redemption Notes will be determined according to a formula described under "*Credit Structure and Cashflows – Calculation of Cash Accumulation Requirement*" and, subject to such formula, will be the period of time estimated to be the number of months prior to the relevant Hard Bullet Redemption Date that is required by the Issuer to accumulate sufficient Principal Receipts (derived from the Mortgage Portfolio) to redeem the Sterling Equivalent Principal Amount

Outstanding of the relevant Series and Class of Hard Bullet Redemption Notes on their Hard Bullet Redemption Date.

If there are insufficient Available Principal Receipts and there are insufficient amounts standing to the credit of each relevant Cash Accumulation Ledger to redeem the relevant Series and Class of Hard Bullet Redemption Notes in full on the relevant Hard Bullet Redemption Date, then an Event of Default will occur.

Following the occurrence of an Asset Trigger Event and for so long as a Non-Asset Trigger Event is continuing in relation to a Series and Class of Hard Bullet Redemption Notes, such Notes will become Pass-Through Redemption Notes and the Issuer will repay such Notes to the extent that funds are available and subject to the conditions regarding repayment, on the applicable Note Payment Dates. Furthermore, on each applicable Note Payment Date following the occurrence of an Asset Trigger Event and/or for so long as a Non-Asset Trigger Event is continuing, the Issuer, or the Cash Manager on its behalf, will apply Available Principal Receipts, after making the requisite payments towards the Senior Fees and Expenses, any Revenue Shortfall and any amounts due to any Currency Swap Counterparty (excluding any Currency Swap Excluded Termination Amount), to redeem, if an Asset Trigger Event has occurred, all the Class A Notes which remain outstanding in no order of priority among them but in proportion to the respective amounts due or, if a Non-Asset Trigger Event is continuing, but an Asset Trigger Event has not occurred, in the following order of priority (i) in the order of their Final Maturity Date, beginning with the earliest such date (and if two or more Series of Class A Notes have the same Final Maturity Date, in proportion to the respective amounts due), any Class A Notes with Final Maturity Dates falling within 5 years from the date on which the respective Non-Asset Trigger Event has occurred, and (ii) in no order of priority among them but in proportion to the respective amounts due, the remaining Class A Notes with Final Maturity Dates falling 5 years or later from the date on which the respective Non-Asset Trigger Event has occurred.

If, following the occurrence of a Non-Asset Trigger Event, the relevant Non-Asset Trigger Event is no longer continuing, the Hard Bullet Redemption Notes which became Pass-Through Redemption Notes while the Non-Asset Trigger Event was continuing will revert to being Hard Bullet Redemption Notes.

Soft Bullet Redemption Notes .....

A Series and Class of Class A Notes which are Soft Redemption Notes will be issued by the Issuer on terms which schedule the redemption of such Notes on one Note Payment Date specified as the Soft Bullet Scheduled Redemption Date for such Notes in the applicable Final Terms.

The Issuer will seek to accumulate principal amounts for a Series and Class of Soft Bullet Redemption Notes over the relevant Cash Accumulation Period for such Notes and thus to redeem such Soft Bullet Redemption Notes in full on their Soft Bullet Scheduled Redemption Date. A Cash Accumulation Period for a Series and Class of Soft Bullet Redemption Notes will be determined according to a formula described under "*Credit Structure and Cashflows – Calculation of Cash Accumulation Requirement*" and,

subject to such formula, will be the period of time estimated to be the number of months prior to the relevant Soft Bullet Scheduled Redemption Date that is required by the Issuer to accumulate sufficient Principal Receipts (derived from the Mortgage Portfolio) to redeem the Sterling Equivalent Principal Amount Outstanding of the relevant Series and Class of Soft Bullet Redemption Notes on their Soft Bullet Scheduled Redemption Date.

The Issuer will apply Available Principal Receipts and the amounts standing to the credit of the relevant Cash Accumulation Ledger in accordance with the applicable Principal Priority of Payments in redemption of the relevant Soft Bullet Redemption Notes on the relevant Soft Bullet Scheduled Redemption Date to the extent that the Issuer has sufficient Available Principal Receipts to do so. Thereafter, on each subsequent Note Payment Date up to and including the relevant Soft Bullet Final Redemption Date, the Issuer will, to the extent it has sufficient Available Principal Receipts to do so, pay any remaining shortfall in accordance with the Principal Priority of Payments. If there are insufficient funds available to redeem any Soft Bullet Redemption Notes in full on any Soft Bullet Final Redemption Date, then an Event of Default will occur.

Following the occurrence of an Asset Trigger Event and for so long as a Non-Asset Trigger Event is continuing in relation to a Series and Class of Soft Bullet Redemption Notes, such Notes will become Pass-Through Redemption Notes and the Issuer will repay such Notes to the extent that funds are available and subject to the conditions regarding repayment, on the applicable Note Payment Dates. Furthermore, on each applicable Note Payment Date following the occurrence of an Asset Trigger Event and for so long as a Non-Asset Trigger Event is continuing, the Issuer, or the Cash Manager on its behalf, will apply Available Principal Receipts, after making the requisite payments towards the Senior Fees and Expenses, any Revenue Shortfall and any amounts due to any Currency Swap Counterparty (excluding any Currency Swap Excluded Termination Amount), to redeem, if an Asset Trigger Event has occurred, all the Class A Notes which remain outstanding in no order of priority among them but in proportion to the respective amounts due or, if a Non-Asset Trigger Event is continuing, but an Asset Trigger Event has not occurred, in the following order of priority (i) in the order of their Final Maturity Date, beginning with the earliest such date (and if two or more Series of Class A Notes have the same Final Maturity Date, in proportion to the respective amounts due), any Class A Notes with Final Maturity Dates falling within 5 years from the date on which the respective Non-Asset Trigger Event has occurred, and (ii) in no order of priority among them but in proportion to the respective amounts due, the remaining Class A Notes with Final Maturity Dates falling 5 years or later from the date on which the respective Non-Asset Trigger Event has occurred.

If, following the occurrence of a Non-Asset Trigger Event, the relevant Non-Asset Trigger Event is no longer continuing, the Soft Bullet Redemption Notes which became Pass-Through Redemption Notes while the relevant Non-Asset Trigger Event was continuing will revert to being Soft Bullet Redemption Notes.

Money Market Notes... The Issuer may, from time to time, issue a Series and Class of Bullet Redemption Notes, Controlled Amortisation Notes or Pass-Through Redemption Notes that are designated as Money Market Notes in the applicable Final Terms. Money Market Notes are intended to be "eligible securities" for purchase by money market funds meeting the requirements of Rule 2a-7 under the Investment Company Act.

However, the determination as to whether any applicable Series and Class of Notes will qualify as "eligible securities" under Rule 2a-7 will involve investment determinations and interpretive questions that, as with qualification and compliance with other aspects of Rule 2a-7, will be solely the responsibility of each money market fund and its investment adviser. None of the Issuer, the Seller, the Note Trustee, the Security Trustee, the Cash Manager, each Remarketing Agent, each Tender Agent, each Paying Agent, the Agent Bank, the Registrar, the Exchange and Transfer Agent, each Conditional Note Purchaser or any other party to the Programme Documents will make any representation as to the suitability of such Notes as "Money Market Notes" for investment by money market funds subject to Rule 2a-7.

The Final Maturity Date of any Money Market Notes will always be less than 397 days from the Closing Date on which such Notes were issued, unless the Issuer has entered into remarketing arrangements in relation to such Notes. Under such remarketing arrangements, a Remarketing Agent will agree to seek purchasers of the relevant Notes on specified dates throughout the term of such Notes and a Conditional Note Purchaser will agree to purchase any such Notes on such specified dates if purchasers for such Notes have not been found, **provided that** certain events have not then occurred. Such Money Market Notes will also be subject to the terms of Condition 5(g) (*Money Market Note Mandatory Transfer Arrangements*).

For more information on the Money Market Notes and the remarketing arrangements applicable thereto, see "*Description of the Trust Deed and the Notes – Money Market Notes*", "*Risk factors – Risks relating to the Rule 2a-7 suitability of the Money Market Notes*", "*– Ability of the Issuer to procure payment of the Money Market Note Mandatory Transfer Price may affect timely payment on the Notes*" and "*– Each money market note mandatory transfer may be dependent upon identification of investors interested in acquiring Money Market Notes*".

THE VFNS

The Class Z VFNs..... The Class Z VFNs have been issued to the Class Z VFN Holder on the First Closing Date. The Class Z VFNs consist of two separate Sub-Classes: the Class Z(R) VFN and the Class Z(S) VFN.

The Class Z(R) VFN.... The Class Z(R) VFN was issued and can be drawn down at any time (a) to fund and, at the sole discretion of the Class Z VFN Holder, if necessary, to replenish the Reserve Fund, (b) to pay the start-up expenses of the Issuer and to pay the fees, costs and expenses of the Issuer incurred in connection with the issuance of each Series of Notes, and (c) at the sole discretion of the Class Z VFN Holder, to be applied as additional Available Revenue Receipts for the purposes of eliminating any debit entries on any Principal Deficiency Sub-Ledger.

If at any time the Reserve Fund Required Amount is reduced, and there is a Revenue Shortfall at such time, any amount in excess of the Reserve Fund Required Amount will be applied in accordance with the relevant Priority of Payments. If at any time the Reserve Fund Required Amount is reduced, and there is no Revenue Shortfall at such time, any amount in excess of the Reserve Fund Required Amount will be paid directly to the Seller.

The Class Z(S) VFN .... The Class Z(S) VFN was issued for the purposes of funding and maintaining the Required Subordination Amount for the Programme. The Principal Amount Outstanding under the Class Z(S) VFN at any time is required to be an amount equal to or greater than the Required Subordination Amount.

The Class Z VFN Holder may offer to advance, and the Issuer will accept, a drawing under the Class Z(S) VFN, in order to ensure that the Actual Subordination Amount is not less than the Required Subordination Amount. The Issuer will apply any drawings under the Class Z(S) VFN in one or more of the following ways:

(a) to pay all or any part of the Initial Additional Mortgage Portfolio Purchase Price for Additional Mortgage Portfolios;

(b) to purchase Additional Mortgage Loans and Related Security from the Seller pursuant to the terms of the Mortgage Sale Agreement in order to maintain the Required Subordination Amount;

(c) as Available Principal Receipts to effect the redemption of any relevant Class A Notes on the next following Payment Date in accordance with Condition 5(b) (*Mandatory redemption of the Notes in part*) and the applicable Priority of Payments; and

(d) to effect the redemption of the Seller's Note in accordance with Condition 5 (*Redemption, Purchase and Cancellation*), **provided that** any such redemption will not cause the Principal Amount Outstanding of the Seller's Note to be less than the Minimum Seller's Note Amount.

The Class Z(S) VFN ranks junior to the Class A Notes and the Class Z(R) VFN with respect to payments of interest.

If, on any Payment Date, the Actual Subordination Amount is in excess of the Required Subordination Amount (or will be following the application of Available Revenue Receipts and Available Principal Receipts on such Payment Date), then the Class Z(S) VFN may, in accordance with the relevant Pre-Enforcement Principal Priority of Payments, be repaid to an amount such that the Actual Subordination Amount is equal to the Required Subordination Amount.

Interest on the Class Z VFNs..... Compounded Daily SONIA.

Seller's Note ..... The Seller's Note has been issued and can be drawn down for one or more of the following purposes:

(a) maintaining the requisite level of on-going Principal Receipts necessary so as to meet scheduled payments on the Controlled Amortisation Notes and the Cash Accumulation Requirement in respect of Bullet Redemption Notes;

(b) funding all or any part of the Initial Additional Mortgage Portfolio Purchase Price for any Additional Mortgage Portfolios;

(c) funding the purchase by the Issuer of Additional Mortgage Loans and their Related Security in circumstances where the Actual Subordination Amount is greater than the Required Subordination Amount;

(d) compliance with the EU Risk Retention Requirements, the UK Risk Retention Requirements and the US Credit Risk Retention Requirements;

(e) application of the drawings thereunder as Available Principal Receipts to effect the redemption of the Class A Notes on the next following Payment Date in accordance with Condition 5(b) (*Mandatory redemption of the Notes in part*) and the applicable Priority of Payments and Principal Repayment Rules;

(f) application of the drawings thereunder to effect the redemption of the Class Z(S) VFN in accordance with Condition 5 (*Redemption, Purchase and Cancellation*), subject to maintaining the Required Subordination Amount;

(g) funding in whole or in part the purchase of any Further Advances or further consideration in respect of any Flexible Feature Payments on the applicable Mortgage Loans in the Mortgage Portfolio; and/or

(h) making up for any shortfall caused by payment holidays granted to Borrowers and any other authorised underpayments under the Mortgage Loans in the Mortgage Portfolio,

provided that the Issuer (or the Cash Manager on its behalf) will ensure that, for so long as any Class A Notes (or any other Notes that are not at all times held by the Seller (or its wholly-owned affiliates)) or any Class Z VFNs

remain outstanding, the Principal Amount Outstanding of the Seller's Note is at least equal to the Minimum Seller's Note Amount.

On each Payment Date, the Seller's Note may be repaid provided that, after such repayment, the Principal Amount Outstanding of the Seller's Note is not less than the Minimum Seller's Note Amount.

If the Principal Amount Outstanding of the Seller's Note is in excess of the Minimum Seller's Note Amount (or will be following the application of Available Revenue Receipts and Available Principal Receipts on a Payment Date), then:

(a) the Seller's Note may, in accordance with the relevant Pre-Enforcement Principal Priority of Payments, be redeemed in an amount such that the Principal Amount Outstanding of the Seller's Note is at least equal to the Minimum Seller's Note Amount; or

(b) the Seller may elect to exercise the Seller's Note Permitted Repurchase Procedure in order to repurchase Mortgage Loans and their Related Security from the Issuer, and the proceeds from such repurchase will be applied directly and exclusively towards the repayment of the Seller's Note.

In addition, the Issuer may apply the Class A Note Issuance Proceeds (with any costs and expenses associated with such issuance being funded by a drawing made under the Class Z(R) VFN) to redeem the Seller's Note, provided that:

(a) following such redemption, the Principal Amount Outstanding of the Seller's Note would not be less than the Minimum Seller's Note Amount; and

(b) the Seller's Note Redemption Amount shall not exceed the amount of such Class A Note Issuance Proceeds.

If some or all of the relevant Class A Notes are Retained Class A Notes, then, to the extent that the Seller's Note Redemption Amount is less than or equal to the Class A Note Issuance Proceeds, the Seller's Note Redemption Amount shall be netted against an amount equal to the Retained Class A Notes. The holder of the Seller's Note shall procure that any surplus Class A Note Issuance Proceeds relating to Retained Class A Notes left following such netting are turned over to the Issuer.

Any such redemption of the Seller's Note shall take place on the Closing Date in respect of the relevant Class A Notes, and shall occur otherwise than in accordance with any Priority of Payments.

It should be noted that, at any time when the Principal Amount Outstanding of the Seller's Note is in excess of Minimum Seller's Note Amount, the Seller may, at its discretion, exercise the Seller's Note Permitted Repurchase Procedure. For the avoidance of doubt, the Seller may exercise the Seller's Note Permitted Repurchase Procedure irrespective of whether an Asset Trigger has occurred or whether a Non-Asset Trigger Event is continuing and/or an Event of Default has occurred and is continuing.

Interest on the Seller's Note.....	Compounded Daily SONIA.

THE ISSUER

The Issuer was incorporated in England and Wales on 29 November 2019 (registered number 12341676) and is a public limited company under the Companies Act 2006 (as amended). The registered office of the Issuer is at 10th Floor, 5 Churchill Place London E14 5HU. The telephone number of the Issuer's registered office is + 44(0) 203 855 0285.

The issued share capital of the Issuer is £50,000 consisting of 50,000 ordinary shares of £1 each, of which 1 share is fully paid and the remaining 49,999 shares are paid up to £0.25 and all of which are beneficially owned by Holdings (see the section entitled "*Holdings*" below).

The Issuer was established as a special purpose vehicle for the purposes of issuing the Notes. The Issuer has no subsidiaries. The Seller does not own directly or indirectly any of the share capital of Holdings or the Issuer. Except for the purpose of hedging interest-rate or currency risk, the Issuer will not enter into derivative contracts for the purposes of (i) prior to the Recast UK Securitisation Regime Effective Date, Article 21(2) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, SECN 2.2.16R.

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 issue of the Notes and the authorisation of the other Transaction Documents referred to in this Base Prospectus to which it is or will be a party and other matters which are incidental or ancillary to the foregoing. Save as disclosed in this Base Prospectus, the £350,000,000.00 floating rate Class A1 Notes due June 2072 (which were redeemed on 25 July 2023), the £500,000,000.00 floating rate Class A2 Notes due June 2072, the £350,000,000.00 floating rate Class A Notes due June 2073, the £350,000,000.00 floating rate Class A Notes due 2074, the £400,000,000 floating rate Class A due 2075, the £500,000,000.00 floating rate Class A Notes due 2075, the Class Z VFNs and the Seller's Note , the Issuer has no loan capital, borrowings or material contingent liabilities (including guarantees) as at the date of this Base Prospectus. The Issuer has no employees.

The audited annual accounts of the Issuer for the year ended 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023 have been incorporated by reference into this Base Prospectus. Please see "Documents incorporated by reference". The accounting reference date of the Issuer is 31 December. The entry into of the Programme Documents and the issue of the Notes was authorised pursuant to a resolution of the Board of Directors of the Issuer passed on 23 July 2020

Under the Corporate Services Agreement, the Corporate Services Provider has agreed to provide to the Issuer certain directors and other corporate services for the Issuer in consideration for the payment of an annual fee to the Corporate Services Provider.

Directors and secretary

The following table sets out the directors of the Issuer and their respective business addresses and occupations.

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

The Issuer

Name	Business address	Business Occupation
Aline Sternberg	10th Floor, 5 Churchill Place London E14 5HU, United Kingdom	Director

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

Name	Business address	Principal activities/business occupation
Helena Whitaker	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
John Paul Nowacki	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
Renda Manyika	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
Raheel Khan	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
Jonathan Hanley	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
Aline Sternberg	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
Alasdair Watson	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
Catherine McGrath	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
Jordina Walker	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director

Name	Business address	Principal activities/business occupation
Oskari Tammenmaa	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
Debra Parsall	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
Oreoluwa Salu	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
Tek Yee Lau	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
Laura Cocco	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
Dragos Savacenco	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
Jackie Sarpong	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
Umar Khan	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
Sukanthapriya Jeyaseelan	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
Robert Pitcher	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
Navaneetha Rajan	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary

Name	Business address	Principal activities/business occupation
Meka Umeadi	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
Luis Villar	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
CSC Corporate Services (UK) Limited	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary

The company secretary of the Issuer is CSC Corporate Services (UK) Limited, whose principal office is at 10th Floor, 5 Churchill Place London E14 5HU.

HOLDINGS

Holdings was incorporated in England and Wales on 29 November 2019 (registered number 12341637) 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 telephone number of Holdings' registered office is + 44(0) 203 855 0285.

The issued share capital of Holdings comprises one ordinary share of £1.

The entire beneficial interest in the share of Holdings is beneficially owned by CSC Corporate Services (UK) Limited (the "**Share Trustee**") on a discretionary trust.

Holdings holds the entire beneficial interest in the issued share capital of the Issuer.

The Seller does not own directly or indirectly any of the share capital of Holdings and 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 or any other similar vehicle.

Holdings has not engaged in any other activities since its incorporation other than those incidental to the authorising of the Transaction Documents to which it is or will be a party and other matters which are incidental to those activities. Holdings has no employees.

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

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

Name	Business Address	Business Occupation
Helena Whitaker	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
John Paul Nowacki	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director

Holdings

Name	Business Address	Business Occupation
Renda Manyika	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
Raheel Khan	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
Jonathan Hanley	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
Aline Sternberg	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
Alasdair Watson	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
Catherine McGrath	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
Jordina Walker	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
Oskari Tammenmaa	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
Debra Parsall	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Director
Oreoluwa Salu	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
Tek Yee Lau	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary

Holdings

Name	Business Address	Business Occupation
Laura Cocco	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
Dragos Savacenco	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
Jackie Sarpong	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
Umar Khan	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
Sukanthapriya Jeyaseelan	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
Robert Pitcher	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
Navaneetha Rajan	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
Meka Umeadi	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
Luis Villar	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary
CSC Corporate Services (UK) Limited	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Company Secretary

The company secretary of Holdings is CSC Corporate Services (UK) Limited whose registered office is at 10th Floor, 5 Churchill Place London E14 5HU.

Holdings

The accounting reference date of Holdings is 31 December.

THE SELLER, THE SERVICER, THE CASH MANAGER, THE FIRST ACCOUNT BANK AND THE VFN REGISTRAR

Introduction

Coventry Building Society (the "**Society**") is the third largest building society in the UK based on asset size with Group assets as at 31 December 2023 of £62,462.7 million. Except as otherwise stated, all figures in this section are extracted from the audited consolidated annual financial statements of the Society for the year ended 31 December 2023. The Society now operates a network of 64 branches, 15 agencies and has over 2 million members.

The Society

The Society was originally founded in 1884 and in its present form was created as a result of a merger between Coventry Economic Building Society and Coventry Provident Building Society on 30 June 1983 and, more recently, as a result of a merger between Coventry Building Society and Stroud & Swindon Building Society on 1 September 2010. The Society's principal office is Coventry House, Harry Weston Road, Binley, Coventry, West Midlands, CV3 2TQ – telephone number +44 24 7655 5255.

The Society operates exclusively in the UK and has a branch network focused on Coventry, Warwickshire and the South West. Mortgage and savings products are offered via branches, the internet, by telephone and through the post to customers both inside and outside the branch operating area. Mortgage products are distributed primarily through intermediary channels.

The Society is incorporated under the Building Societies Act 1986 and operates in accordance with the Act, regulations made thereunder and its Rules and Memorandum. The Society is an incorporated building society for the purposes of the Act and is authorised and regulated by the FCA and PRA under firm reference number 150892. The affairs of the Society are conducted and managed by a Board who are elected and serve in accordance with the Rules and Memorandum. The Board is responsible to the members for the proper conduct of the affairs of the Society and appoints and supervises executives who are responsible to the Board for the day-to-day management of the Society.

The Society is a mutual organisation with both retail investors and borrowers having membership. Eligibility to vote at General Meetings is governed by the Act and by the Society's Rules.

In addition, the Society has two subsidiary lending businesses, Godiva Mortgages Limited ("**Godiva**") and ITL Mortgages Limited ("**ITL**"). As at 31 December 2023, Godiva had total assets of £18,017 million and ITL had total assets of £263 million. Borrowers from Godiva and ITL do not become members of the Society by virtue of this borrowing.

For the avoidance of doubt all figures quoted are the consolidated numbers for the Coventry Group (i.e. the Society, and its subsidiaries).

On 24 May 2024, the Society announced its proposed offer to acquire the whole of the issued share capital of The Cooperative Bank Holdings p.l.c. ("**Co-op Bank**") by the Society (the "**Acquisition**"). The Society further announced on 28 November 2024 that it has received the consent of the FCA and the PRA for the Acquisition and presently expects the Acquisition will become effective on 1 January 2025. The Society published a joint statement regarding the Acquisition through the Regulatory News Service of the London Stock Exchange (i) on 24 May 2024 (the "**Acquisition Announcement**"), which is incorporated by reference herein (except for the information contained in the first bullet point of the second paragraph (Strategic rationale) and the information contained in the third sub-paragraph of the eighth paragraph (*Other matters*) of the Acquisition Announcement, which are not incorporated herein) and (ii) on 28 November 2024 (the "**November Acquisition Announcement**") which is incorporated by reference herein (except for the information contained in the first and second paragraphs of section titled '*Information on Coventry*

Building Society' and the information contained in the first paragraph of the section titled '*Information on the Co-operative Bank Holdings p.l.c.*' of the November Acquisition Announcement, which are not incorporated herein).

Business

General

The principal purpose of the Society, as stated in Clause 3 of its Memorandum, is making loans which are secured on residential property and are funded substantially by its members. The Society seeks to provide a safe and attractive home for members' savings.

The Society obtains funds from the retail market through personal savings and deposit accounts and also raises funds in the wholesale markets. It advances the funds raised mainly to borrowers on the security of first charge mortgages secured on freehold (and its equivalent in Scotland) and leasehold property.

The Society concentrates on its core business of personal savings and residential mortgage lending. As at 31 December 2023, 99.9 per cent. of loans were fully secured on residential property.

Mortgage lending activities

During 2023 the Society made mortgage and other loan advances of £7.9 billion gross, with a net increase in lending (total gross loans and advances to customers (contractual amounts)) of £2.3 billion. The corresponding figures for 2022 were advances of £8.7 billion and a net increase in lending (total gross loans and advances to customers (contractual amounts)) of £1.4 billion. In the six-month period that ended on 30 June 2024, the Society made mortgage and other loan advances of £4 billion and reported a net increase in lending (total gross loans and advances to customers (contractual amounts)) of £1.1 billion.

Personal savings activities

The Society's main source of funding continues to be the retail savings market. Members with savings in the Society are described in the Society's Rules as holding shares in the Society. Shares held principally by individuals amounted to £47,582.3 billion as at 31 December 2023, representing 76.0 per cent. of total shares and borrowings. The corresponding figures for 31 December 2022 were £42.3 billion and 76.2 per cent., respectively. As at 30 June 2024, shares held principally by individuals amounted to £48.8 billion, representing 82.2 per cent. of total shares and borrowings.

Management

The Board is responsible for the Society's strategy and direction. The execution of that strategy and day to day management is vested with the Executive Directors. The members of the Board, their roles in relation to the Society and their principal outside activities (if any) of significance to the Society are as follows:

Board of Directors:

Name	Position within the Society	Other Directorships and positions
D Thorburn	Chair of the Board	• Chartered Banker Institute 2025 Foundation
M Stewart	Independent Non-Executive Director	• OakNorth Bank plc • Northern Bank Limited • Clayton Stewart Ltd • Clayton Stewart Properties Ltd • Paragon Bank PLC

The Seller, the Servicer, the Cash Manager, the First Account Bank and the VFN Registrar

Name	Position within the Society	Other Directorships and positions
I Amiri	Independent Non-Executive Director	• Development Bank of Wales plc • AON UK Limited • Eurocell plc
J Kenrick	Deputy Chair and Senior Independent Director	• Dwr Cymru Cyfyngedig • Glas Cymru Holdings Cyfyngedig • Rhapsody Court Freehold Ltd • Sirius Real Estate • Vitality Health Limited
S Mohammed	Independent Non-Executive Director	• Pezula Limited • Athora Italia S.p.A.
B O'Connor	Independent Non-Executive Director	• Ford Credit Europe Bank Plc
I Plunkett	Independent Non-Executive Director	• CitiGroup Global Markets Limited
L Raybould	Chief Financial Officer and Executive Director	• ITL Mortgages Limited • Godiva Mortgages Limited • Coventry Property Services Limited • Coventry Financial Services Limited • Godiva Financial Services Limited • Godiva Housing Developments Limited • Godiva Securities and Investments Limited • Godiva Savings Limited • Arkose Funding Limited
S Hughes	Chief Executive Officer and Executive Director	• ITL Mortgages Limited • Godiva Mortgages Limited • Member of the BSA Council • The Pennies Foundation • The Money and Pension Service

The business address of the Directors and Executive Directors is Coventry House, Harry Weston Road, Binley, Coventry, West Midlands, CV3 2TQ.

The Executive Directors have entered into service contracts which enable the Society to give not less than six months' notice of termination.

There are no existing or potential conflicts of interest between any duties owed to the Society by its Directors or members of its Executive and the private interests and/or other external duties owed by these individuals.

The Society has significantly more than 5 years' experience in the origination, underwriting and servicing of mortgage loans similar to those to be included in the Mortgage Portfolio.

The Seller, the Servicer, the Cash Manager, the First Account Bank and the VFN Registrar

Subsidiaries

The following direct, wholly owned subsidiaries of the Society, are carrying on a business:

- Godiva Mortgages Limited
- ITL Mortgages Limited

In addition, the Society has the following direct, wholly owned subsidiary companies, none of which are carrying on a business:

- Coventry Financial Services Limited
- Coventry Property Services Limited
- Godiva Financial Services Limited
- Godiva Housing Developments Limited
- Godiva Savings Limited
- Godiva Securities and Investments Limited

The subsidiaries detailed in this sub-section are, together, the "**Subsidiaries**". The Society also has an interest in Coventry Godiva Covered Bonds LLP, which gives rise to risks and rewards that are in substance no different than if it was a subsidiary undertaking, and which is therefore consolidated under IFRS in the Coventry Group accounts.

The following entities are consolidated under IFRS as if they were wholly owned subsidiaries of the Society:

- Coventry Building Society Covered Bond LLP;
- Coventry Godiva Covered Bonds LLP; and
- Economic Master Issuer plc.

See note 13 (Loans and advances to customers) and note 16 (Investments in group undertakings) of the Society's audited consolidated financial statements for the financial year ended 31 December 2022 for further information.

External Auditors

PricewaterhouseCoopers LLP of One Chamberlain Square, Birmingham, B3 3AX have audited without qualification the financial statements of the Society for the years ended 31 December 2021, 31 December 2022 and 31 December 2023.

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 has been 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 securitisation transactions.

THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

Citicorp Trustee Company Limited was incorporated on 24 December 1928 under the laws of England and Wales and has its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, with company number 235914.

Citicorp Trustee Company Limited is an indirect wholly-owned subsidiary of Citigroup Inc., a diversified global financial services holding company incorporated in Delaware.

Citicorp Trustee Company Limited is regulated by the UK's Financial Conduct Authority.

THE SECOND ACCOUNT BANK, THE SWAP COLLATERAL ACCOUNT BANK AND THE CUSTODIAN

Citibank, N.A., a company incorporated with limited liability in the United States of America under the laws of the City and State of New York on 14 June 1812 and reorganised as a national banking association formed under the laws of the United States of America on 17 July 1865 with Charter number 1461 and having its principal business office at 388 Greenwich Street, New York, NY 10013, USA and having in Great Britain a principal branch office situated at Canada Square, Canary Wharf, London E14 5LB with a foreign company number FC001835 and branch number BR001018.

The London Branch is authorised and regulated by the Office of the Comptroller of the Currency (USA) and authorised by the Prudential Regulation Authority. It is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

USE OF PROCEEDS

The Class A Notes

An amount equal to the gross proceeds of the issuance of the Class A Notes of each Series will (following, where applicable, the conversion into Sterling of the proceeds of any Class of Notes of such Series issued in a currency other than Sterling, pursuant to the terms of the relevant Currency Swap Agreement) be used by the Issuer:

- to pay to the Seller (in whole or in part) the Initial Additional Mortgage Portfolio Purchase Price for any Additional Mortgage Portfolios to be assigned, from time to time, by the Seller to the Issuer;
- to redeem (in part) the Seller's Note on the respective Closing Date **provided that** following such redemption, the Principal Amount Outstanding of the Seller's Note is at least equal to the Minimum Seller's Note Amount. Any such redemption of the Seller's Note shall take place on the Closing Date in respect of the relevant Class A Notes, and shall occur otherwise than in accordance with any Priority of Payments; and/or
- to refinance any existing Series or Class of Notes.

The Class Z VFNs

The Issuer has issued the Class Z VFNs which can be drawn down for one or more of the following purposes:

- in the case of the Class Z(S) VFN:
    - to fund all or any part of the Initial Additional Mortgage Portfolio Purchase Price for any Additional Mortgage Portfolios;
    - to purchase Additional Mortgage Loans and their Related Security in order to maintain the Required Subordination Amount;
    - to be applied as Available Principal Receipts to effect the redemption of the Class A Notes on the next following Payment Date in accordance with Condition 5(b) (*Mandatory redemption of the Notes in part*) and the applicable Priority of Payments and the Principal Repayment Rules; and
    - to be applied to effect the redemption of the Seller's Note in accordance with Condition 5 (*Redemption, Purchase and Cancellation*), **provided that** the Principal Amount Outstanding of the Seller's Note is at least equal to the Minimum Seller's Note Amount for so long as any Class A Notes (or any other Notes that are not at all times held by the Seller (or its wholly-owned affiliates)) or any Class Z VFNs remain outstanding.
- in the case of the Class Z(R) VFN:
    - to fund and, at the sole discretion of the holder of the Class Z(R) VFN, if necessary to replenish the Reserve Fund;
    - to pay the start-up expenses of the Issuer and to pay the fees, costs and expenses of the Issuer incurred in connection with the issuance of each Series of the Notes; and
    - at the sole discretion of the holder of the Class Z(R) VFN, to be applied as Available Revenue Receipts for the purposes of eliminating any debit entries on any Principal Deficiency Sub-Ledger.

The Seller's Note

The Issuer has issued the Seller's Note which can be drawn down for one or more of the following purposes:

- to maintain the requisite level of on-going Principal Receipts necessary so as to meet scheduled payments on the Controlled Amortisation Notes and the Cash Accumulation Requirement in respect of Bullet Redemption Notes;
- to fund all or any part of the Initial Additional Mortgage Portfolio Purchase Price for any Additional Mortgage Portfolios;
- funding the purchase of Additional Mortgage Loans and their Related Security in circumstances whether the Actual Subordination Amount is greater than the Required Subordination Amount;
- complying with the EU Risk Retention Requirements, the UK Risk Retention Requirements and the US Credit Risk Retention Requirements;
- application of the drawings thereunder as Available Principal Receipts to effect the redemption of the Class A Notes on the next following Payment Date in accordance with Condition 5(b) (*Mandatory redemption of the Notes in part*) and the applicable Priority of Payments and the Principal Repayment Rules;
- application of the drawings thereunder to effect the redemption of the Class Z(S) VFN in accordance with Condition 5 (*Redemption, Purchase and Cancellation*), subject to maintaining the Required Subordination Amount;
- funding in whole or in part the purchase of any applicable Further Advances or further consideration in respect of any Flexible Feature Payments on the applicable Mortgage Loans in the Mortgage Portfolio at such time in each case, following the application of any Principal Receipts available for such purposes in accordance with the applicable Priority of Payments; and/or
- making up for any shortfall caused by payment holidays granted to Borrowers and any other authorised underpayments under the Mortgage Loans in the Mortgage Portfolio,

provided that the Principal Amount Outstanding of the Seller's Note is at least equal to the Minimum Seller's Note Amount, for so long as any Class A Notes (or any other Notes that are not at all times held by the Seller (or its wholly-owned affiliates)) or any Class Z VFNs remain outstanding.

ISSUANCE OF NOTES

The following summary and the information set out in "*Description of the Trust Deed and the Notes*" and "*Terms and Conditions of the Notes*" summarise the material terms of the Notes and the Trust Deed. These summaries do not purport to be complete and are subject to the provisions of the Trust Deed and the Conditions.

General

The Notes will be issued in Series. Series of Class A Notes will be issued from time to time, and may consist of one or more Sub-Classes. However, there will be no more than one Series of Class Z VFNs or the Seller's Note in respect of the Programme. The Class Z VFNs consist of two Sub-Classes, being the Class Z(S) VFN and the Class Z(R) VFN, as further explained below. The Class Z(S) VFN, Class Z(R) VFN and the Seller's Note have been issued on the First Closing Date. The Notes of a particular Class in different Series (and the Notes of differing Sub-Classes of the same Class and Series) will not necessarily have all the same terms. Differences may include principal amount, interest rates, interest rate calculations, currency, dates, Final Maturity Dates and ratings. Each Series and Class of Notes will be secured by the same assets, being the Mortgage Portfolio. Noteholders holding certain Notes may have the benefit of remarketing and conditional purchase arrangements or similar arrangements. The terms of each Series of Notes (and, as applicable, each Sub-Series of the Class A Notes) will be set forth in the applicable Final Terms. Existing Noteholders will be informed of further issues via the regulatory news service ("**RNS**") on the London Stock Exchange website.

Issuance

The Issuer may issue new Series of Class A Notes without obtaining the consent of existing Noteholders. The Issuer may only issue a new Series of Class A Notes if sufficient subordination is provided for new Series through the Class Z(S) VFN, and the required amounts with respect to the Seller's Note and the Reserve Fund are met. The Required Subordination Percentage and the Reserve Fund Series Percentage, which is used to calculate the Required Subordination Amount and the Reserve Fund Required Amount, respectively, will be set forth in the relevant Final Terms. The issuance tests are set out below.

On the Closing Date of any Series or, as the case may be, Sub-Series, of Class A Notes the "**Issuance Tests**" necessary to issue such Series or, as the case may be, such Sub-Series are as follows:

- no Event of Default has occurred and is continuing (and has not been waived) or will occur as a consequence of the issue of such Notes;
- no Enforcement Notice has been delivered to the Issuer by the Note Trustee;
- no Asset Trigger Event has occurred and no Non-Asset Trigger Event is continuing;
- the Issuer has obtained a Ratings Confirmation in respect thereof;
- each of the applicable Programme Issuance Documents has been executed by the relevant parties to those documents;
- the Issuer having delivered the applicable solvency certificate to the Note Trustee;
- on the Closing Date of such Series and after giving effect to the issuance of the Notes of that Series, the Actual Subordination Amount must be equal to, or greater than, the Required Subordination Amount; and
- following the issuance of such Series, the Principal Amount Outstanding of the Seller's Note must be at least equal to the Minimum Seller's Note Amount.

In relation to the above, the amounts available on any date for the payment of principal on the Notes will be calculated in accordance with the relevant Pre-Enforcement Principal Priority of Payments (as set out in "*Credit Structure and Cashflows – Allocation of distribution of Available Principal Receipts*") and will be calculated with reference to the rules for the application of Available Principal Receipts (as set out in "*Credit Structure and Cashflows – Allocation and distribution of Available Principal Receipts – Rules for the repayment of principal amounts due on the Notes* ").

For the avoidance of doubt, where the relevant Step-Up Date has occurred in relation to any Series of Pass-Through Redemption Notes or Controlled Amortisation Notes, and such Notes remain outstanding, the Issuer will retain the right to issue additional Series of Pass-Through Redemption Notes but will be precluded from issuing any additional Series of Controlled Amortisation Notes or Bullet Redemption Notes.

THE MORTGAGE LOANS AND THE MORTGAGE PORTFOLIO

THE MORTGAGE LOANS

Introduction

The Mortgage Portfolio will consist of Mortgage Loans and their Related Security sold by the Seller to the Issuer from time to time, in accordance with the terms of the Mortgage Sale Agreement.

A random selection process will be utilised to select mortgage loans to be sold by the Seller to the Issuer. The process will take into consideration the Eligibility Criteria and Portfolio Criteria, the required size of the Mortgage Portfolio and whether a mortgage loan is already being utilised as collateral in another of the Seller's funding programmes.

The following is a description of some of the characteristics of the mortgage loans currently or previously offered by the Seller and its affiliates, and includes details of mortgage loan types, the underwriting process and Lending Criteria.

Characteristics of the Mortgage Loans

Origination of the Mortgage Loans

The Mortgage Loans included in the Mortgage Portfolio were all made no earlier than 1 January 2014 and the Seller and its affiliates derived their mortgage lending business at the relevant times from the following sources:

- intermediaries including mortgage brokers and independent financial advisors;
- a centralised telephone-based lending operation; and
- its branch network throughout the UK.

The Additional Mortgage Loans to be sold to the Issuer and to be included in the Mortgage Portfolio were, or will be, all made no earlier than 1 January 2014.

Interest Payments

The Mortgage Loans in the Mortgage Portfolio have one or more of the following interest terms:

- **Fixed Rate Mortgage Loans**: Mortgage Loans which are subject to a fixed interest rate for a specified period of time and which, at the expiration of that period, generally convert to Variable Rate Mortgage Loans. An early repayment charge may be payable in respect of these Mortgage Loans for a set period of time, which generally corresponds with the term of the fixed interest rate;
- **Discount Variable Rate Mortgage Loans**: Mortgage Loans which allow the Borrower, for a set period of time or for the life of the Mortgage Loan, to pay interest at a specified discount to the CBS Standard Variable Rate or the Issuer Standard Variable Rate, as the case may be and which, at the end of the discounted period, generally convert to a Variable Rate Mortgage Loan. An early repayment charge may be payable in respect of these Mortgage Loans for a set period of time, which generally corresponds with the term of the discounted interest rate;

- **Capped (Variable Rate) Mortgage Loans**: Variable Rate Mortgage Loans which have a rate of interest which will not increase above a specified rate for a certain period of time and which, at the end of such period, generally convert to Variable Rate Mortgage Loans. An early repayment charge may be payable in respect of these Mortgage Loans for a set period of time;

- **Variable Rate Mortgage Loans**: Mortgage Loans which are subject to a rate of interest linked to the CBS Standard Variable Rate, or the Issuer Standard Variable Rate, as the case may be, for the remaining life of the relevant Mortgage Loan or until an alternative product that the relevant Borrower qualifies for is selected by that Borrower. Variable Rate Mortgage Loans will not usually have an early repayment charge;

- **Flexx Rate Mortgage Loans**: Mortgage Loans which are subject to a CBS Flexx Rate or an Issuer Flexx Rate, as the case may be, for the remaining life of the relevant Mortgage Loan or until an alternative product that the Borrower qualifies for is selected by the relevant Borrower. Flexx Rate Mortgage Loans will not usually have an early repayment charge; and

- **Tracker Rate Mortgage Loans**: Mortgage Loans to the extent that, and for such period that, their Mortgage Conditions provide that they are subject to a rate of interest linked to or tracking a rate set by the Bank of England and, at the expiration of that period, generally convert to Variable Rate Mortgage Loans or any other rate as specified in the relevant Mortgage Conditions.

Repayment Terms

Borrowers typically make payments of interest on, and repay principal of, their Mortgage Loans using one of the following methods:

- **Repayment Mortgage Loans**: the Borrowers make weekly, fortnightly or monthly payments of both interest and principal so that, when the Mortgage Loan matures, the Borrowers will have repaid the full amount of the principal of the Mortgage Loan;

- **Interest Only Mortgage Loans**: the Borrowers make monthly payments of interest but not of principal; when the Mortgage Loan matures, the entire principal amount of the Mortgage Loan is still outstanding and the Borrowers must repay that amount in one lump sum. Where Mortgage Loans are interest only, proof is required that a suitable repayment mechanism has been put in place; and

- **Part and Part Mortgage Loans**: the Borrowers are required to repay part of the principal amount of the Mortgage Loan by making monthly payments of both interest and principal and to repay the remaining part of the principal amount of the Mortgage Loan in one lump sum when the Mortgage Loan matures.

Some of the Mortgage Loans in the Mortgage Portfolio are "**Offset Mortgage Loans**". Offset Mortgage Loans are issued to Borrowers on a repayment basis and are linked to a savings account. Interest due on Offset Mortgage Loans is offset to the value of the notional interest due on the savings balance, and the Borrower can opt either to see the benefit of this through faster repayment of the Offset Mortgage Loans (as the payments are maintained but the interest bill is reduced) or through a lower payment being claimed, reflecting the lower interest charged in the period. Offset Mortgage Loans are underwritten under the same lending criteria as other-owner occupied Mortgage Loans, with affordability, loan to value and other metrics calculated on the loan amount, and without any netting of the balance on the savings account.

Calculation of Current Balance

Coventry Building Society employs the methodology set out below in order to determine the balance of each Loan and the collections in respect of it.

The "**Current Balance**" of a Mortgage Loan means, on any given date, the aggregate balance of the amounts charged to the Borrower's account in respect of a Mortgage Loan at that given date (but avoiding double counting) including:

(a) the original principal amount advanced to the relevant Borrower and any further amount (accounting for any Flexible Feature Payment and including any Further Advance) advanced on or before that given date to the relevant Borrower secured or intended to be secured by the related Mortgage; and

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

(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 or in accordance with the Seller's normal charging practices but which is secured or intended to be secured by the related Mortgage, as at the end of the Business Day immediately preceding that given date,

less any repayment or payment (including, if permitted, by way of set-off, withholding or counterclaim) of any of the foregoing made on or before the end of the Business Day immediately preceding that given date and excluding any retentions made but not released and any Flexible Feature Payments or any Further Advances committed to be made but not made by the end of the Business Day immediately preceding that given date.

Interest is charged on the Current Balance of each Mortgage Loan (other than any part thereof which represents an insurance premium not due for payment by the Borrower).

Early Repayment Charges

If a Borrower wishes to repay the whole of an advance before the time agreed, the Borrower may do so. A Borrower may repay part of an advance before the time agreed provided such partial repayment is not prohibited under the terms of the Mortgage Loan. In the case of repayment in full, the Borrower must pay to the Seller or its affiliate, as applicable, all sums owing to it in respect of such advance by way of principal, interest and costs (including, if the terms of the advance so provide, an early repayment charge) together with the Seller's, or its affiliates', expenses (as applicable) reasonably and properly incurred in connection with such repayment. Not all products offered by the Seller or its affiliates carry an early repayment charge.

Repayment charges will be calculated on the basis provided under the relevant offer of advance in relation to a Mortgage Loan. In these cases, the Seller or its affiliate, as applicable, retains absolute discretion to waive or enforce early repayment charges in accordance with the Seller's Policy from time to time. An amount equal to any early repayment charges paid on the Mortgage Loans and received by the Issuer in each Calculation Period will be paid to the Seller, by way of further consideration for the Mortgage Loans to which such early repayment charges relate, on the Payment Date which occurs immediately after the end of the relevant Calculation Period.

Payment Holidays

The terms of many Mortgage Loans in the pool allow payment holidays to be taken. Where the product includes this feature, the Borrower may request to take a payment holiday of up to three months. Only three months of payment holiday are allowable in a calendar year, and only 6 months in total over the life of the Mortgage Loan. To qualify for a payment holiday, the Borrower's accounts cannot be in arrears and the

Borrower must have made at least 6 consecutive Monthly Payments. All payment holidays are at the Seller's, or its affiliates', discretion (as applicable). Interest is not paid during the payment holiday but continues to accrue. This is added to the Current Balance on the Mortgage Loan and new payments are calculated, accounting for the (increased) balance over the remaining term.

Further Advances

A Borrower may apply to the Seller or its affiliate (as applicable) for a further amount to be lent to him or her under his or her Loan. This further amount will be secured by the same Mortgaged Property as the Mortgage Loan, and will be added as a separate sub-account to the Mortgage Loan. Any Further Advance purchased by the Issuer will be added to the Current Balance of that Borrower's Mortgage Loan on the relevant Advance Date. The aggregate of the outstanding amount of the Mortgage Loan and the Further Advance may be greater than the original amount of the Mortgage Loan.

Flexible Features

If a Mortgage Loan is a Flexible Mortgage Loan, a Borrower may be permitted to make overpayments on his or her Mortgage Loan, subject to certain restrictions as set out in the relevant Mortgage Conditions. Where such an overpayment has been made, a Borrower may be permitted to place his or her repayments on hold until such time as the Current Balance of the Mortgage Loan aligns with the repayment schedule of the Mortgage Loan as was applicable prior to the overpayment. The Seller or its affiliates may, at a subsequent time and at its discretion, also permit a Borrower to redraw his or her Mortgage Loan in an amount up to the relevant overpayment.

Product Switches

From time to time a Borrower may request, or the Seller, its affiliates, may offer, in limited circumstances, a variation in the financial terms and conditions applicable to the Borrower's Mortgage Loan. In addition, in order to promote the retention of Borrowers, the Seller or its affiliates may periodically contact certain Borrowers in respect of the total portfolio of outstanding residential mortgage loans made by the Seller or its affiliates in order to encourage a Borrower to review the other residential mortgage products of the Seller or its affiliates and to discuss moving that Borrower to an alternative mortgage product. Any such variation (subject to certain exceptions) is called a "**Product Switch**".

A Mortgage Loan which is subject to a Product Switch may remain in the Mortgage Portfolio subject to the terms contained in the Mortgage Sale Agreement. See "*The Portfolio – Sale of the Portfolio under the Mortgage Sale Agreement*".

Underwriting

The underwriting approach of the Seller and its affiliates has changed over time. Mortgage Loans in the Mortgage Portfolio may have been originated in accordance with different underwriting criteria from those set out here, depending on their date of origination. Nonetheless, each Mortgage Loan was originated by or made by the Seller or an affiliate of the Seller in the ordinary course of business pursuant to underwriting standards that are no less stringent than those that the Seller or its affiliate applied at the time of origination to similar exposures that are not included in the Mortgage Portfolio.

The current approach of the Seller and its affiliates to the underwriting of loans takes into account a number of factors:

Credit Score

- all applicants are subject to credit scoring and searches at the credit bureau;

- two main scorecards (one for owner occupied and one for buy-to-let) are used across all products using differing cut-off points according to buyer type, and designed to flag and protect against over-indebtedness;
- the scorecard uses a combination of application and credit bureau data; and
- data in the scorecard includes the LTV Ratio, customer age, customer income and employment type.

Affordability

- a comprehensive affordability assessment is undertaken for each applicant; and
- in determining affordability, the impact of a stressed interest rate on a capital repayment basis is incorporated with backstop income multiples.

Valuations

- qualified independent valuers are appointed (RICS qualified) from a panel approved by the Seller, and the panel is managed independently;
- a risk-based approach is taken for owner occupied loans with lower LTV Ratios, as per the table below:

Property Type	Value	Valuation method	Maximum LTV Ratio allowed for valuation method
Houses	£750,000 or lower (£1 million or lower if within the M25)	AVM Remote Valuation	75% 85%
Flats	£750,000 or lower (£1 million or lower if within the M25)	AVM Remote Valuation	65% 75%
All properties	In the case of (1) a house or a flat that does not meet the applicable valuation criteria set out above, or (2) in the case of a property that is not a house or a flat.	AVM Full Valuation	65% 95%

- physical valuations are obtained for all loans where the LTV Ratio is in excess of 85 per cent.; and
- regular service and quality reviews are undertaken on the panel of valuers.

Income Verification

Income verification is conducted in all cases:

- for employed residential borrowers, income is verified through an annual tax statement (P60) and payslips; and

- for self-employed borrowers, income is verified through self-assessment tax forms from the last two years or an accountant's certificate.

The underwriting system is supported by a mandate structure which governs the process up to offer stage, with authority limits varying according to seniority.

The processing of applications and the completion of loans are managed separately.

The performance of the underwriters is checked in three areas within the Seller - the quality assurance team, the lending standards team and the credit risk oversight team, who carry out sample file checks to confirm the quality of lending decisions and compliance with the Seller's lending policy. This testing is also undertaken to identify systemic or significant risks and steps are recommended to mitigate or remove any risks identified through policy, underwriting, and credit scoring changes, automated decision tools, processes or product design. The results of such testing are presented for discussion and oversight by the Retail Credit Risk Committee on a bi-monthly basis.

Lending Criteria

The following is a summary of the lending criteria (the "**Lending Criteria**") applied by the Seller and its affiliates in originating the Mortgage Loans, subject to any underwriting exception (as described below).

It should be noted that the Lending Criteria have changed over time and not all Mortgage Loans in the Mortgage Portfolio will have been originated under these terms. However, the lending criteria relevant to the origination of the Mortgage Loans in the Mortgage Portfolio were substantially similar to those set out below and any such changes over time have not affected the homogeneity (as determined in accordance with (i) prior to the Recast UK Securitisation Regime Effective Date, Article 20(8) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, in particular, SECN 2.2.9R) of the loans comprising the Mortgage Portfolio. Any material change to the Lending Criteria after the date of this Base Prospectus which would affect the homogeneity (as determined in accordance with (i) prior to the Recast UK Securitisation Regime Effective Date, Article 20(8) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, in particular, SECN 2.2.9R) of the loans comprising the Mortgage Portfolio or which would materially affect the overall credit risk or the expected average performance of the Mortgage Portfolio will (to the extent such change affects the Mortgage Loans included in the Mortgage Portfolio from time to time) be disclosed (along with an explanation of the rationale for such changes being made) to investors by the Seller without undue delay.

(a) *Property - Location*

Each Mortgaged Property on which a Mortgage Loan is secured must be situated in England (including the Isle of Wight), Wales (including Anglesey) or Scotland (including the Scottish Isles).

(b) *Property - Borrower's title*

Each Mortgaged Property is a freehold (to include feuhold, heritable or absolute ownership in Scotland) or leasehold residential property in England, Wales or Scotland, the legal title to which is vested in the Borrower and is a good and marketable title.

(c) *Property – Leasehold term*

In the case of a leasehold residential property located in England, Wales or Scotland the unexpired leasehold term must be at least 70 years at completion.

(d) *Property - Valuation*

All valuation instructions are issued to panel management companies who in turn issue instructions to appropriate independent valuers on a panel approved by the Seller. For Mortgage Loans in excess of £900,000 the panel management companies use a more restricted panel limited to larger firms with expertise in carrying out valuations on higher value properties and who hold a higher level of indemnity insurance.

A revaluation of the property generally does not occur after origination and there will be no revaluation of any property for the purpose of the issue of any Series of Notes (and any property valuations in this Base Prospectus or any Final Terms are as at the date of origination of the relevant Mortgage Loan).

(e) *Property - Construction*

Properties must be of an acceptable construction (the Seller provides the valuers with an extensive list of property types and constructions that are not acceptable).

(f) *Property - Occupiers*

Except where the relevant Mortgaged Property is located in Scotland, each Borrower must disclose the details of every person who, at the date upon which the Mortgage Loan is entered into had attained the age of 17 and is in or about to be in actual occupation of the relevant Mortgaged Property and each such person must either be named as a Borrower or have signed a deed of consent in the form of the *pro forma* contained in the Standard Documentation which was applicable at the time the Mortgage was executed and which has the effect of postponing any present or future rights or interests as he or she may have or acquire over or in respect of the relevant Mortgaged Property, and making such interests subject to the rights, interests and remedies of the Seller under the relevant Mortgage.

Where the relevant Mortgaged Property is located in Scotland, all necessary documentation must be obtained so as to ensure that neither the relevant Mortgaged Property nor the relevant Mortgage is subject to or affected by any statutory right of occupancy under the Matrimonial Homes (Family Protection) (Scotland) Act 1981 or the Civil Partnership Act 2004 that adversely affects the rights of the creditor under the relevant Mortgage.

(g) *Property – Use*

A Mortgage Loan will not be granted in relation to Mortgaged Property which is used for full commercial purposes (properties where there is some commercial usage may be considered provided they will be at least 60 per cent. owner occupied, there is no part letting and the LTV Ratio does not exceed 70 per cent).

(h) *Loan - loan to value ratio*

The LTV Ratio is calculated by dividing the initial principal amount advanced at completion of the Mortgage Loan (excluding any completion fees) by the lesser of the valuation or purchase price of the Mortgaged Property. For the purpose of calculating the applicable LTV, for new build properties the first 5% of builder's deposit or other acceptable financial incentives are deducted from the relevant purchase price. The total maximum allowable financial incentive is capped at 10%.

What is an acceptable LTV Ratio will depend on the nature of the product, property type and borrowers (e.g. first time buyers or buy-to-let loans) and the value of the Mortgaged Property.

The LTV Ratio is limited to 50 per cent. for applicants who want to raise capital with unencumbered properties or mortgages with less than £5,000 outstanding.

(i) *Loan – Repayment Methods*

The repayment types acceptable for owner occupier mortgages are:

- Repayment (also known as Capital & Interest repayment); and
- Interest Only.

(j) *Loan - Term*

The maximum repayment term is 40 years.

(k) *Borrower - capacity and status*

Borrowers must all be private individuals.

Borrowers must be of a minimum age of 18.

(l) *Borrower - credit history*

The Borrower's credit may be assessed with the aid of one or more of the following:

(i) electoral register or other proof of occupancy;

(ii) full credit search for the previous three years supplied by a credit reference agency; and

(iii) previous mortgage statements.

(m) *Borrower – income and affordability*

Prior to 14th April 2014, standard income multiples were used to calculate the maximum loan available.

Since the implementation of the Mortgage Market Review in April 2014, a full income and expenditure assessment is carried out. Affordability and reasonableness checks are carried out to validate income and expenses.

Lending decisions are based on an assessment of affordability for each individual application. Consideration is given to the lifestyle and spending pattern of applicants and consideration is given to long-term affordability to allow for future rate increases.

With the implication of Mortgage Market Review requirements under responsible lending, a new compliant affordability model was introduced in January 2014 and reviewed the income sources it is prepared to accept. The Seller and its affiliates continue to obtain documentation of income in every case via a number of different options e.g. payslips, P60s, accountant certificates, SA302 and bank statements. Expenditure is measured by using a model created for the applicant based on data taken from the Office of National Statistics (ONS) and taking into account specific tax and national insurance rates, marital status, number of dependents, geographic location and property type plus other expenditure such as maintenance, nursery care, rental costs and tuition fees. The net result of total gross income minus total modelled and non-modelled expenditure provides the net disposable income. This is then measured against stressed monthly payments over the term of the loan. Stress rates are reviewed regularly and different stress rates may be applied to different loan types and products. These are calculated by the following methods:

- 5 year or longer fixed rate products, the higher of the product rate or a stress rate (currently the stress rate for these products is set at 8.24%).

- For all other mortgage products, the higher of the product rate or a stress rate (currently the stress rate for these products is 8.24%).

Further to the above:

(i) regular overtime, Bonus, shift allowances and commissions of up to 50 per cent. are treated as acceptable sources of income;

(ii) annual bonus: 50% of the average of the latest 2 years' annual bonus, or 50% of the most recent year's annual bonus figure, if lower; and

(iii) income from zero hours contracts will only be accepted for NHS bank nurses and locums, non-NHS bank nurses, care home workers, supermarket workers (including delivery drivers), retained/on call fire-fighters and armed forces and reservists using zero hours contract income criteria.

The maximum amount the Society will lend remains the lower of a multiple of income and the amount indicated by an affordability assessment. Income multiples applicable are:

- if the LTV Ratio is up to or equal to 65 per cent., 5 times the applicant's income;

- if the LTV Ratio is between 65 per cent. and 90 per cent. (inclusive), 4.49 times the applicant's income; and

- if the LTV Ratio is greater than 90 per cent., 4.49 times the applicant's income.

(n) *Borrower - Employment*

When assessing income, the following Borrower employment requirements apply:

(i) all self-employed applicants or directors with a less than 20 per cent. share in the company must be continuously permanently employed for last 12 months, with no more than one 3 month break in last 12 months;

(ii) sole traders and partnerships, etc. must have owned the business for a minimum of 2 years, with 2 years proof of income;

(iii) directors with a greater than or equal to 20 per cent. share in a company must partly own the company which must have been trading for a minimum of 2 years, with 2 years proof of income;

(iv) Borrowers that are daily rate contractors have been accepted since September 2019 with a continuous contracting history over the last 12 months. There must be a minimum of 6 months remaining on the existing contract and where there is less than 6 months remaining, then evidence of 24 months continuous employment in the same profession is required; or

(v) employed applicants need to have been in a continuous permanent employment for the last 12 months (and no more than one 3 month break in last 12 months is acceptable). If the applicant is currently in a probation period, the application may be considered provided the applicant has previously been employed in a permanent position for a minimum of 6 months and has moved to a similar job.

(o) *Borrower – Deposit*

For purchase applications, the applicants must provide a deposit from their own resources or a gifted deposit from a family member. The gift must be genuine and unconditional, except where the gift is provided by a family member and is subject to a second charge or declaration of trust. The only condition is for the repayment of the charge to be upon sale of the property.

For an owner occupier mortgage one of the following alternatives may apply:

- purchases under the Right-to-Buy scheme where a loan for the full purchase price can be considered;
- family sale purchases at a discounted price, where a loan for the full purchase price can be considered; or
- a Ministry of Defence (M.O.D) Forces Help to Buy Scheme (FHTB), provided it is supported by means of a Personal Information Note from the M.O.D. and not secured by a second charge against the property.

(p) *Further Advances*

Borrowers applying for a Further Advance are required to meet the existing Lending Criteria, and must have made a minimum of six Monthly Payments in order to be eligible to apply. If the Borrower has been granted a payment holiday, the payment holiday must have ended prior to a Further Advance being granted.

(q) *Underwriting exception*

On a case-by-case basis the Seller, or its affiliate, as the case may be, may have determined that, based upon compensating factors, an applicant that did not strictly qualify under its Lending Criteria at that time warranted an underwriting exception. Compensating factors may be considered including, but not limited to, a low LTV Ratio, overall affordability position, high credit score and track record with the organisation. Any such exceptions would have been approved by one of a specifically refined group of suitably qualified and experienced delegated mandate holders. These exceptions are closely monitored by the credit risk department of the Seller or its affiliate, as applicable, and are reported monthly to the credit risk committee of the Seller or its affiliate, as applicable.

The assessment of a Borrower's creditworthiness is conducted in accordance with the Lending Criteria and, where appropriate, meets the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries. The assessment of each Borrower's creditworthiness is based on the most up to date information available.

(r) *Extension of offers*

- an offer made to an applicant may only be extended where the circumstances for requiring an extension are outside of the applicant's control; and
- where an extension is being considered, the underwriter must ensure that there have been no material changes in the applicant's circumstances since the making of the offer. If this is not the case, any changes must be taken into account in determining whether the extension is granted and affordability must be reassessed in accordance with the Lending Criteria.

Insurance Policies

(a) *Borrower's Insurance*

Borrowers are required to arrange for, and maintain throughout the life of the relevant Mortgage Loan, insurance on their Mortgaged Property (or, in the case of leasehold property, provide full details of such policy to the Seller) in an amount equal to the full rebuilding cost of the Mortgaged Property. Borrowers must also ensure the insurance policy covers the use of, or any alterations the Borrower makes to, the Mortgaged Property.

(b) *Other Insurances*

The Seller also has in place policies to cover financial losses incurred by the Seller in respect of:

- any Mortgaged Properties for which adequate insurance has not been arranged by the relevant Borrower; and
- any Mortgaged Properties over which the Seller has formally taken possession.

Environmental performance

The administrative records of the Seller do not contain any information related to the environmental performance of the Mortgaged Property and, accordingly, there is no available information to be published related to the environmental performance of the Mortgaged Property.

Other characteristics

All Mortgage Loans in the Mortgage Portfolio are homogenous for the purposes of (i) prior to the Recast UK Securitisation Regime Effective Date, Article 20(8) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, in particular, SECN 2.2.9R, on the basis that all such Mortgage Loans: (a) have been underwritten by the Seller or an affiliate of the Seller in accordance with similar underwriting standards applying similar approaches with respect to the assessment of a potential borrower's credit risk; (b) are Repayment Mortgage Loans, Interest Only Mortgage Loans or Part and Part Mortgage Loans which have been entered into substantially on the terms of similar standard documentation for residential mortgage loans; (c) are serviced by the Servicer pursuant to the Servicing Agreement in accordance with the same servicing procedures with respect to monitoring, collections and administration of cash receivables generated from the loans; and (d) form one asset category, namely residential loans with full recourse to Borrowers secured with one or several mortgages on residential immovable property in England, Wales, and Scotland.

The Mortgage Loans, as at the relevant Assignment Date, do not include any transferable securities, any securitisation positions or any derivatives, in each case on the basis that the Mortgage Loans have been entered into substantially on the terms of similar standard documentation for residential mortgages loans. The Mortgage Loans comprised in the Initial Mortgage Portfolio will be transferred to the Issuer after selection for inclusion in the Initial Mortgage Portfolio without undue delay.

The Mortgage Loans do not include: (i) any Mortgage Loans that, at the time of origination, were marketed and underwritten on the premise that the Mortgage Loan applicant or, where applicable, intermediaries were made aware that the information provided by the Mortgage Loan applicant might not be verified by the Seller or an affiliate of the Seller; or (ii) at the time of selection for inclusion in the portfolio any exposures in default within the meaning of Article 178(1) of the UK CRR.

ASSIGNMENT OF THE MORTGAGE LOANS AND RELATED SECURITY

Pursuant to the terms of the Mortgage Sale Agreement entered into on or around the Programme Date between, *inter alios*, the Seller and the Issuer, the Seller has agreed to sell Mortgage Loans and their Related Security to the Issuer from time to time. The following section describes, in summary, the material terms of the Mortgage Sale Agreement. The description does not purport to be complete and is subject to the provisions of the Mortgage Sale Agreement.

As at the date of this Base Prospectus, the assets to be sold by the Seller to the Issuer to support the Issuer's obligations under the Notes will comprise residential mortgage loans originated by the Seller or affiliates of the Seller, and secured over Properties situated in England, Wales or Scotland.

Sale by the Seller of Mortgage Loans and Related Security

The Mortgage Portfolio consists of Mortgage Loans and their Related Security sold from time to time by the Seller to the Issuer on any Assignment Date in accordance with the terms of the Mortgage Sale Agreement. The types of Mortgage Loans forming part of the Mortgage Portfolio will vary over time **provided that**, at the time the relevant Mortgage Loans are sold to the Issuer, the Eligibility Criteria and the Portfolio Criteria (each as described below) are met on the relevant Assignment Date. Accordingly, the Mortgage Portfolio may, at any time, include Mortgage Loans with different characteristics to Mortgage Loans sold to the Issuer on previous Assignment Dates.

For so long as a Sale Period is continuing, the Issuer will be permitted to acquire Mortgage Loans and their Related Security from the Seller in the four circumstances described below:

(a) in relation to the issue of Notes from time to time in accordance with the Programme;

(b) in relation to further drawdowns under the Class Z(S) VFN in an amount sufficient to maintain the Required Subordination Amount;

(c) the Issuer may use Available Principal Receipts to acquire Additional Mortgage Loans and their Related Security from the Seller; and

(d) where further drawdowns under the Seller's Note are made from time to time in accordance with the Transaction Documents either to ensure the Principal Amount Outstanding of the Seller's Note is at least equal to the Minimum Seller's Note Amount or if the Seller has decided at its sole discretion to advance that drawdown (including for so long as a Non-Asset Trigger Event is continuing).

In consideration for the sale of the Initial Mortgage Portfolio to the Issuer, the Seller:

(a) has received the Initial Purchase Price, being a cash payment made by the Issuer from the proceeds of the issuance of Series 2020-1 Class A Notes, as well as from the proceeds of initial drawings under the Class Z(S) VFN and the Seller's Note, in an amount equal to the Current Balance of those Mortgage Loans sold by it as at the relevant Assignment Date; and

(b) will receive Deferred Consideration.

Additional Mortgage Portfolios

The Seller may sell Additional Mortgage Portfolios comprising Additional Mortgage Loans and their Related Security to the Issuer for as long as a Sale Period is continuing.

Pursuant to the terms of the Mortgage Sale Agreement, the Seller may deliver to the Issuer a notice identifying the Additional Mortgage Portfolio offered thereunder (an "**Additional Mortgage Portfolio Sale Notice**"). Pursuant to, and on the Assignment Date specified in, such Additional Mortgage Portfolio Sale

Notice, the Seller will offer to sell to the Issuer with full title guarantee or, in the case of any Scottish Mortgage Loans and their Related Security, with absolute warrandice, and the Issuer will, agree to purchase the relevant Additional Mortgage Portfolio set out therein. The Seller will receive from the Issuer, as consideration for the sale of each Additional Mortgage Portfolio, a combination of:

(a) the Initial Additional Mortgage Portfolio Purchase Price; and

(b) Deferred Consideration, payable by the Issuer to the Seller on each Payment Date falling after the relevant Assignment Date, in accordance with the applicable Priority of Payments.

For as long as a Sale Period is continuing, the Issuer will pay the Initial Additional Mortgage Portfolio Purchase Price to the Seller by:

(a) for so long as no Non-Asset Trigger Event is continuing:

(i) if the relevant Assignment Date is the same as the Closing Date of the issuance of any Class A Notes, applying the proceeds from such issuance of the Class A Notes on the relevant Closing Date; and/or

(ii) applying Available Principal Receipts (to the extent available for such purpose), and/or further amounts drawn down under the Class Z(S) VFN and/or, as applicable, the Seller's Note on the Payment Date which is the same as, or immediately follows, the relevant Assignment Date; and

(b) for so long as a Non-Asset Trigger Event is continuing, drawing down further amounts under the Seller's Note on the Payment Date which is the same as, or immediately follows, the relevant Assignment Date.

At any time other than while a Sale Period is continuing, the Seller may not sell any Additional Mortgage Portfolios to the Issuer.

The obligation of the Issuer to purchase any Additional Mortgage Portfolio will be conditional upon the Eligibility Criteria and the Portfolio Criteria (as described below) being met with respect to the Mortgage Loans comprised in such Additional Mortgage Portfolio on the relevant Assignment Date.

The Seller will be required to repurchase Mortgage Loans and their Related Security sold to the Issuer in the circumstances described below under "*Repurchase of Mortgage Loans*".

Any "sale" or "equitable assignment" of loans referred to in this Base Prospectus will, in relation to the Scottish Mortgage Loans, be given effect by a Scottish Declaration of Trust.

Eligibility Criteria

The sale of a Mortgage Loan and its Related Security to the Issuer will be subject to that Mortgage Loan satisfying the following "**Eligibility Criteria**" on, and as at, the relevant Assignment Date:

(a) the Mortgage Loan complies with the Mortgage Loan Warranties in the Mortgage Sale Agreement;

(b) the Mortgage Loan is not a Mortgage Loan in relation to which (1) a payment holiday has been granted and is in effect (including, for these purposes, any payment holidays granted in connection with the COVID-19 relief measures), or (2) the Seller has, prior to the relevant Assignment Date, agreed to a payment holiday which takes effect following the relevant Assignment Date (including, for these purposes, any payment holidays granted in connection with the COVID-19 relief measures);

(c) the Mortgage Loan has an aggregate amount in arrears which is no more than the amount of the Monthly Payment then due;

(d) the Mortgage Loan has been made to a Borrower who is a natural legal person over the age of 18;

(e) the Mortgage Loan is not a Buy-To-Let Mortgage Loan, nor has a permission to let been granted;

(f) the Mortgage Loan has an original LTV Ratio of no more than 95 per cent.;

(g) the Mortgage Loan has a current indexed LTV Ratio of no more than 90 per cent.;

(h) the Mortgage Loan was not originated prior to 1 January 2014;

(i) the Mortgage Loan has a Current Balance of no more than £1,500,000 at the relevant Assignment Date;

(j) the Mortgage Loan is not a shared ownership loan;

(k) the Mortgage Loan's maturity date is no later than three years prior to the latest Final Maturity Date in respect of any Series and Class of Notes then outstanding;

(l) if such Mortgage Loan is a Fixed Rate Mortgage Loan, the Issuer has entered into one or more Interest Rate Swaps which account for the Current Balance of the Fixed Rate Mortgage Loans in the Mortgage Portfolio with respect to the relevant Swap Funding Note Percentage from time to time; and

(m) in respect of each Flexx Rate Mortgage Loan, the interest rate applicable with respect to that Flexx Rate Mortgage Loan was greater than or equal to SONIA plus 1 per cent.

The Mortgage Loan Warranties will be given by the Seller in respect of the Mortgage Loans and their Related Security sold by the Seller to the Issuer on the relevant dates as set out in "*Representations and warranties*" below.

The Issuer has the right to amend the Eligibility Criteria, subject to receipt of a Ratings Confirmation. The prior written consent of the Note Trustee, the Security Trustee, the Noteholders and the other Secured Creditors to the amendments will not be required.

Portfolio Criteria

In addition, the sale of a Mortgage Loan and its Related Security to the Issuer will be subject to the satisfaction of the following "**Portfolio Criteria**" on, and as at, the relevant Assignment Date:

(a) the aggregate Current Balance of Mortgage Loans which are greater than three months in arrears is less than or equal to 5 per cent. of the Current Balance of the Mortgage Portfolio;

(b) no Asset Trigger Event has occurred;

(c) no Event of Default has occurred which is continuing;

(d) where the sale would include any Mortgage Loan which is a New Mortgage Product, the Issuer has received a Ratings Confirmation in respect of the inclusion of such New Mortgage Product and any modifications to the Eligibility Criteria, the Portfolio Criteria or the Mortgage Loan Warranties;

(e) the weighted average Original LTV Ratio of the Mortgage Portfolio immediately following the sale will not exceed the weighted average Original LTV Ratio of the Mortgage Portfolio measured as at the most recent Closing Date in respect of the Class A Notes by more than 5 per cent.;

(f) the weighted average Current LTV Ratio of the Mortgage Portfolio immediately following the sale will be less than or equal to 80 per cent.;

(g) for so long as Moody's rates any Notes, the Moody's Portfolio Variation Test Value in respect of the Mortgage Portfolio immediately following the sale will not exceed the Moody's Portfolio Variation Test Value as at the most recent date on which Moody's performed a full pool analysis on the Mortgage Portfolio (not to be less frequent than annually) by more than 0.3 per cent.;

(h) the aggregate of the Current Balances of each Interest Only Mortgage Loan in the Mortgage Portfolio immediately following the sale will be less than or equal to 5 per cent. of the Current Balance of the Mortgage Portfolio measured as at the most recent Closing Date in respect of the Class A Notes;

(i) the aggregate of the Current Balances of each New Build Mortgage Loan in the Mortgage Portfolio immediately following the sale will be less than or equal to 15 per cent. of the Current Balance of the Mortgage Portfolio measured as at the most recent Closing Date in respect of the Class A Notes;

(j) the aggregate of the Current Balances of each Mortgage Loan with an Original LTV Ratio greater than 85 per cent. in the Mortgage Portfolio immediately following the sale will be less than or equal to 25 per cent. of the Current Balance of the Mortgage Portfolio measured as at the most recent Closing Date in respect of the Class A Notes; and

(k) the aggregate of the Current Balances of each Mortgage Loan which is a Flexx Rate Mortgage Loan in the Mortgage Portfolio immediately following the sale will be less than or equal to 10 per cent. of the Current Balance of the Mortgage Portfolio measured as at the most recent Closing Date in respect of the Class A Notes.

The Issuer has the right to amend the Portfolio Criteria, subject to receipt of a Ratings Confirmation. The prior written consent of the Note Trustee, the Security Trustee, the Noteholders and the other Secured Creditors to the amendments will not be required.

Transfer of Title to the Mortgage Loans to the Issuer

The English Mortgage Loans will be sold by the Seller to the Issuer by way of equitable assignment. The Scottish Mortgage Loans will be sold by the Seller to the Issuer by way of Scottish Declaration of Trust under which the beneficiary's interest in such trust will be vested in the Issuer. In relation to the Scottish Mortgage Loans, references in this document to a "sale" or "equitable assignment" of Mortgage Loans or Mortgage Loans having been "sold" are to be read as references to the making of such Scottish Declaration of Trust. Such beneficiary's interest (as opposed to the legal title) cannot be registered or recorded in HM Land Registry or the Registers of Scotland. As a result, legal title to the Mortgage Loans and their Related Security will remain with the Seller until legal assignments (in relation to English Mortgage Loans) or assignations (in relation to Scottish Mortgage Loans) are delivered by the Seller to the Issuer and notice of the sale is given by the Seller to the Borrowers. Legal assignment or assignation (as appropriate) of the Mortgage Loans and their Related Security (including, where appropriate, their registration or recording in the relevant property register) to the Issuer will be deferred and will only take place in the limited circumstances described below.

Legal assignment or assignation (as appropriate) of the Mortgage Loans and their Related Security to the Issuer (including any notification of such legal assignment or assignation (as appropriate) to the Borrowers) will be completed on or before the 30th Business Day after the earliest of the following (a "**Perfection Trigger Event**"):

(a) the occurrence of an Event of Default and delivery of an Enforcement Notice;

(b) the occurrence of an Insolvency Event in relation to the Seller;

(c) a breach of obligations by the Seller (or the Servicer on behalf of the Seller) under the Transaction Documents, where such breach, if capable of remedy, has not been remedied within 90 calendar days following the day on which the Seller is aware of such breach. The Seller may amend this paragraph (c) so long as the Seller delivers a certificate to the Issuer that such amendment does not impact the designation as a 'simple, transparent and standardised' securitisation (within the meaning of, prior to the Recast UK Securitisation Regime Effective Date, the UK Securitisation Regulation, and on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime) in respect of any Series or Class of Notes then outstanding which are intended to satisfy the UK STS Criteria Requirements;

(d) unless otherwise agreed by the Security Trustee, the termination of the Seller's role as Servicer under the Servicing Agreement, unless as at the relevant date of termination any substitute servicer is any member of the Seller's corporate group;

(e) the Seller and/or the Issuer being required to perfect legal title to the Mortgage Loans by an order of a court of competent jurisdiction or a change in law occurring after the Programme Date, or by a regulatory authority of which the Seller is a member or to whose authority the Seller is subject or any organisation whose members comprise (but are not necessarily limited to) mortgage lenders with whose instructions it is customary for the Seller to comply;

(f) 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; and

(g) if the Seller determines, as at any date, that its CET1 Ratio has fallen below 6.00 per cent., where CET1 Ratio means the ratio (expressed as a percentage) of Common Equity Tier 1 as at such date to the Risk Weighted Assets as at the same date, in each case calculated by the Seller on an individual consolidated basis (as referred to in Article 9 of the UK CRR) or, as the context requires, a consolidated basis, Common Equity Tier 1 means, as at any date, the sum of all amounts that constitute common equity tier 1 capital of the Seller as at such date, less any deductions from common equity tier 1 capital required to be made as at such date, in each case as calculated by the Seller on an individual consolidated basis (as referred to in Article 9 of the UK CRR) or, as the context requires, a consolidated basis, in each case in accordance with the then prevailing Capital Regulations but without taking into account any transitional, phasing-in or similar provisions and Risk Weighted Assets means, as at any date, the aggregate amount of the risk weighted assets of the Seller as at such date, as calculated by the Seller on an individual consolidated basis (as referred to in Article 9 of the UK CRR) or, as the context requires, a consolidated basis, in each case in accordance with the then prevailing capital regulations but without taking into account any transitional, phasing-in or similar provisions.

Pending completion of the legal assignment or assignation (as appropriate), the right of the Issuer to exercise the powers of the legal owner of, or (in Scotland) the heritable creditor under, the Mortgages will be secured by, or (in Scotland) supported by, an irrevocable power of attorney granted by the Seller in favour of the Issuer and the Security Trustee.

The Title Deeds and Mortgage Loan Files relating to the Mortgage Loans in the Mortgage Portfolio will be held by or to the order of the Seller or the Servicer, as the case may be, or by solicitors, licensed conveyancers or (in Scotland) qualified conveyancers acting for the Seller in connection with the creation of the Mortgage Loans and their Related Security. The Seller or the Servicer, as the case may be, will undertake that all the Title Deeds and Mortgage Loan Files relating to the Mortgage Loans in the Mortgage Portfolio which are at any time in their possession or under their control or held to their order will be held to the order of the Security Trustee or as the Security Trustee may direct.

Representations and warranties

The Seller will give to the Issuer, the following Mortgage Loan Warranties (among others) in respect of the Mortgage Loans and their Related Security sold by the Seller to the Issuer on the relevant Assignment Date, in respect of any Further Advances sold by the Seller to the Issuer, on the relevant Advance Date, and in respect of any Product Switch granted by the Seller, on the relevant Switch Date:

(a) the particulars of:

(i) each Mortgage Loan and its related Mortgage in the Initial Mortgage Portfolio set out in the Mortgage Sale Agreement;

(ii) each Mortgage Loan and its related Mortgage in each Additional Mortgage Portfolio set out in the Schedule to the relevant Additional Mortgage Portfolio Sale Notice;

(iii) each Further Advance set out in the Schedule to the relevant Flexible Feature Notice; and

(iv) each Product set out in the Schedule to the relevant Flexible Feature Notice,

are complete, true and accurate in all material respects;

(b) subject to completion of any registration which may be pending at HM Land Registry and the Registers of Scotland, the Seller is the absolute unencumbered legal and beneficial owner of the Mortgage Loans, their Related Security and all property to be sold and assigned by the Seller to the Issuer pursuant to the Mortgage Sale Agreement, and the Mortgage Loans and their Related Security are not subject, either totally or partially, to any lien, assignment (whether by way of absolute assignment or assignation or by way of security only), charge or pledge to any third parties or are otherwise in a condition that could be foreseen to adversely affect the enforceability of the sale to the Issuer;

(c) each Mortgage Loan and its Related Security constitutes a valid and binding obligation of the Borrower enforceable in accordance with its terms and each Related Security secures the repayment of all advances, interest, costs and expenses payable by the relevant Borrower to the Seller in priority to any other charges registered against the relevant Mortgaged Property, **provided however that**:

(i) this warranty will not be deemed to have been breached if the reason for the invalidity, non-binding nature or enforceability is a failure to comply with the Unfair Terms in Consumer Contracts Regulations 1994 or 1999, the Consumer Rights Act 2015, the Consumer Credit Act 1974 (where such legislation applies to a particular Mortgage Loan) or the FSMA (where such legislation applies to a particular Mortgage Loan);

(ii) the Seller makes no representation as to the fairness or otherwise of terms which relate to its ability to vary the rate of interest;

(iii) 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

(iv) this representation will not apply in respect of any early repayment charges or redemption fees;

(d) to the extent that any Mortgage Loan constitutes a regulated mortgage contract for the purposes of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, at the time it was made, such Mortgage Loan complied with all applicable provisions of MCOB and any other applicable rules and guidance of the FCA or PRA and, prior to the sale of such Mortgage Loan to

the Issuer pursuant to the terms of the Mortgage Sale Agreement, such Mortgage Loan was administered in accordance with the provisions of MCOB and any other applicable rules and guidance of the FCA or PRA;

(e) subject to completion of any registration or recording which may be pending at HM Land Registry and the Registers of Scotland, each Mortgage Loan is secured by a Mortgage that either constitutes, or will constitute, following registration or recording at HM Land Registry (in England and Wales) a first ranking charge by way of legal mortgage or the Registers of Scotland (in Scotland) a first ranking standard security over the relevant Mortgaged Property;

(f) subject to completion of any registration or recording which may be pending at HM Land Registry or the Registers of Scotland, the relevant Mortgage is not over land, title to which is not registered at HM Land Registry or the Registers of Scotland;

(g) each Mortgaged Property is located in England, Wales or Scotland;

(h) each relevant Mortgaged Property constitutes the primary residence of each respective Borrower;

(i) all steps necessary to perfect the Seller's title to each Mortgage Loan and its Related Security were duly taken at the appropriate time or are in the process of being taken with all due diligence;

(j) no lien or right of set-off or counterclaim has been created or arisen between the Seller and any Borrower which would entitle such Borrower to reduce the amount of any payment otherwise due under the relevant Mortgage Loan or could otherwise be foreseen to adversely affect the sale of the relevant Mortgage Loan to the Issuer save in relation to the Unfair Terms in Consumer Contracts Regulations 1994 or the Unfair Terms in Consumer Contracts Regulations 1999 and save in relation to section 150 of the FSMA;

(k) prior to making a Mortgage Loan (other than a remortgage), the Seller instructed or required to be instructed on its behalf solicitors or licensed conveyancers to carry out all investigations, searches and other actions in relation to the relevant Mortgaged Property that would have been undertaken by the Seller acting in accordance with standards consistent with those of a Prudent Mortgage Lender, when advancing money in an amount equal to such advance to an individual to be secured on a Mortgaged Property of the kind permitted under the Lending Criteria and a report or certificate on title was received by or on behalf of the Seller from such solicitors or licensed conveyancers which, either initially or after further investigation revealed no material matter which would cause the Seller, acting reasonably, to decline the Mortgage Loan having regard to the Lending Criteria;

(l) each Borrower has a good and marketable title to the relevant Mortgaged Property free from any encumbrance which:

(i) would materially adversely affect such title; and

(ii) a Prudent Mortgage Lender would regard as unacceptable for security purposes;

(m) prior to making a Mortgage Loan, an independent valuation was carried out or instructed by one of the Seller's panel managers or, as applicable, an automated valuation was carried out as permitted under the Lending Criteria on the relevant Mortgaged Property, and the results of any such obtained valuation would be acceptable to a Prudent Mortgage Lender;

(n) prior to making a Mortgage Loan, the nature and amount of such Mortgage Loan, the circumstances of the relevant Borrower and the nature of the relevant Mortgaged Property satisfied the Seller's Lending Criteria in force at that time in all material respects subject only to such exceptions and waivers made on a case by case basis as would be acceptable to a Prudent Mortgage Lender;

(o) each Mortgage Loan was made and its Related Security taken or received on the terms of the Standard Documentation of the Seller or its affiliates without any material variation thereto 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 subject only to such exceptions as are made on a case by case basis and which would be acceptable to a Prudent Mortgage Lender;

(p) no agreement for any Mortgage Loan is in whole or in part a regulated agreement or consumer credit agreement (as defined in section 8 of the Consumer Credit Act 1974 (as amended, extended or re-enacted from time to time)) or, to the extent that any Mortgage Loan is in whole or in part a regulated agreement or consumer credit agreement, the procedures and requirements set out in the Consumer Credit Act 1974 have been complied with in all material respects;

(q) the rate of interest under each Mortgage Loan is charged in accordance with the Standard Documentation, subject to the terms of any Mortgage Loan Agreement in relation thereto;

(r) the Seller is not aware of any fraud in relation to any Mortgage Loan or Related Security;

(s) each Borrower has made at least one Monthly Payment;

(t) where any Borrower is or was entitled to repayment of any Early Repayment Charge in respect of any mortgage previously held by the Borrower with the Seller, that repayment has been or will be made by the Seller;

(u) so far as the Seller is aware, at the date of completion of the relevant Mortgage Loan, each Mortgaged Property was:

(i) insured under a buildings policy; or

(ii) with respect to leasehold properties, insured by the relevant landlord with the Seller's approval,

and in all cases against risks usually covered by a comprehensive buildings policy and to an amount not less than the full reinstatement cost of such Mortgaged Property as determined by an independent valuer or a valuer employed by the Seller;

(v) so far as the Seller is aware, if a Mortgaged Property is leasehold or long leasehold, written notice has been given to the landlord of the creation of the Mortgage;

(w) every person who, at the date upon which an English Mortgage was granted, and was in or about to be in actual occupation of the relevant property, other than where the Seller has acted as a Prudent Mortgage Lender in respect of owner occupied mortgage loans in making such Loan, is either named as a Borrower or has signed a deed of consent in the form of the *pro forma* contained in the Standard Documentation and, in relation to each Scottish Mortgage, all necessary MH/CP Documentation has been obtained so as to ensure that neither the relevant Mortgaged Property nor the relevant Mortgage is subject to or affected by any statutory right of occupancy under the Acts referred to in the MH/CP Documentation that adversely affects the rights of the creditor under the relevant Mortgage;

(x) the Seller has procured that full and proper accounts, books and records have been kept showing clearly all material transactions, payments, receipts and any enforcement proceedings or any other correspondence relating to each Mortgage Loan and its Mortgage and all such accounts, books and records are up to date and in the possession of the Seller or held to its order;

(y) neither the Seller nor as far as the Seller is aware any of its agents has received written notice of any litigation, claim, dispute or complaint (in each case, subsisting, threatened or pending) in respect of any Borrower, Mortgaged Property, Mortgage Loan, Related Security or Insurance

Policy which (if adversely determined) might have a material adverse effect on the value of the Mortgage Portfolio or any part of it;

(z) in respect of any Mortgaged Property which is subject to a second or subsequent mortgage or standard security, the Seller has first priority or first ranking for the full amount of the Mortgage Loan, all arrears of interest and accrued interest thereon and all costs, fees and expenses relative thereto;

(aa) the Mortgage Loan Files relating to each of the Mortgage Loans and their Related Security are held by, or are under the control of the Seller or the Servicer;

(bb) all formal approvals, consents and other steps necessary to permit an equitable or beneficial transfer of, or a declaration of trust over, and a transfer of servicing away from the Seller of the Mortgage Loans and their related Mortgages to be sold under the Mortgage Sale Agreement whenever required under the Transaction Documents have been obtained or taken and there is no requirement in order for such transfer or declaration of trust to be effective to notify the Borrower before, on, or after any such equitable or beneficial transfer or declaration of trust. Neither the entry by the Seller into the Mortgage Sale Agreement, nor any sale, transfer, assignment, assignation or creation of trust contemplated by the Mortgage Sale Agreement and its related agreements, materially adversely affects or will materially adversely affect any of the Mortgage Loans and their Related Security and the Seller may enter into the Mortgage Sale Agreement and, as applicable, freely sell, transfer, assign and enter into trust arrangements in respect of all its respective rights, title, interests and benefits therein as contemplated in the Transaction Documents without breaching any term or condition applying to any of the Mortgage Loans or their Related Security;

(cc) so far as the Seller is aware, none of the terms in any Mortgage Loan and its related Mortgage are unfair terms within the meaning of the Unfair Terms in Consumer Contracts Regulations 1994, the Unfair Terms in Consumer Contracts Regulations 1999 or the Consumer Rights Act 2015 in any material respect save those which impose Early Repayment Charges;

(dd) each Mortgage Loan in the Mortgage Portfolio is either a Variable Rate Mortgage Loan, Discount Variable Rate Mortgage Loan, Flexx Rate Mortgage Loan, a Capped (Variable Rate) Mortgage Loan, Fixed Rate Mortgage Loan or a Tracker Rate Mortgage Loan, and no Mortgage Loan is an Excluded Loan;

(ee) each Mortgage Loan was originated by the Seller or an affiliate of the Seller in the ordinary course of business and is denominated in pounds Sterling and is currently repayable in pounds Sterling;

(ff) the Seller has full recourse to the relevant Borrower under the relevant Mortgage Loans;

(gg) none of the provisions of the relevant Mortgage Loan Agreement were (at the time such Mortgage Loan Agreement was entered into) or have since been waived, altered or modified other than such waivers, alterations or modifications as a Prudent Mortgage Lender might make, or by a Product Switch;

(hh) the brochures, application forms, offers, Mortgage Loan Agreements and marketing material, if any, distributed by the Seller to the Borrower when offering a Mortgage Loan to that Borrower did not conflict in any material respect with the terms applicable to the relevant Mortgage Loan and its Related Security at the time that the Mortgage Loan was entered into;

(ii) to the best of the Seller's knowledge, at the time of origination of the relevant Mortgage Loan, no Borrower either (i) appeared on a register available to the Seller of persons with an adverse credit history or (ii) had a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made was significantly higher than for comparable exposures held by the Seller which are not included in the Mortgage Portfolio;

(jj) to the best of the Seller's knowledge, no Borrower has filed for bankruptcy, been sequestrated, entered into an individual voluntary arrangement, or debt management scheme, or had a non-appealable county court judgment (or, in Scotland, decree) or bankruptcy order entered or made against them or been found liable for material damages as a result of a missed payment within six years prior to the original loan advance, or has undergone a debt-restructuring process with regard to his/her non-performing exposures within three years prior to the relevant Assignment Date in respect of Mortgage Loans comprised in the Mortgage Portfolio, the relevant Advance Date in respect of each Further Advance, and the relevant Switch Date in respect of each Product Switch;

(kk) no Mortgage Loan was 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 nor by its affiliates;

(ll) no Mortgage Loan is considered by the Seller as being in default within the meaning of Article 178(1) of the UK CRR, as further specified by the commission delegated regulation (EU) 2018/171 on the materiality threshold for credit obligations past due (as it forms part of the current domestic law of the UK by virtue of the Withdrawal Act) developed in accordance with Article 178 of the UK CRR;

(mm) no Mortgage Loan, so far as the Seller is aware, is a Mortgage Loan to a Borrower who is a "credit-impaired debtor" as described in (i) prior to the Recast UK Securitisation Regime Effective Date, Article 20(11) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, in particular, SECN 2.2.12R, and, in each case, in accordance with any official guidance issued in relation thereto;

(nn) as at the relevant Assignment Date, the Mortgage Loans are classified as secured by residential mortgages and, under the Standardised Approach, the Mortgage Portfolio has a risk weight equal to or smaller than 40 per cent;

(oo) each Mortgage Loan has a remaining term of less than 50 years;

(pp) all the Mortgage Loans are money debts arising from advances of money to individuals and are secured by mortgages over property in the UK;

(qq) no Related Security in respect of a Mortgage Loan is stock or marketable security (as such terms are defined for the purposes of section 122 of the Stamp Act 1891), a chargeable security (as such term is defined for the purposes of section 99 of FA 1986) or a "chargeable interest" (as such term is defined for the purposes of section 48 of the Finance Act 2003 or Section 4 of the Welsh Land Transaction Tax and Anti-avoidance of Devolved Taxes Act 2017 or section 4 of Land and Buildings Transaction Tax (Scotland) Act 2013);

(rr) the Related Security consists solely of mortgages, insurance policies, guarantees, rights under certain documents relating to the Mortgage Loans and rights against certain individuals in connection with the origination and completion of the Mortgage Loans;

(ss) the Mortgages and any Related Security are interests or rights (other than a rent charge) held for the purposes of securing the payment of money or the performance of another obligation; and

(tt) the Mortgage Loans are and will consist only of financial assets as defined for the purposes of generally accepted accounting principles.

The Mortgage Loan Warranties set out at paragraphs (a) to (j) (inclusive), (l), (n) to (r) (inclusive), (u), (y), (z), (bb) to (ff) (inclusive), (hh) to (oo) (inclusive) above (the "**Product Switch Warranties**") will be given by the Seller to the Issuer in respect of any Mortgage Loans subject to a Product Switch on the relevant Switch Date.

None of the Issuer, the Security Trustee or the Note Trustee has made or has caused to be made on its behalf any enquiries, searches or investigations in respect of the Mortgage Loans and their Related Security to be sold to the Issuer. Instead, each is relying entirely on the Mortgage Loan Warranties. The parties to the Mortgage Sale Agreement may, with the prior written consent of the Security Trustee (which will be given if the Rating Agencies have confirmed it would not adversely affect the then current ratings of the Notes), amend the Mortgage Loan Warranties.

If New Mortgage Products are to be sold to the Issuer, then the Mortgage Loan Warranties may be modified as required to accommodate these New Mortgage Products, subject to the Rating Agencies confirming that such New Mortgage Product may be sold to the Issuer. The prior written consent of the Noteholders to the amendments will not be required.

Flexible Feature Payments

If, during any Calculation Period, a Borrower requests a Flexible Feature Payment under their Flexible Mortgage Loan, and the Seller agrees to such a request, the Seller will be solely responsible for funding that Flexible Feature Payment and the Seller will be responsible for offering and, documenting that Flexible Feature Payment. Under the Mortgage Sale Agreement, the Issuer has agreed that, while a Sale Period is continuing, it will pay further consideration equal to any Flexible Feature Payment made to a Borrower on the date on which that Flexible Feature Payment is made by the Seller to the relevant Borrower (the "**Flexible Feature Payment Date**").

The Seller will deliver to the Issuer a notice prior to the Calculation Date in respect of the Calculation Period in which any Flexible Feature Payment has been made with details of the Flexible Feature Payments made in that Calculation Period and specifying the aggregate amounts of such Flexible Feature Payments. While a Sale Period is continuing, the Issuer will, to the extent that it has sufficient funds to do so, pay further consideration to the Seller in respect of such Flexible Feature Payments by:

(a) a combination of:

(i) applying Available Principal Receipts standing to the credit of the Transaction Accounts (to the extent available for such purpose); and/or

(ii) making further drawdowns on the Seller's Note if the amount of Available Principal Receipts standing to the credit of the Transaction Accounts available for such purpose is not sufficient,

on the Payment Date immediately following the Calculation Period in which the relevant Flexible Feature Payment Date occurred; or

(b) making a further drawdown of the Seller's Note on the Payment Date immediately following the Calculation Period in which the relevant Flexible Feature Payment Date occurred.

Further Advances

Under the Mortgage Sale Agreement, the Issuer has agreed that the Seller may accept an application from a Borrower for a Further Advance. If a Borrower requests a Further Advance under a Mortgage Loan, the Seller will be solely responsible for funding that Further Advance and the Seller will be responsible for offering and documenting that Further Advance. Prior to the occurrence of an Asset Trigger Event, any Further Advance made to a Borrower will (subject to the conditions below) be purchased by the Issuer on the date on which that Further Advance is made by the Seller to the relevant Borrower (the "**Advance Date**").

The purchase price for the relevant Further Advance will be an amount equal to the amount of the Further Advance (the "**Further Advance Purchase Price**"). While a Sale Period is continuing, the Cash Manager

(on behalf of the Issuer) will, to the extent that the Issuer has sufficient funds to make such payment, fund the payment of the Further Advance Purchase Price to the Seller by:

(a) for so long as a Non-Asset Trigger Event is not continuing, a combination of:

(i) applying the proceeds from a drawing under the Seller's Note; and

(ii) if any Available Principal Receipts are available for such purpose, and to the extent that the payment of the relevant Further Advance Purchase Price has not been satisfied pursuant to paragraph (i) above, applying Available Principal Receipts standing to the credit of the Transaction Accounts,

on the Payment Date immediately following the Calculation Period in which the relevant Advance Date occurred; or

(b) for so long as a Non-Asset Trigger Event is continuing, drawing down further amounts under the Seller's Note on the Payment Date immediately following the Calculation Period in which the relevant Advance Date occurred.

The obligation of the Issuer to purchase any Further Advances will be subject to satisfaction of the following conditions:

(a) delivery by the Seller to the Issuer of notice prior to the Calculation Date in respect of the Calculation Period in which any Further Advance has been made with details of the Further Advances made in that Calculation Period and specifying the Further Advance Purchase Price due and payable;

(b) no Event of Default will have occurred and be continuing on the relevant Advance Date;

(c) the relevant Advance Date having occurred while a Sale Period is continuing;

(d) either:

(i) the holder of the Seller's Note having notified the Issuer in writing that it is willing to permit the Issuer to make a further drawing under the Seller's Note to pay the Further Advance Purchase Price either in whole or in part; and/or

(ii) where the Further Advance Purchase Price has been paid in part by applying the proceeds of a drawing under the Seller's Note, there being sufficient Available Principal Receipts standing to the credit of the Transaction Accounts and available to be applied in accordance with the Pre-Enforcement Pre-Trigger Principal Priority of Payments on the Payment Date immediately following the Calculation Period in which the relevant Advance Date occurred to enable the Issuer to pay the part of the Further Advance Purchase Price that has not been paid for by the proceeds from such drawing under the Seller's Note,

on the Payment Date immediately following the Calculation Period in which the relevant Advance Date occurred;

(e) the Eligibility Criteria being satisfied with respect to a Mortgage Loan subject to a Further Advance and the Portfolio Criteria being satisfied with respect to the Mortgage Portfolio including the Further Advance on the relevant Advance Date;

(f) the making of the Further Advance would not result in the Issuer arranging or advising in respect of, administering or entering into a Regulated Mortgage Contract or agreeing to carry on any of these activities where the Issuer would be required to be authorised under the FSMA to do so; and

(g) the Mortgage Loan Warranties in respect of a Mortgage Loan subject to a Further Advance to be made on the relevant Advance Date being materially true as at such date.

If any of the above conditions are not satisfied, or if the Servicer determines, on the Calculation Date following the end of the Calculation Period during which such Further Advance was made, that the Eligibility Criteria were not satisfied with respect to a Mortgage Loan to which a Further Advance relates or the Portfolio Criteria were not satisfied with respect to the Mortgage Portfolio including the Further Advance on the relevant Advance Date, then the Seller will, upon receipt of notice from the Issuer, and provided that such conditions continue not to be satisfied, be required to repurchase the entire Mortgage Loan and its Related Security (including the Further Advance that has been purchased by the Issuer) from the Issuer on the next Payment Date after receipt of such notice by the Seller (or such other date as the Issuer may direct in that notice, **provided that** such date is no later than 30 days after receipt by the Seller of such notice). The consideration for any such repurchase will be an amount equal to the aggregate Current Balance(s) of the Mortgage Loan(s) (including the amount of any Further Advance(s) that have been purchased by the Issuer) subject to repurchase, and will be provided in cash.

If a Further Advance relating to a Scottish Mortgage Loan is purchased by the Issuer, the Seller will, at the request of the Issuer, grant a Scottish Declaration of Trust in favour of the Issuer in respect of such Further Advance.

Product Switches

Under the Mortgage Sale Agreement, the Seller may offer a Borrower (and the Borrower may accept), or a Borrower may request, a Product Switch. If a Borrower requests, or the Seller offers, a Product Switch under a Mortgage Loan, the Seller will be solely responsible for offering and documenting that Product Switch and such Product Switch will be effective from the date stated in the relevant request or offer (the "**Switch Date**").

On the relevant Switch Date, the Mortgage Loan subject to the Product Switch must satisfy the Eligibility Criteria, and the Mortgage Portfolio, including the Mortgage Loan subject to the Product Switch, must satisfy the Portfolio Criteria. Further, the Seller must, in relation to the Mortgage Loan which is subject to the Product Switch, give the Product Switch Warranties in respect of such Mortgage Loan on the relevant Switch Date.

If the Servicer determines, on the Calculation Date with respect to the Calculation Period in which any Product Switch is to be made that, as at the relevant Switch Date:

(a) any of the Eligibility Criteria or the Portfolio Criteria would not be satisfied with respect to a Mortgage Loan subject to a Product Switch on the relevant Switch Date;

(b) an Event of Default had occurred on or prior to the relevant Switch Date and was continuing;

(c) a Sale Period was not continuing on the relevant Switch Date;

(d) if a Mortgage Loan becomes a Fixed Rate Mortgage Loan as a result of the relevant Product Switch, the Issuer has not entered into an Interest Rate Swap in respect of the Swap Funding Note Percentage of such Fixed Rate Mortgage Loan;

(e) the granting of a Product Switch would result in the Issuer arranging or advising in respect of, administering or entering into a Regulated Mortgage Contract or agreeing to carry on any of these activities where the Issuer would be required to be authorised under the FSMA to do so; or

(f) any of the Product Switch Warranties given in respect of a Mortgage Loan subject to a Product Switch to be made on the relevant Switch Date would be materially untrue as at such date,

then the Seller must, upon receipt of notice from the Issuer, repurchase the relevant Mortgage Loan(s) and its Related Security from the Issuer. Completion of such repurchase will occur on the next Payment Date after receipt of such notice by the Seller (or such other date as the Issuer may direct in that notice, **provided that** such date is no later than 30 days after receipt by the Seller of such notice). The consideration for any such repurchase will be an amount equal to the aggregate Current Balance of the Mortgage Loan(s) subject to repurchase, and will be provided in cash.

Repurchase of the Mortgage Loans

If the Seller receives a notice from the Issuer or, following the delivery of an Enforcement Notice, the Security Trustee identifying (a) a Mortgage Loan or its Related Security in the Mortgage Portfolio which did not, as at the relevant Assignment Date, comply with the Mortgage Loan Warranties and such non-compliance could have a material adverse effect on the relevant Mortgage Loan or its Related Security, or (b) that the Mortgage Portfolio did not comply with the Portfolio Criteria as at the relevant Assignment Date, then, in the first instance, the Seller will be required to remedy the error (if capable of remedy) within 30 Business Days of the Seller becoming aware of the same or of receipt by it of the notice from the Issuer or, following the delivery of an Enforcement Notice, the Security Trustee.

If the error is not remedied by the Seller or waived by the Issuer or, following the delivery of an Enforcement Notice, the Security Trustee within such 30 Business Day period or if the error is not capable of remedy, then the Seller will be required to repurchase from the Issuer, in the case of (a) above (i) any such Mortgage Loan and its Related Security and (ii) any other Mortgage Loans made to the relevant Borrower and their Related Security that are included in the Mortgage Portfolio, or, in the case of (b) above, Mortgage Loans and their Related Security selected, if and to the extent applicable, on a random basis to ensure that the Mortgage Portfolio complies with the Portfolio Criteria.

In addition to the foregoing circumstances, the Seller will be required to repurchase a Mortgage Loan or Mortgage Loans and its or their Related Security sold by it to the Issuer in the circumstances described in "*Further Advances*" and "*Product Switches*" above.

The Seller's rights and obligations to sell Mortgage Loans and their Related Security to the Issuer and/or repurchase Mortgage Loans and their Related Security from the Issuer pursuant to the Mortgage Sale Agreement, do not constitute active portfolio management for the purposes of (i) prior to the Recast UK Securitisation Regime Effective Date, Article 20(7) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, in particular, SECN 2.2.8R.

Repurchase of Non-Compliant Loans

In addition, the Seller may, but will not be required to, repurchase from the Issuer any Mortgage Loan (including any Mortgage Loan subject to a Further Advance or a Product Switch) sold to the Issuer pursuant to the Mortgage Sale Agreement which is:

(a) not of a type described in Article 13 of the UK LCR Regulation;

(b) not a type described as eligible collateral under the guidelines relating to the financing schemes promulgated by the Bank of England;

(c) not of a type described in the UK Solvency II; or

(d) not compliant with (i) prior to the Recast UK Securitisation Regime Effective Date, the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime Effective Date, or Article 243 of the UK CRR Regulation,

(or if different, the equivalent provisions in any such enacted versions of such regulations) (and each such loan, a "**Non-Compliant Loan**").

In this case, the Seller may offer to repurchase the relevant Non-Compliant Loan and its Related Security from the Issuer at a repurchase price equal to the then Current Balance of the relevant Non-Compliant Loan as at the date of such repurchase by delivering a notice to the Issuer and the Security Trustee substantially in the form set out in the Mortgage Sale Agreement. The Issuer may at its absolute discretion accept such offer by delivering a duly signed notice and the provisions of Mortgage Sale Agreement will apply.

Redress Payments

In the event that any Redress is required to be made in respect of a Mortgage Loan, the Seller may, by a date no later than the date by which the FCA or any other regulatory authority requires such Redress to be made, at its sole discretion, either repurchase the relevant Mortgage Loan and its Related Security or make a Redress Payment to the Issuer.

General ability to repurchase

In order to effect any permitted redemption of any Notes in accordance with the terms of the Transaction Documents and the Conditions, the Seller may from time to time offer to repurchase:

(a) randomly selected Mortgage Loans and their Related Security from the Issuer for a purchase price equal to the Current Balance of the relevant Mortgage Loans; or

(b) any Mortgage Loan and its Related Security where such Mortgage Loan is at least two months in arrears,

provided, in each case, that the Mortgage Portfolio will continue to meet the Portfolio Criteria immediately following such repurchase. The Issuer will be required to accept any such offer.

Repurchase price

The repurchase price payable for each Mortgage Loan repurchased by the Seller in accordance with the Mortgage Sale Agreement is an amount (not less than zero) equal to the Current Balance thereof as at the date of completion of such repurchase. The repurchase proceeds received by the Issuer will be applied (i) as Principal Receipts in accordance with the relevant Pre-Enforcement Principal Priority of Payments or, (ii) in the case of Accrued Interest and Arrears of Interest, as Revenue Receipts and in accordance with the Pre-Enforcement Revenue Priority of Payments (see "*Credit Structure and Cashflows*"), or (iii) in relation to repurchases made in accordance with the Seller's Note Permitted Repurchase Procedure, to make repayments on the Seller's Note.

If, pursuant to the terms of the Mortgage Sale Agreement, the Seller assigns Mortgage Loans together with their Related Security to the Issuer on any date on which the Seller is obliged to repurchase any Mortgage Loan or Mortgage Loans, the Seller will be entitled to set off the amount of any Initial Additional Purchase Price payable for any such Additional Mortgage Loans against the repurchase price payable by it and will pay or be paid a net amount.

Governing law

The Mortgage Sale Agreement is governed by English law and has been entered into by way of deed. Any terms of the Mortgage Sale Agreement which are particular to the laws of Scotland will be construed in accordance with Scots law. Each Scottish Declaration of Trust to be entered into pursuant to the Mortgage Sale Agreement is governed by and will be construed in accordance with Scots law.

THE SERVICER AND THE SERVICING AGREEMENT

The following section describes, in summary, the material terms of the Servicing Agreement. The description does not purport to be complete and is subject to the provisions of the Servicing Agreement.

Servicing Agreement

Pursuant to the terms of the Servicing Agreement entered into on the Programme Date between the Issuer, the Seller, the Servicer, the Back-up Servicer Facilitator and the Security Trustee, the Servicer agrees to service, on behalf of the Issuer, the Mortgage Loans and their Related Security to be sold by the Seller to the Issuer.

In particular, pursuant to the terms of the Servicing Agreement, the Servicer agrees with the Issuer to perform certain administrative functions in respect of the Mortgage Loans in the Mortgage Portfolio, including collecting payments under the Mortgage Loans and taking steps to recover arrears.

The Servicer will continue to administer mortgage loans which are not subject to the Programme. The Servicer agrees to administer the Mortgage Loans sold to the Issuer under the Programme in the same manner as it administers mortgage loans which are not subject to the Programme but remain on the books of the Seller.

The Servicer agrees to comply with any reasonable directions, orders and instructions which the Issuer may from time to time give to it in accordance with the provisions of the Servicing Agreement.

The Servicer agrees to administer and service the Mortgage Loans and their Related Security in accordance with:

(a) in respect of the Mortgage Loans and the Mortgages, the Mortgage Conditions from time to time in force;

(b) the Seller's Policy; and

(c) the terms and provisions of the Servicing Agreement.

Services and Undertakings of the Servicer

Pursuant to the terms of the Servicing Agreement, the Servicer will, in relation to the Mortgage Loans and their Related Security that it is servicing, provide services and give undertakings which include, among other things, that it will:

(a) administer the Mortgage Loans and their Related Security as if the same had not been sold to the Issuer but had remained on the books of the Seller and in accordance with the Seller's Policy as it applies to the Mortgage Loans from time to time;

(b) provide the services to be undertaken by it under the Servicing Agreement in such manner and with the same level of skill, care and diligence as would a Prudent Mortgage Lender;

(c) comply with any proper directions, orders and instructions which the Issuer and/or the Security Trustee may from time to time give to it in accordance with the provisions of the Servicing Agreement and, in the event of any conflict, those of the Security Trustee will prevail;

(d) determine on each Payment Date, having regard to the aggregate of:

(i) the income which the Issuer would expect to receive during the next succeeding Calculation Period;

(ii) the Issuer Standard Variable Rate, the Issuer Flexx Rate and the margins in respect of the relevant Mortgage Loans which the Servicer proposes to set under the Servicing Agreement; and

(iii) all other resources available to the Issuer including the Reserve Fund,

whether the Issuer would receive an amount of income during that Calculation Period which is less than the amount which is the aggregate of (a) the amount of interest which will be payable by the Issuer in respect of each Series of Class A Notes and all amounts ranking higher in priority to such amounts on the Payment Date falling at the end of that Calculation Period, and (b) all other amounts payable by the Issuer which rank equally with or in priority to interest due in respect of each Series of Class A Notes, and notify the Cash Manager of such amounts;

(e) maintain approvals, authorisations, permissions, consents and licences required in order to service the Mortgage Loans and their Related Security properly 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, consents and licences required in connection with the provision of services under the Servicing Agreement, and in particular any necessary registrations under data protection laws, licences under the CCA and permissions under the FSMA, to the extent applicable;

(f) make all payments required to be made by it pursuant to the Servicing Agreement on the due date for payment thereof in Sterling (or as otherwise required under the Transaction Documents) in immediately available funds for value on such day without set-off (including, without limitation, in respect of any fees owed to it) or counterclaim but subject to any deductions required by law;

(g) use reasonable endeavours to procure that the Seller makes payments in respect of the Mortgage Loans into the Transaction Accounts not later than one Business Day following receipt and identification of the same by the Seller;

(h) keep records and accounts on behalf of the Issuer in relation to the Mortgage Loans;

(i) keep the Mortgage Loan Files and Title Deeds in its possession or under its control in safe custody (including, where relevant, in de-materialised form) and maintain records necessary to enforce each Mortgage and to provide the Issuer and the Security Trustee with access to the Title Deeds and other records relating to the administration of the Mortgage Loans and their Related Security;

(j) make available to the Issuer and the Security Trustee a report on a monthly basis containing information, on an anonymised basis, about the Mortgage Loans and their Related Security comprised in the Mortgage Portfolio;

(k) assist the Cash Manager (through provision of the relevant information) in the preparation of the Loan Level Report and the Investor Report in accordance with the Cash Management Agreement;

(l) take all reasonable steps to collect and recover all sums due to the Issuer, including instituting proceedings and enforcing any relevant Mortgage Loan using the discretion of a Prudent Mortgage Lender in applying the enforcement procedures forming part of the Seller's Policy or, to the extent that such enforcement procedures are not applicable or appropriate having regard to the nature of the default in question, using the other procedures forming part of the Seller's Policy;

(m) following the occurrence of an Insolvency Event in relation to the Seller, not set the Issuer Standard Variable Rate below the interest rate of SONIA plus 2 per cent. per annum;

(n) forthwith upon becoming aware of any event which may reasonably give rise to an obligation of the Seller to repurchase any Mortgage Loan pursuant to the Mortgage Sale Agreement, notify the Issuer and the Seller in writing of such event;

(o) immediately notify the Issuer and the Security Trustee if it becomes aware of any Event of Default;

(p) provide any assistance to the Issuer needed to implement a repurchase of Mortgage Loans and their Related Security pursuant to the Mortgage Sale Agreement;

(q) provide such other information to the Issuer and the Security Trustee as they may reasonably request; and

(r) not knowingly fail to comply with any legal requirements in the performance of its obligations under the Servicing Agreement.

Setting of interest rates and margins

Pursuant to the Servicing Agreement, the Servicer is granted the full right, liberty and authority to determine and set the interest rates applicable to the Mortgage Loans which have been sold to the Issuer and which have not at the relevant date of determination been repurchased by the Seller. The Servicer may not at any time, without the prior written consent of the Issuer and, following the delivery of an Enforcement Notice, the Security Trustee, set or maintain:

(a) the Issuer Standard Variable Rate for the relevant Mortgage Loans which form part of the Mortgage Portfolio at a rate which is higher than the then prevailing CBS Standard Variable Rate;

(b) the Issuer Flexx Rate for the relevant Flexx Rate Mortgage Loans which form part of the Mortgage Portfolio at a rate which is not in accordance with the Seller's Policy from time to time in relation to those types of loans;

(c) a margin in respect of any Discount Variable Rate Mortgage Loan which, where the relevant Mortgage Loan Agreement provides that the margin will be the same as the margin applicable to all other loans having the same offer conditions in relation to the setting of interest rates, is higher than the margin then applying to those types of loans beneficially owned by the Seller; and

(d) any margin for the relevant Mortgage Loans which form part of the Mortgage Portfolio which is not in accordance with the Seller's Policy from time to time.

The Servicer has agreed to take all reasonable steps necessary under the Mortgage Conditions and applicable law to notify Borrowers of each change in interest rates, whether due to a change in the Issuer Standard Variable Rate, the Issuer Flexx Rate or any other rate or margin (including any such change effected at the request of the Issuer) or as a consequence of the Mortgage Conditions. The Servicer will also notify the Issuer and the Security Trustee of any change in the Issuer Standard Variable Rate or the Issuer Flexx Rate.

Any of the Issuer and, following the delivery of an Enforcement Notice, the Security Trustee may terminate the authority of the Servicer to set the interest rates applicable to Mortgage Loans included in the Mortgage Portfolio in certain limited circumstances set out in the Servicing Agreement including upon the occurrence of any Servicer Termination Event (as described below).

Collection of payments

The Servicer has undertaken to ensure that all payments due under the Mortgage Loans in the Mortgage Portfolio will be made by the relevant Borrower by direct debit, Automated Debit or standing order or, if such payment is late or Borrowers choose not to pay by direct debit, Automated Debit or standing order,

by cheque or other means into accounts in the name of the Seller held with the Collection Account Bank in accordance with the Servicing Agreement.

Payments from Borrowers under mortgage loans originated by the Seller and/or affiliates of the Seller which are not assigned to the Issuer are also paid into and flow through the Collection Account. Amounts paid into the Collection Account are held on trust by the Seller for beneficiaries (which will include the Issuer). The trust in favour of the Issuer is in respect of all amounts credited to the Collection Account which represent receipts in respect of Mortgage Loans which have been assigned to the Issuer.

The Collection Account is operated by the Servicer in accordance with the Servicing Agreement.

Subject to the terms of the Servicing Agreement, amounts standing to the credit of the Collection Account that represent amounts collected in respect of Mortgage Loans in the Mortgage Portfolio ("**Collection Amounts**") are required to be transferred to the Transaction Accounts by the end of the next London Business Day following the identification of such amounts as Collection Amounts.

Arrears and Recoveries

Arrears and default of borrowers, debt restructuring, forbearance, payment holidays, losses, recoveries and other asset performance remedies and actions are defined in accordance with the Seller's Policy as they apply to the Mortgage Loans from time to time.

In accordance with standard market practice in the UK mortgage loan servicing business, the Servicer identifies a Mortgage Loan as being "in arrears" when, on the first day of the calendar month following any due date, the overdue amounts which were due on previous due dates equal, in the aggregate, one or more full Monthly Payments. The Servicer determines its arrears classification based upon the number of full Monthly Payments that have been missed by a Borrower. Accordingly, a Borrower that has missed payments that in the aggregate equal or exceed one Monthly Payment (but for which the aggregate of missed payments is less than two Monthly Payments) would be classified by the Servicer as being one month in arrears, and so on. A Mortgage Loan may still be classified as being in arrears notwithstanding the reduction of the aggregate of missed payments to below one.

Borrowers who are classified as being in arrears become subject to collections activity by the Servicer. There are three stages to these collections procedures, as set out below.

Early Arrears

At this stage:

(a) an initial action letter is sent to the Borrower;

(b) where no response to the action letter is received, telephone contact is attempted;

(c) further attempts to contact the Borrower are made whilst the Mortgage Loan remains in arrears; and

(d) if no contact or agreement has been achieved after three months, a field agent is instructed to visit the Borrower to attempt resolution.

Arrangement Management

Where attempts to contact the Borrower are successful and a suitable arrangement can be made with the Borrower:

(a) payments under the arrangement are monitored;

(b) where a Borrower fails to meet the terms of the arrangement, further contact will be attempted, and

(c) if the terms of the arrangement are not complied with, and three monthly payments or more are outstanding, the account will be reviewed and notice may be given of the intention to take legal proceedings.

Serious arrears and litigation

A Borrower will move to this stage if they have at least three full monthly payments or more outstanding, and attempts to make a suitable arrangement with the Borrower have been unsuccessful. At this stage:

(a) solicitors are instructed to commence proceedings;

(b) a possession order and monetary judgment is obtained against the Borrower;

(c) the possession order will be enforced if an agreed repayment under the order is not met, or the time limit of the order for repayment is reached; and

(d) the Servicer may seek to recover any loss incurred after the sale of the relevant property, by making a suitable arrangement with the Borrower.

Throughout these collection procedures, all customers are encouraged by the Servicer (both in writing and orally) to seek free independent financial advice for their situation and to seek information about potential options available to them.

Forbearance Options

Where it is evident that the Borrower is not in a position to clear any arrears and/or is not able to afford to make contractual Monthly Payments following the completion of a detailed income and expenditure breakdown, the Servicer must consider if any of the following forbearance options are appropriate:

- interest rate reduction through change of product;
- concession under which reduced payments are accepted**;**
- term extension;
- voluntary house sale;
- in limited circumstances, a short-term period of interest only payments;
- waiver of capital or interest *(see below)*;
- arrears capitalisation *(see below)*;
- any government initiatives, which has included the Mortgage Charter since July 2023;
- payment holidays; and
- repayment of arrears in instalments over a period of months.

The forbearance options available to the Servicer may change from time to time in connection with amendments to the Seller's Policy.

Waiver of capital or interest

Waiving or deferring payment of capital and/or interest should only be considered in scenarios where there is limited or negative equity therefore stopping the Current Balance of such Mortgage Loan escalating and

effectively leaving the Borrower with no funds post repossession to rent or find alternative housing arrangements. Consideration should also be given to any other assets the Borrower may have.

Arrears capitalisation

The Servicer may, in accordance with the Seller's Policy, capitalise any amounts in arrears of a Borrower. Capitalisation may be considered in cases where there is evidence of the customer's ability to sustain the revised higher payment levels. In these circumstances, the relevant Mortgage Loan will no longer be considered to be in arrears, and the increased outstanding balance on the Mortgage Loan will be required to be repaid by the Borrower over the remaining term of such Mortgage Loan. Under the Seller's Policy, arrears capitalisation may not be offered to Borrowers more than once.

Servicer's discretion in exceptional circumstances

On a case by case basis, and within approved parameters detailed in the Seller's Policy, the Servicer may determine that, based upon compensating factors, the normal processes to deal with customers in arrears should not be applied to certain Borrowers. The Servicer may take into account compensating factors including, but not limited to, the ill health of one or more of the occupants, elderly residents, and sudden change in a Borrower's personal circumstances, for example accident, bereavement or separation from partner. In these exceptional circumstances, the account is referred to a forum in which there is senior representation from key areas across the mortgage business (including but not limited to legal, credit risk, product and operations).

Realised Losses, Write-offs etc.

Realised losses will be calculated after applying any recoveries following enforcement of a Mortgage Loan (but on or prior to the completion of enforcement proceedings in respect of such Mortgage Loan) to outstanding fees and interest amounts due and payable on the relevant Mortgage Loan.

The Seller considers write-offs to include the loss that materialises post repossession (i.e. the shortfall from the recovery proceeds from the sale of the relevant Mortgaged Property in relation to the debt plus costs). The relevant Borrower will be provided with a completion statement once a sale has been completed, setting out how all final figures have been calculated. If there is a shortfall, the Servicer will comply with the UK Finance voluntary shortfall agreement and will only pursue the relevant Borrower for 6 years from the date of the last payment on the account.

Servicer's liability

The Servicer will indemnify the Issuer on demand on an after-tax basis for any loss, liability, claim, expense or damage suffered or incurred by the Issuer in respect of the gross negligence, wilful default or fraud of the Servicer in carrying out its functions as Servicer under the Servicing Agreement or the other Transaction Documents to which the Servicer is a party or as a result of a breach by the Servicer of the terms and provisions of the Servicing Agreement or the other Transaction Documents to which the Servicer is a party (in its capacity as such), and in relation to such functions.

However, the Servicer will not be liable in respect of any loss, liability, claim, expense or damage suffered or incurred by the Issuer and/or any other person as a result of the proper performance of the services under the Servicing Agreement by the Servicer save where such loss, liability, claim, expense or damage is suffered or incurred as a result of any gross negligence, fraud or wilful default of the Servicer or as a result of a breach by the Servicer of the terms and provisions of the Servicing Agreement or the other Transaction Documents to which the Servicer is a party (in its capacity as such), and in relation to such functions.

Compensation

As full compensation for its servicing duties and activities and as reimbursement for any expense incurred by it in connection therewith, the Servicer or any replacement servicer which is a member of the Seller's corporate group is entitled to receive the fee from the Issuer as set out in Servicing Agreement and which is payable monthly in arrear on each Payment Date in accordance with the relevant Priority of Payments. If, however, a Servicer is appointed from outside the Seller's corporate group, the level of this fee may be amended.

Removal or resignation of the Servicer

The Issuer (with the consent of the Security Trustee) may, upon written notice to the Servicer (with a copy to the Note Trustee), terminate the Servicer's rights and obligations immediately if any of the following events (each a "**Servicer Termination Event**") occurs:

(a) the Servicer fails to pay any amount due and payable by it to the Issuer under the Servicing Agreement and such failure is not remedied for a period of thirty London Business Days after becoming aware of the default;

(b) subject as provided further in the Transaction Documents, the Servicer fails to comply with any of its other obligations under the Servicing Agreement which failure, in the opinion of the Security Trustee, acting in accordance with the directions of the Note Trustee, is materially prejudicial to holders of the Most Senior Class of Notes then outstanding and the Servicer does not remedy that failure within thirty London Business Days after becoming aware of the failure; or

(c) an Insolvency Event occurs in relation to the Servicer;

Following the delivery of a notice of termination of the appointment of the Servicer, the Issuer with the assistance of the Back-up Servicer Facilitator is required to use its reasonable endeavours to procure the appointment of a replacement servicer. No termination of the appointment of the Servicer will be permitted to take effect until a replacement servicer has been appointed.

The Issuer may also, by not less than 12 months' notice in writing to the Servicer, terminate all of its appointments by way of written letter with effect from a date (not being earlier than the date of the notice) specified in such notice.

In addition, subject to the fulfilment of a number of conditions, including, without limitation, that a replacement servicer has been appointed, the Servicer may voluntarily resign by giving not less than 6 months' (or such shorter period as the Issuer and the Security Trustee may otherwise agree) notice to the Security Trustee and the Issuer. In addition, the resignation of the Servicer is conditional on the resignation having no adverse effect on the then current ratings of the Class A Notes unless the holders of the Class A Notes agree otherwise by Extraordinary Resolution, and the appointment of a replacement servicer by the Issuer, such appointment to be effective not later than the date of the Servicer's resignation. The Servicer will also inform the Rating Agencies in writing of the identity of such replacement servicer.

Any such replacement servicer (whether appointed upon a termination of the appointment of, or the resignation of, the Servicer) will be required:

(a) to be authorised and licensed to act as such under the FSMA;

(b) to be approved by the Issuer and the Security Trustee;

(c) to have a management team with experience of administering Mortgage Loans secured on residential mortgaged properties in England, Wales and Scotland; and

(d) to enter into a servicing agreement with the Issuer substantially on the same terms as the Servicing Agreement.

If the appointment of the Servicer is terminated, the Servicer must deliver the Title Deeds and Mortgage Loan Files and other records maintained by it relating to the Mortgage Loans administered by it, any monies then held by it on behalf of the Issuer, and any other assets of the Issuer to, or at the direction of, the Issuer.

The Servicer may sub-contract or delegate the performance of its duties under the Servicing Agreement **provided that** it meets conditions as set out in the Servicing Agreement.

The Servicing Agreement will terminate at such time as the Issuer has no further interest in any of the Mortgage Loans or their Related Security sold to the Issuer and serviced under the Servicing Agreement that have been comprised in the Mortgage Portfolio.

Neither the Note Trustee nor the Security Trustee is obliged to act as Servicer in any circumstances.

Governing law

The Servicing Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

REGULATION OF THE UK RESIDENTIAL MORTGAGE MARKET

The following discussion is a summary of the material laws and regulations governing the UK residential mortgage market. This discussion does not purport to be an exhaustive analysis of the relevant law. Any prospective investor in any Notes should consult its own legal advisors regarding the effect of the applicable laws and regulations.

General

In the UK, regulation of residential mortgage business by the FCA (previously the Financial Services Authority (the "**FSA**")) under the FSMA has been in force since 31 October 2004 (the "**Mortgage Regulation Date**").

A mortgage contract entered into or varied, such that a new contract was entered into on or after the Mortgage Regulation Date, was a "**Regulated Mortgage Contract**" under the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (as amended) (the "**RAO**") if it was entered into on or after the Mortgage Regulation Date but before 21 March 2016, and at the time it was entered into: (a) the borrower was either an individual or trustee, (b) the obligation of the borrower to repay was to be secured by a first legal mortgage or (in Scotland) a first ranking standard security (heritable security) on land (other than timeshare accommodation) in the UK, and (c) at least 40 per cent. of that land was used, or was intended to be used, as or in connection with a dwelling by the borrower or (in the case of credit provided to trustees) by an individual who is a beneficiary of the trust, or by a related person. A related person (in relation to a Borrower, or in the case of credit provided to trustees, a beneficiary of the trust) is broadly the person's spouse or civil partner or a person (whether or not of the opposite sex) whose relationship with that person has the characteristics of the relationship between husband and wife or that person's parent, brother, sister, child (including step children) grandparent or grandchild (a "**Related Person**").

From 21 March 2016, the definition of "Regulated Mortgage Contract" was amended by the removal of the requirement for the security to be first ranking (in limb (b) above), and the extension of the territorial scope to cover property in the EEA and the UK (in limb (c) above), following the implementation of the European Mortgage Credit Directive (2014/17/EU) (the "**Mortgage Credit Directive**"). In relation to a contract entered into before 11pm on 31 December 2020, 'land' under the Mortgage Credit Directive means land in the United Kingdom or within the territory of an EEA state and in relation to a contract entered into on or after 11pm on 31 December 2020, 'land' means land in the United Kingdom.

Many mortgage contracts that were not Regulated Mortgage Contracts immediately before 21 March 2016 became Regulated Mortgage Contracts on that date, **provided that** they met certain conditions (even though these conditions did not apply in that form at the time the mortgage contract was entered into). Importantly, a mortgage contract entered into before 21 March 2016 that was not a Regulated Mortgage Contract became a Regulated Mortgage Contract if it was a "*consumer credit back book mortgage contract*" (see "*– Regulation of residential secured lending (other than Regulated Mortgage Contracts)*" below).

Since the Mortgage Regulation Date, subject to any exemption, persons carrying on a regulated mortgage activity (as defined in the glossary of the FCA Handbook) by way of business must be authorised under the FSMA. These include (a) entering into a Regulated Mortgage Contract as lender; (b) administering a Regulated Mortgage Contract ("administering" in this context broadly means notifying borrowers of changes in mortgage payments and/or collecting payments due under the mortgage loan); (c) advising in respect of Regulated Mortgage Contracts; and (d) arranging Regulated Mortgage Contracts. Agreeing to carry on any of these activities is also a regulated activity.

The Seller and Servicer holds authorisation and permission to enter into and to administer and (where applicable) to advise in respect of Regulated Mortgage Contracts. Subject to certain exemptions, brokers will be required to hold authorisation and permission to arrange and, where applicable, to advise in respect of Regulated Mortgage Contracts. The Issuer is not and does not propose to be an authorised person under the FSMA. The Issuer does not require authorisation in order to acquire legal or beneficial title to a Regulated Mortgage Contract. The Issuer does not carry on the regulated activity of administering Regulated Mortgage Contracts by having them administered pursuant to an administration agreement by an entity having the required FCA authorisation and permission (i.e. the Servicer). If such an administration agreement terminates, however, the Issuer will be required to arrange for mortgage administration to be carried out by a replacement administrator having the required FCA authorisation and permission, and will have a period of not more than one month in which to do so.

In the event that a Mortgage Loan is varied, such that a new contract is entered into and that contract constitutes a Regulated Mortgage Contract, then the arrangement of, advice on, administration of and entering into of such variation would need to be carried out by an appropriately authorised entity. In addition, no variation has been or will be made to the Mortgage Loans and no Flexible Feature Payment, Further Advance or Product Switch has been or will be made in relation to a Mortgage Loan, where it would result in the Issuer arranging or 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.

The MCOB, which sets out the FCA's rules for regulated mortgage activities, came into force on 31 October 2004. These rules cover, among other things, certain pre-origination matters such as financial promotion and pre-application illustrations, pre-contract and start-of-contract and post-contract disclosure, contract changes, charges and arrears and repossessions. Further rules for prudential and authorisation requirements for mortgage firms, and for extending the appointed representatives regime to mortgages, came into force on 31 October 2004.

The FSMA financial promotions regime covers the content and manner of the promotion of agreements relating to qualifying credit and by whom such promotions can be issued or approved. In this respect, the FSMA regime not only covers financial promotions of Regulated Mortgage Contracts but also promotions of certain other types of 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.

If requirements as to authorisation and permission of lenders and brokers or as to issue and approval of financial promotions are not complied with, a Regulated Mortgage Contract in some cases will be unenforceable against the borrower except with the approval of a court. In addition, 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 an FCA rule (including MCOB), and may set off the amount of the claim against the amount owing by the borrower under the loan or any other loan that the borrower has taken (or exercise analogous rights in Scotland).

An unauthorised person who administers a Regulated Mortgage Contract entered into on or after the Mortgage Regulation Date may commit a criminal offence. In addition, the FCA may take civil action against a firm which breaches Section 19 of FSMA with, potentially, the imposition of unlimited fines. However, this will not render the contract unenforceable against the borrower.

Where MCOB applies to a Mortgage Loan generally as a Regulated Mortgage Contract, additional rules would apply to a new Mortgage Loan entered into on or after 26 April 2014 or where the principal amount outstanding is increased (e.g. by way of further advance) on or after that date. The changes under the updated rules focus on responsible lending and require a more thorough verification of borrowers' income; application of interest rate stress-tests; and enhanced underwriting assessments and assessments of customer affordability based on expected retirement age. Significant changes were also made to mortgage distribution and advice requirements.

Regulation of residential secured lending (other than Regulated Mortgage Contracts)

The UK government had a policy commitment to move second charge lending into the regulatory regime for mortgage lending replacing the regime for consumer credit under which second charge lending previously fell. The UK government concluded there was a strong case for regulating lending secured on a borrower's home consistently, regardless of whether it is secured by a first or subsequent charge. The Mortgage Credit Directive also follows this principle and makes no distinction between requirements for first charge and second (and subsequent) charge mortgage lending. The UK government concluded that it made sense to implement the changes to second (and subsequent) charge lending alongside the implementation of the Mortgage Credit Directive. The UK government also proposed to move the regulation of second (and subsequent) charge loans already in existence before 21 March 2016 to the Regulated Mortgage Contract regime rather than keeping them within the consumer credit regime. The move of CCA regulated mortgages to the FSMA regime was implemented by the Mortgage Credit Directive Order 2015 (the "MCD Order"). The UK government has put in place transitional provisions for existing loans so that some of the CCA protections in place when the loans were originally taken out were not removed retrospectively. The FCA published its Policy Statement PS15/9 on implementing the Mortgage Credit Directive and on the new regime for second charge firms on 27 March 2015, together with final rules on the second charge mortgage regime (the majority of which came into effect on 21 March 2016).

Credit agreements originated before 21 March 2016 which are regulated by the CCA and which would have been Regulated Mortgage Contracts had they been entered into on or after 21 March 2016 are defined by the MCD Order as "consumer credit back book mortgage contracts" and are now Regulated Mortgage Contracts. The main CCA consumer protection retained in respect of consumer credit back book mortgage contracts is the continuing unenforceability of the agreement if it was rendered unenforceable by the CCA prior to 21 March 2016. Unless the agreement was irredeemably unenforceable, the lender may enforce the agreement by seeking a court order or bringing any relevant period of non-compliance with the CCA to an end in the same manner as would have applied if the agreement was still regulated by the CCA. If a consumer credit back book mortgage contract was void as a result of Section 56(3) of the CCA, that agreement or the relevant part of it will remain void. Restrictions on early settlement fees will also be retained. If interest was not chargeable under a consumer credit back book mortgage contract due to non-compliance with Section 77A CCA (duty to serve an annual statement) or Section 86B CCA (duty to serve a notice of sums in arrears), once the consumer credit back book mortgage contract became regulated by FSMA under the MCD Order as of 21 March 2016, the sanction of interest not being chargeable under Section 77A CCA and Section 86D CCA ceases to apply, but only for interest payable under those loans after 21 March 2016. A consumer credit back book mortgage contract will also be subject to the unfair relationship provisions described below. Certain provisions of MCOB are applicable to these consumer credit back book mortgage contracts. These include the rules relating to disclosure at the start of a contract and post-sale disclosure (MCOB 7), charges (MCOB 12) and arrears, payment shortfalls and repossessions (MCOB 13). General conduct of business standards will also apply (MCOB 2). This process is subject to detailed transitional provisions that are intended to retain certain customer protections in the FCA's Consumer Credit Sourcebook and the CCA that are not contained within MCOB.

The Seller will give warranties to the Issuer in the Mortgage Sale Agreement that, among other things, each of the respective Mortgage Loans and their Related Security is enforceable (subject to exceptions). **Unfair relationships**

The Consumer Credit Act 2006 introduced provisions concerning "unfair relationships" into sections 140A-D of the CCA (now 140A-C), applicable to all credit agreements but, importantly, not to Regulated Mortgage Contracts. These unfair relationships provisions replaced the previous extortionate credit bargains provisions, giving a borrower under a relevant credit agreement the right to bring a claim against a lender for an unfair relationship and, if successful, benefit from a wide range of powers given to a court in respect of such claim.

For the unfair relationships provisions to apply, a borrower would have to establish that his or her Mortgage Loan was a 'credit agreement' for the purposes of the CCA. Presumably this would be difficult in respect of a Mortgage Loan given each Mortgage Loan is intended to be a Regulated Mortgage Contract to which the unfair relationships provisions do not apply.

If the court makes a determination that the relationship between a lender and a borrower is unfair, then it may make an order, amongst other things, requiring the relevant originator, or any assignee such as the Seller, 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 conduct of the creditor (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 to be 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 (and the CRA). The courts may, but are not obliged to, look solely to section 140C of the CCA for guidance. The principle of "treating customers fairly" under the FSMA, and guidance published by the FSA and, subsequently, the FCA on that principle and by 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 payments, 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.

In the context of the above, the Seller has not sold or funded payment protection insurance in respect of any Borrower's payment obligations under any Mortgage Loan.

Distance Marketing Regulations

The Financial Services (Distance Marketing) Regulations 2004 (the "**DM Regulations**") apply to, inter alia, credit agreements entered into on or after 31 October 2004 by a "consumer" within the meaning of the DM Regulations by means of distance communication (i.e. without any substantive simultaneous physical presence of the originator and the borrower). The DM 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 the financial services in question and

includes, but is not limited to, general information in respect of the supplier and the financial service, 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 UK lender from an establishment in the UK, will not be cancellable under the DM Regulations but will be subject to related pre-contract disclosure requirements in MCOB. Certain other credit agreements will be cancellable under the DM Regulations if the borrower does not receive the prescribed information at the prescribed time, or in any event for certain unsecured lending. Where the credit agreement is cancellable under the DM Regulations, the borrower may send notice of cancellation at any time before the end of the 14th day after the day on which the cancellable agreement is made, where all the prescribed information has been received, or, if later, the borrower receives the last of the prescribed information. Compliance with the DM Regulations may be secured by way of injunction (interdict in Scotland), granted on such terms as the court thinks fit to ensure such compliance, and certain breaches of the regulations may render the supplier or intermediaries (and their respective relevant officers) liable to a fine. Failure to comply with MCOB rules could result in, inter alia, disciplinary action by the FCA and possible claims under Section 138D of the FSMA for breach of FCA rules. If the borrower cancels the credit agreement under these DM Regulations, then:

(a) the borrower is liable to repay the principal and any other sums paid by the originator to the borrower under or in relation to the cancelled agreement, within 30 days beginning 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, or any early repayment charge or other charge for credit under the cancelled agreement, only if the borrower received certain prescribed information at the prescribed time and if other conditions are met; and

(c) any security provided in relation to the contract is to be treated as never having had effect in respect of the cancelled agreement.

Laws Relating to Unfair Contract Terms (Unfair Terms in Consumer Contracts Regulations 1994 and 1999 and the Consumer Rights Act 2015)

In the UK, the Unfair Terms in Consumer Contracts Regulations 1999 as amended (the "1999 Regulations"), and (insofar as applicable) the Unfair Terms in Consumer Contracts Regulation 1994 (together with the 1999 Regulations, the UTCCR), apply to business-to-consumer agreements made on or after 1 July 1995 and before 1 October 2015 where the terms have not been individually negotiated (and the "consumer" for these purposes falls within the definition provided in the UTCCR). The Consumer Rights Act 2015 ("CRA") has revoked the UTCCR in respect of contracts made on or after 1 October 2015. In respect of contracts that: (a) were entered into on or after 1 October 2015; or (b) were, since 1 October 2015, subject to a material variation such that they are treated as new contracts falling within the scope of the CRA, the CRA applies. The CRA is also applicable on or after 1 October 2015 to notices of variation, such as variation of interest rates under contracts. The UTCCR and the Consumer Rights Act provide that a consumer (which would include a Borrower under all or almost all of the Mortgage Loans) may challenge a standard term in an agreement on the basis that it is "unfair" within the UTCCR or the Consumer Rights Act, as applicable, and, therefore, not binding on the consumer (although the rest of the agreement will remain enforceable if it is capable of continuing in existence without the unfair term) and provide that a regulator may take action to stop the use of terms which are considered to be unfair.

The UTCCR and the Consumer Rights Act will not generally affect terms which define the main subject matter of the contract, such as the borrower's obligation to repay the principal (provided that these terms are written in plain and intelligible language and are drawn adequately to the consumer's attention), but

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 Seller 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 that the borrower has taken. Whilst the FCA has powers to enforce the UTCCR, it would be for a court to determine the proper interpretation. The broad wording of the UTCCR makes an assessment of the fairness of terms largely subjective and therefore it is difficult to predict whether or not a term would be held by a court to be unfair.

The CRA

The main provisions of the CRA came into force on 1 October 2015. 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 on or after 1 October 2015. The CRA has revoked the UTCCR in respect of contracts made on or after 1 October 2015 and introduced a new regime for dealing with unfair contractual terms. Under the Consumer Rights Act, an unfair term of a consumer contract (a contract between a trader and a consumer) is not binding on a consumer (which would include a Borrower under all or almost all of the Mortgage Loans). 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.

The Consumer Rights Act contains an indicative and non-exhaustive "grey list" of terms of consumer contracts that may be regarded as unfair. A term of a consumer contract which is not on the "grey list" may not be assessed for fairness to the extent that (i) it specifies the main subject matter of the contract; and/or (ii) the assessment is of the appropriateness of the price payable under the contract by comparison with the goods, digital content or services supplied under it; provided it is transparent and prominent.

Where a term of a consumer contract is "unfair", it will not bind the consumer. However, the remainder of the contract will, so far as practicable, continue to have effect in every other respect. Where a term in a consumer contract is susceptible of multiple different meanings, the meaning most favourable to the consumer will prevail. It is the duty of the court to consider the fairness of any given term. This can be done even where neither of the parties to proceedings has explicitly raised the issue of fairness.

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, 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, 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 Mortgage Loan or any other loan agreement that the Borrower has taken with the lender.

Regulatory Developments

MCOB rules for Regulated Mortgage Contracts require that (a) charges for a payment shortfall can be objectively justified as equal to or lower than a reasonable calculation of the cost of the additional administration required as a result of the customer having a payment shortfall, and (b) from 15 December 2016, when a payment is made which is not sufficient to cover a payment shortfall and the firm is deciding how to allocate the payment between (i) the current month's periodic instalment of capital or interest (or both), (ii) the payment shortfall, and (iii) interest or charges resulting from the payment shortfall, the firm must set the order of priority in a way that will minimise the amount of the payment shortfall once the payment has been allocated. In October 2010, the FSA issued a statement that, in its view, early repayment charges are likely to amount to the price paid by the borrower in exchange for services provided and may not be reviewable for fairness under the UTCCR, provided that they are written in plain and intelligible language and are adequately drawn to the borrower's attention. In January 2012, the FSA issued a further statement intended to raise awareness of issues that it commonly identifies under the UTCCR (such statement has since been withdrawn.

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 have been removed.

On 19 December 2018, the FCA published guidance: "Fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015" (FG 18/7), outlining factors the FCA considers firms should have regard to when drafting and reviewing variation terms in consumer contracts. The FCA stated that firms should consider both this guidance and other rules that apply when they draft and use variation terms in their consumer contracts. The factors that the FCA considers to be indicative of fairness and transparency of a variation term include whether the consumer has freedom to exit the contract, in the case of an unfavourable variation, and whether the variation is reasonably necessary to achieve a legitimate purpose.

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 (the "**CMA Guidance**"). The CMA indicated in the CMA Guidance that the fairness and transparency provisions of the CRA are regarded to be "effectively the same as those of the UTCCR". 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 EU particularly, is for the most part as relevant to the Act as it was the UTCCRs".

In general, there is little reported case law on the UTCCR and/or the CRA and the interpretation of each is open to some doubt. The extremely broad and general wording of the UTCCR and 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 Mortgage Loans which have been made to Borrowers covered by the UTCCR and the CRA may contain unfair terms which may result in the possible unenforceability of the terms of the underlying loans.

The guidance issued by previous and current regulators including the FSA, the FCA, the OFT, the Law Commission and the Scottish Law Commission has evolved over time and it is possible that a different approach may be taken in the future, including by the FCA and/or the CMA.

Consumer Protection from Unfair Trading Regulations 2008

In May 2008, the UK implemented the EU Directive (2005/29/EC) on unfair business-to-consumer commercial practices (the "**Unfair Practices Directive**") in the form of the Consumer Protection from Unfair Trading Regulations 2008 (the "**CPUTR**"). The CPUTR prohibit certain commercial practices related to business-to-consumer transactions which are deemed "unfair" within the terms of the CPUTR. Specifically, the CPUTR prohibit misleading actions, misleading omissions, aggressive practices and commercial practices which contravene professional diligence. Breach of the CPUTR does not (of itself) render an agreement void or unenforceable, but may be an indication of unfairness under the CRA and may constitute 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. Under the Consumer Protection (Amendment) Regulations 2014 (SI No. 870/2014), consumers were given a direct right of action for misleading or aggressive commercial practices, including a right to unwind agreements.

In addition, the Unfair Practices Directive is taken into account in reviewing rules under the FSMA. For example, MCOB rules for Regulated Mortgage Contracts from 25 June 2010 prevent the lender from (a) repossessing the mortgaged property unless all other reasonable attempts to resolve the position have failed, which include considering whether it is appropriate to offer an extension of term, or conversion to interest-only for a period, or an alternative product, and (b) automatically capitalising a payment shortfall.

Mortgage repossessions

The Mortgage Repossessions (Protection of Tenants etc.) Act 2010 ("**Repossession Act**") came into force on 1 October 2010. The Repossession Act gives courts in England and Wales the same power to postpone and suspend repossession for up to two months on application by an unauthorised tenant (i.e. a tenant in possession without the lender's consent) as generally exists on application by an authorised tenant. The lender has to serve notice at the property before enforcing a possession order. The Repossession Act may have adverse effects in markets experiencing above average levels of possession claims.

The Tailored Support Guidance provides that from 1 April 2021, subject to any relevant government restrictions on repossessions, lenders may enforce repossession as long as they act in accordance with the Tailored Support Guidance, MCOB 13 and relevant regulatory and legislative requirements. The Tailored Support Guidance provides that action to seek possession should be a last resort and should not be started unless all other reasonable attempts to resolve the position have failed.

Home Owner and Debtor Protection (Scotland) Act 2010

The Home Owner and Debtor Protection (Scotland) Act 2010 (the "**2010 Act**") came into effect in Scotland on 30 September 2010. Part 1 of the 2010 Act contains provisions imposing additional requirements on heritable creditors (the Scottish equivalent to mortgagees) in relation to the enforcement of standard securities over residential property in Scotland. In terms of the 2010 Act, the heritable creditor is now required to obtain a court order to exercise its power of sale, unless the borrower and any other occupier have surrendered the property voluntarily. In applying for the court order, the heritable creditor also has to demonstrate that it has taken various preliminary steps to resolve the borrower's position, as well as imposing further procedural requirements.

Financial Ombudsman Service

Under the FSMA, the Financial Ombudsman Service (the "**Ombudsman**") 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. Transitional provisions exist by which certain complaints relating to breach of the Mortgage Code issued by the Council of Mortgage Lenders occurring before the Mortgage Regulation Date may be dealt with by the Ombudsman.

Complaints 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. The Ombudsman is required to make decisions on the basis of, among other things, the principles of fairness, and may order a money award to a complaining Borrower.

Since 1 April 2023, the award limits have been up to (i) £415,000 for complaints referred to the Ombudsman on or after 1 April 2023 about acts or omissions by firms on or after 1 April 2019; and (ii) £190,000 for complaints referred to the Ombudsman on or after 1 April 2023 about acts or omissions by firms before 1 April 2019.

Scotland Act 2016

On 23 March 2016, the Scotland Act 2016 received royal assent and passed into UK law. Amongst other things, the Scotland Act 2016 passed control of income tax to the Scottish Parliament by giving it the power to raise or lower the rate of income tax and thresholds for non-dividend and non-savings income of Scottish residents. Whilst the majority of the provisions are not expected to have an adverse impact on the Scottish economy or on mortgage origination in Scotland, the rates and thresholds for income tax that apply to the non-savings and non-dividend income of Scottish taxpayers have, since 6 April 2018, differed from those applied throughout the rest of the UK. The higher and additional rates of tax have both been increased and, in addition, the basic rate of tax has been split into three tiers (a starter rate, a basic rate and an intermediate rate). The changes mean that certain taxpayers in Scotland now pay a higher level of tax than Borrowers in the same income bracket in England and Wales.

Land Registration Reform in Scotland

The Land Registration etc. (Scotland) Act 2012 (the "**2012 Act**") came into force in Scotland on 8 December 2014. One of the policy aims of the 2012 Act is to encourage the transfer of property titles recorded in the

historic General Register of Sasines to the Land Register of Scotland with the aim of eventually closing the General Register of Sasines.

Title to a residential property that is recorded in the General Register of Sasines is required to be moved to the Land Register of Scotland (a process known as "first registration") when that property is sold or if the owner decides voluntarily to commence first registration. However, the 2012 Act sets out, in provisions which are being brought into effect in stages, additional circumstances which will trigger first registration of properties recorded in the General Register of Sasines, including (i) the recording of a standard security (which would extend to any standard security granted by the Issuer in favour of the Security Trustee over Scottish Mortgages in the Mortgage Portfolio recorded in the General Register of Sasines, pursuant to the terms of the Deed of Charge following a transfer to the Issuer of legal title to the Scottish Mortgage Loans and their Related Security pursuant to the Mortgage Sale Agreement (a "**Scottish Sasine Sub-Security**")) or (ii) the recording of an assignation of a standard security (which would extend to any assignation granted by the Seller in favour of the Issuer in respect of Scottish Mortgages in the Mortgage Portfolio recorded in the General Register of Sasines, pursuant to the terms of the Mortgage Sale Agreement following a transfer to the Issuer of legal title to the Scottish Mortgage Loans and their Related Security pursuant to the Mortgage Sale Agreement (a "**Scottish Sasine Transfer**")).

The relevant provisions of the 2012 Act relating to the recording of standard securities came into force on 1 April 2016. As of this date, the General Register of Sasines is now closed to the recording of standard securities. Despite the provisions of the 2012 Act mentioned above, for the time being other deeds such as assignations of standard securities (including Scottish Sasine Transfers) will continue to be accepted in the General Register of Sasines indefinitely (although Registers of Scotland have reserved the right to consult further on this).

If a transfer to the Issuer of legal title to the Scottish Mortgage Loans and their Related Security occurs, then an application to record a Scottish Sasine Sub-Security in relation to Scottish Mortgages in the Mortgage Portfolio (following the transfer of legal title to such Scottish Mortgages by way of a Scottish Sasine Transfer) will trigger a first registration in the Land Register of Scotland of the underlying Scottish Mortgaged Properties.

If the General Register of Sasines becomes closed to assignations of standard securities under the same provisions at any time subsequent to the Programme Date, then this would also have an impact on the registration of Scottish Sasine Transfers executed following the transfer of legal title to the Scottish Mortgage Loans and their Related Security to the Issuer being perfected in accordance with the Mortgage Sale Agreement, in a manner similar to Scottish Sasine Sub-Securities, with the probability of higher legal costs and a longer period required to complete registration than would currently be the case.

The number of residential properties in Scotland the title to which remains recorded in the General Register of Sasines continues to decline (the Registers of Scotland estimate that in April 2016 around 60 per cent. of property titles in Scotland were registered in the Land Register of Scotland). It is therefore likely that, in relation to the Scottish Mortgages comprised in the Mortgage Portfolio, only a minority will be recorded in the General Register of Sasines.

Breathing Space Regulations

Under the Breathing Space Regulations, an individual may apply for a moratorium (either a breathing space moratorium or mental health crisis moratorium) in respect of ‘qualifying debt’. It gives eligible individuals in England and Wales the right to legal protection from their creditors, including almost all enforcement action, during a period of "breathing space". A debtor may only enter into a breathing space moratorium

whilst receiving debt advice (from a debt advice provider authorised to provide debt counselling under article 39E of the RAO or a local authority) and potentially entering into a debt solution. Breathing spaces will end either (a) 60 days from the date it started; (b) the day after a debt adviser or court cancels it; or (c) if the debtor dies during the breathing space period. In this case, the breathing space ends on the day after the debtor died.

In addition, in circumstances where the debtor is suffering from a mental health crisis, the debtor themselves or mental health professionals may apply to debt advisors for a mental health breathing space. This will end 30 days after the debtor's mental health crisis treatment ended, or 30 days after the date a debt adviser had no response after asking for confirmation from the nominated point of contact about a debtor's ongoing mental health crisis treatment.

A 'qualifying debt' includes any debt or liability other than 'non-eligible debt' (defined in regulation 5(4)) (including, for example, secured debt which does not amount to arrears in respect of secured debt (regulation 5(4)(a)), whether or not it is entered into, or due to be paid or repaid, before the Breathing Space Regulations come into force (regulation 5(2)). This includes any amount that the debtor is liable to pay under or in relation to an order or warrant for possession of the debtor's place of residence (regulation 3(a)).

A moratorium includes protection from creditor action for most personal debts, including financial services debt, household bill arrears and most public sector debts. The FCA have confirmed in CP20/21 (published in October 2020) that, based on government policy proposals, breathing space protections are not extended to mortgage payments of the principal and interest, but they do extend to payment of mortgage arrears which are not capitalised at the date of the application under the Breathing Space Regulations. 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 its 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.

The Breathing Space Regulations impose obligations on consumer credit lenders, mortgage lenders and other regulated firms, to comply with the restrictions and obligations imposed by the moratorium on collection and enforcement of debts and application of interest and other charges.

In February 2021, the FCA issued a policy statement (PS21/1) on the application of the Breathing Space Regulations, confirming that no changes were being made to the rules under MCOB, in relation to how mortgage lenders should treat a "breathing space" as an indicator of payment difficulties. The FCA's view is that this is something that firms should take into account, but should not be treated more specifically than other potential indicators of payment difficulties.

FCA response to the cost of living crisis

On 16 June 2022, the FCA sent a "Dear CEO" letter which stated that the FCA consider that the Mortgages Tailored Support Guidance which was issued to address exceptional circumstances arising out of coronavirus, is also relevant for borrowers in financial difficulties due to other circumstances such as the rising cost of living. Therefore, if a borrower indicates that they are experiencing or reasonably expect to experience payment difficulties due to the rising cost of living, the FCA have said that lenders should offer prospective forbearance to enable them to avoid, reduce, or manage any payment shortfall that would otherwise arise. This includes borrowers who have not yet missed a payment.

The Mortgages Tailored Support Guidance emphasises the MCOB requirement that a lender must not repossess a property unless all other reasonable attempts to resolve the position have failed. It further states that mortgage lenders must also establish and implement clear, effective and appropriate policies and

procedures for the fair and appropriate treatment of borrowers whom the lender understands, or reasonably suspects, to be particularly vulnerable. The Mortgages Tailored Support Guidance also confirms the FCA's expectation that action to seek possession should be a last resort.

In addition, the FCA proposed that lenders considering or resuming possession proceedings, should support and enable borrowers to disclose circumstances that might make them particularly vulnerable to repossession action at this time - and to consider whether additional care may be required as a result.

On 10 March 2023, the FCA published finalised guidance: "Guidance for firms supporting their existing mortgage borrowers impacted by the rising cost of living" (FG23/2), which has since been replaced and updated with updated finalised guidance on 10 April 2024 (FG 24/2) which came into effect on 4 November 2024. The FCA stated that the purpose of the finalised guidance was to ensure that lenders are clear about the effect of the FCA rules and the range of options lenders have to support their customers including those who are facing higher interest rates alongside the rising cost of living. The FCA have said that the guidance clarifies the effect of their existing rules and principles and is not intended to set new expectations or requirements of lenders or to repeat the position set out in other documents, such as the expectations around repossessions or the treatment of vulnerable customers. It explains how lenders can support borrowers in, or at risk of, payment difficulty and confirms the flexibility lenders have under FCA rules and guidance to support borrowers in different ways.

In March 2021, the FCA stated that as the more immediate impacts of coronavirus had begun to subside, they were considering whether they should make any permanent changes to their forbearance regimes for mortgages and credit in light of the Mortgages Tailored Support Guidance. It was proposed that this could include updating the rules and guidance in MCOB and incorporating elements of the Mortgages Tailored Support Guidance. On 25 May 2023, the FCA launched consultation CP23/13 setting out how they planned to incorporate aspects of the Mortgages Tailored Support Guidance into MCOB and withdraw the Mortgages Tailored Support Guidance.

On 10 April 2024, the FCA published PS24/2: Strengthening protections for borrowers in financial difficulty: Consumer credit and mortgages and the related Consumer Credit and Mortgages (Tailored Support) Instrument 2024 (FCA 2024/7). The FCA have stated that they want to build on the Mortgages Tailored Support Guidance and provide a stronger framework for lenders to protect customers facing payment difficulties, they are doing this by incorporating relevant aspects of the Mortgages Tailored Support Guidance into their Handbook, as well as introducing further targeted changes. For mortgages, the FCA have changed their guidance to allow lenders more scope to capitalise payment shortfalls where appropriate and to improve disclosure for all customers in payment shortfall. The new rules came into force on 4 November 2024 and the Mortgages Tailored Support Guidance was withdrawn at that time.

Mortgage Charter

On 26 June 2023, the HM Treasury published the 'Mortgage Charter' in light of the current pressures on households following interest rate rises and the cost-of-living crisis. The Mortgage Charter states that the UK's largest mortgage lenders and the FCA have agreed with the Chancellor a set of standards that they will adopt when helping their regulated mortgage borrowers worried about high interest rates. The Seller is a signatory to the Mortgage Charter and has agreed that, among other things, a borrower will not be forced to leave their home without their consent unless in exceptional circumstances, in less than a year from their first missed payment. In addition, lenders will permit borrowers who are up to date with their payments to: (i) switch to interest-only payments for six months (the "**MC Interest-only Agreement**"); or (ii) extend their mortgage term to reduce their monthly payments and give borrowers the option to revert to their original term within six months by contacting their lender (the "**MC Extension Agreement**"). These

options can be taken by borrowers who are up to date with their payments without a new affordability check or affecting their credit score.

The FCA has amended the MCOB to allow (rather than require) lenders to give effect to the MC Interest-only Agreement and the MC Extension Agreement.

FCA Consumer Duty

The FCA published final rules on the introduction of Consumer Duty in July 2022, which aim to set a higher level of consumer protection in retail financial markets, and which stated that the Consumer Duty (i) applied from 31 July 2023, for products and services that remain open to sale or renewal and (ii) would apply from 31 July 2024, for closed products and services, including the Mortgage Portfolio.

The Consumer Duty applies to the regulated activities and ancillary activities of all firms authorised under the FSMA that provide products and services directly or indirectly deal to retail customers. However, the FG22/5 Final non-Handbook Guidance published in July 2022 indicated that any regulated firms "working with unregulated entities in the distribution chain should consider the impact such firms could have on customer outcomes".

There are three main elements to the new Consumer Duty, comprising: a new consumer principle (Principle 12 in the FCA Handbook), that "a firm must act to deliver good outcomes for the retail customers 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 regime has been set into the Senior Managers and Certification Regime and it creates a requirement for boards of regulated firms to produce an annual report setting out how they have met the consumer duty and highlighting any areas that need improving. The new rules require firms to test new products before they are launched. Firms are required to provide clear information on their products so that people can make financial decisions armed with all the information they need.

The Consumer Duty applies not only at origination of a product but throughout its subsistence (so in the case of a mortgage loan, throughout the period the mortgage loan is outstanding). The cross-cutting rules include an obligation to avoid causing foreseeable harm to the retail customer and the outcomes include an obligation to ensure that the product (for example, a mortgage loan) provides fair value to the retail customer. These obligations (as with the remainder of the Consumer Duty) must be assessed on a regular basis throughout the life of the product.

The Consumer Duty includes requirements for firms to end unfair charges and fees, make it as easy to switch or cancel products as it was to take them out in the first place, provide helpful and accessible customer support, act quickly to respond to customer queries, provide timely, clear and easily understandable information to customers regarding products and services, provide products and services that are appropriate for their customers, and focus on the real and diverse needs of their customers, including those in vulnerable circumstances, at every stage and in each interaction. It is also necessary to monitor, evidence and report against many of the requirements and to ensure that firms avoid causing foreseeable harm to customers and enable and support customers to pursue their financial objectives (which in the case of a mortgage loan would include supporting a customer as much as reasonably practicable who is currently in default of their obligations under a mortgage loan). On 3 February 2023, the FCA published a "Dear CEO" letter entitled "Implementing the Consumer Duty in the Retail Banks and Building Societies sector" in which the FCA emphasised the need for retail banks and building societies to provide fair value to retail customers.

The Consumer Duty applies in respect of Regulated Mortgage Contracts (as well as loans falling within the consumer credit regime). It applies to product manufacturers and distributors. According to FCA feedback in Policy Statement PS22/9, firms that purchase loan books may be classed as 'manufacturers' and therefore the Consumer Duty may also apply to purchasers of in scope mortgage loans, as well as authorised firms administering or servicing those mortgage loans. Although the Consumer Duty will not apply retrospectively, the FCA will require authorised firms to apply the Consumer Duty to existing products on a forward-looking basis. There may be added costs associated with making necessary changes in order to ensure that the Issuer is compliant with these new rules. If the Issuer fails to comply with these rules, there is a risk of an adverse impact on the Issuer's business and revenue due to penalties imposed by the FCA, costs and payments associated with any investigations and/or required remediation and potential reputational damage.

CREDIT STRUCTURE AND CASHFLOWS

General Credit Structure

The Notes will be the obligations of the Issuer only and will not be obligations of, or the responsibility of, or guaranteed by, any other party. However, the following are the main features of the Programme which will enhance the likelihood of timely receipt of payments to Noteholders:

- Available Revenue Receipts are expected to exceed interest and fees payable by the Issuer;
- a Revenue Shortfall may be made up by use of Available Principal Receipts;
- with respect to payments of interest, payments on the Class Z(R) VFN and the Class Z(S) VFN will be subordinated to payments on the Class A Notes (with payments on the Seller's Note ranking *pro rata* and *pari passu* with the Class A Notes, as described below);
- with respect to repayments of principal, (a) repayments on the Class Z(S) VFN will be subordinated to payments on the Class A Notes, (b) repayments on the Seller's Note (i) prior to service of an Enforcement Notice (for so long as no Asset Trigger Event has occurred and/or no Non-Asset Trigger Event is continuing), and (ii) following service of an Enforcement Notice, will rank *pro rata* and *pari passu* with the repayment of principal on the Class A Notes. Where an Asset Trigger Event has occurred and/or a Non-Asset Trigger Event is continuing, and provided that no action has been taken to enforce the security created by the Issuer under the Transaction Documents, the repayment of principal due on any Payment Date in respect of the Seller's Note will be subordinated to the repayment of principal on the Class A Notes and the Class Z(S) VFN;
- the Reserve Fund will be available to meet Revenue Shortfalls;
- the Issuer will be able to draw down amounts under the Class Z(S) VFN and to apply the proceeds of such drawdowns as Available Principal Receipts to effect the redemption of the Class A Notes on the next following Payment Date in accordance with Condition 5(b) (*Mandatory redemption of the Notes in part*) and the applicable Priority of Payments;
- the Issuer will be able to draw down amounts under the Class Z(S) VFN and to apply the proceeds of such drawdowns to effect the redemption of the Seller's Note in accordance with Condition 5 (*Redemption, Purchase and Cancellation*), **provided that** the Principal Amount Outstanding of the Seller's Note is at least equal to the Minimum Seller's Note Amount for so long as any Class A Notes (or any other Notes that are not at all times held by the Seller (or its wholly-owned affiliates)) or any Class Z VFNs remain outstanding;
- the Issuer will be able to draw down amounts under the Class Z(R) VFN from time to time to fund, among other things, any required increase to the Reserve Fund and start-up expenses and to pay the fees, costs and expenses of the Issuer incurred in connection with any issuance of Notes (the Class Z VFN Holder having sole discretion as to whether such drawdown will be funded, and subject to the conditions for further drawdowns set out in Condition 18 (*Increasing the Principal Amount Outstanding of the VFNs*));
- the Issuer will be able to able to draw down amounts under the Seller's Note and to apply the proceeds of such drawdown to effect the redemption of the Class A Notes on the next following Payment Date in accordance with Condition 5(b) (*Mandatory redemption of the Notes in part*), and the applicable Priority of Payments;

- the Issuer will be able to able to draw down amounts under the Seller's Note and to apply the proceeds of such drawdown to effect the redemption of the Class Z(S) VFN in accordance with Condition 5 (*Redemption, Purchase and Cancellation*), subject to maintaining the Required Subordination Amount;

- the Maximum Rate of Interest under the Seller's Note will be capped at the percentage rate equal to the lower of (a) Compounded Daily SONIA; and (b) the weighted average fixed rate in respect of the Mortgage Loans comprised in the Mortgage Portfolio from time to time, less 0.21%; and

- in the case of any Bullet Redemption Notes, Available Principal Receipts will be credited to each Cash Accumulation Ledger in priority to repayments of principal on the Class Z(S) VFN.

Each of these factors is considered more fully in the remainder of this section. Any changes to these features after the date of this Base Prospectus will be made in accordance with the provisions of the relevant Transaction Documents.

Credit support for the Notes provided by Available Revenue Receipts

The interest rates charged on the Mortgage Loans vary according to product type. It is expected, however, that during the life of the Notes, Revenue Receipts received from Borrowers on the Mortgage Loans in the Mortgage Portfolio will be greater than the sum of the interest which the Issuer will be required to pay on the Notes and its other senior costs and expenses under the Programme.

The actual amount of Revenue Receipts will vary from time to time during the life of the Notes. The key factors determining such variation will be as follows:

- the weighted average interest rate on the Mortgage Loans in the Mortgage Portfolio; and

- the level of arrears experienced; and

- availability of any hedging.

On any Payment Date, any excess Available Revenue Receipts will be available to meet the other payments set out in the Pre-Enforcement Revenue Priority of Payments, and ultimately to pay any Deferred Consideration to the Seller.

Interest Rate Swaps

The Issuer has entered, on the First Closing Date, and has agreed to enter on each Subsequent Closing Date on which any further Series of Class A Notes that are Floating Rate Notes are issued, into one or more Interest Rate Swap Agreements with respect to the Current Balance of the Fixed Rate Mortgage Loans in the Mortgage Portfolio multiplied by the Swap Funding Note Percentage from time to time, in order to hedge against the variances on the rates payable in respect of the Fixed Rate Mortgage Loans in the Mortgage Portfolio and interest payments due by the Issuer on the Floating Rate Notes in respect of each Series of the Class A Notes. The notional amount under each Interest Rate Swap Agreement will be recalculated on a monthly basis. See "*The Swap Agreements*" for further information.

Currency Swaps

The Issuer has agreed to enter into a Currency Swap Agreement with respect to any Series and Class of Non-Sterling Notes issued from time to time, in order to provide currency and/or interest rate hedging in

respect of any Series of Notes with a Specified Currency other than Sterling. See "*The Swap Agreements*" for further information.

Reserve Fund

Application and purpose

The Reserve Fund has been established in the name of the Issuer on the First Closing Date to help (i) pay Senior Fees and Expenses, (ii) pay interest due and payable (if any) on the Class A Notes of each Series of Notes, and (iii) eliminate any debit entries on the Class A Principal Deficiency Sub-Ledger, on each Payment Date (and for the avoidance of doubt, the Reserve Fund will not be available to support the Seller's Note, the Class Z(S) VFN or the Class Z(R) VFN).

On each Payment Date, funds standing to the credit of the Reserve Fund will be added to certain other funds of the Issuer in calculating Available Revenue Receipts. In making any withdrawals from the Reserve Fund described above, the Issuer (or the Cash Manager on its behalf) will only withdraw the amount actually needed for the purpose. To the extent that the Reserve Fund is held in Authorised Investments, any portion of the Reserve Fund not required for these purposes may remain invested in Authorised Investments. See "*Authorised Investments*" below.

Funding and Replenishment

The Reserve Fund has been funded and, as applicable, will be replenished up to the Reserve Fund Required Amount from time to time from:

- an initial drawing under the Class Z(R) VFN on the First Closing Date and the proceeds of any further drawdowns under the Class Z(R) VFN on subsequent Closing Dates if required;
- the proceeds of any further drawdowns under the Class Z(R) VFN at any time at the sole discretion of the Class Z VFN Holder as to whether such drawdown will be funded; and
- Available Revenue Receipts in accordance with item (iv) of the Pre-Enforcement Revenue Priority of Payments in respect of the application of the Funding Note Revenue Portion.

The Class Z VFN Holder also has the right, at its sole discretion, but not the obligation, to fund the Reserve Fund in an amount in excess of the Reserve Fund Required Amount, by way of making further advances under the Class Z(R) VFN. The Class Z VFN Holder shall only exercise such discretion following receipt by it of a certificate from the Seller (copied to the Issuer) confirming that, having taken appropriate advice from reputable tax and/or legal advisers in relation to the requirements of regulation 11 or any other relevant provision of the Securitisation Tax Regulations, the proposed funding of the Reserve Fund in an amount in excess of the Reserve Fund Required Amount could not result in the Issuer failing to meet the requirements of regulation 11 or any other relevant provision of the Securitisation Tax Regulations at that time or at any time in the future.

Adjustment of Reserve Fund Required Amount

The Cash Manager may modify, at any time (including, without limitation, on each Issuance Date), the Reserve Fund Series Percentage or the method of computing the Reserve Fund Required Amount without the consent of any Noteholders, **provided that**:

- the Reserve Fund Required Amount is calculated by reference to the highest Reserve Fund Series Percentage applicable from time to time with respect to all Class A Notes which are outstanding and have not been repaid in full; and
- for so long as any Series and Class of Notes that remain outstanding are Rule 144A Notes, the Issuer has obtained an opinion of counsel that for US federal income tax purposes (i) the change will not adversely affect the tax characterisation as debt of any outstanding Class A Notes that were characterised as debt for US tax purposes at the time of their issuance and (ii) such change will not cause or constitute an event in which gain or loss would be recognised by any holder of such Notes.

If at any time the Reserve Fund Required Amount is reduced, and there is a Revenue Shortfall at such time, any amount in excess of the Reserve Fund Required Amount will be applied in accordance with the relevant Priority of Payments. If at any time the Reserve Fund Required Amount is reduced, and there is no Revenue Shortfall at such time, any amount in excess of the Reserve Fund Required Amount will be paid directly to the Seller. It is anticipated that the Reserve Fund Series Percentage for each new Series of Notes will be provided in the relevant Final Terms. If the Reserve Fund Series Percentage changes with respect to a Series of Notes, any such change will be notified to the Noteholders in an Investor Report.

Following the delivery of an Enforcement Notice, the Reserve Fund will be utilised by the Issuer in payment of any of its other liabilities, subject to and in accordance with the Post-Enforcement Priority of Payments and may be applied in making payments of principal due under the Class A Notes.

The monies credited to the Reserve Fund will be deposited into the Transaction Accounts. The Cash Manager may invest such funds in Authorised Investments from time to time in accordance with and pursuant to the terms of the Cash Management Agreement. The Reserve Ledger is maintained by the Cash Manager in the name of the Issuer to record amounts standing to the credit of the Reserve Fund from time to time and withdrawals from and deposits into the Reserve Fund.

Excess Principal Fund

Application and purpose

The Excess Principal Fund has been established in the name of the Issuer on the First Closing Date. Funds standing to the credit of the Excess Principal Fund are recorded on the Excess Principal Ledger and will be added to certain other funds of the Issuer in calculating Available Principal Receipts on each Calculation Date.

Crediting the Excess Principal Fund

Any Available Principal Receipts which remain following the application of Available Principal Receipts towards items (i) to (vi) (inclusive) in the application of the Funding Note Principal Portion of the Pre-Enforcement Pre-Trigger Principal Priority of Payments will be credited to the Excess Principal Fund on each Payment Date.

The Issuer may retain any amounts of Available Principal Receipts credited to the Excess Principal Fund for a period not exceeding 18 months following the date on which such amounts were first recorded.

Where, on any date, any amounts would, on the next succeeding Payment Date, have remained recorded on the Excess Principal Ledger, on a first in first out basis, for a period of 18 months or more, where that period starts on the date on which such amounts were first so recorded, a Non-Asset Trigger Event shall occur. All amounts credited to the Excess Principal Fund must be released and distributed as Available Principal Receipts in accordance with the applicable Pre-Enforcement Principal Priority of Payments on the occurrence of a Non-Asset Trigger Event.

Excess Principal Fund Threshold Amount

The Excess Principal Fund Threshold Amount will be calculated by reference to the Excess Principal Fund Threshold Percentage, which will be specified in each set of Final Terms. If the amount standing to the credit of the Excess Principal Fund at any time exceeds the Excess Principal Fund Threshold Amount, then a Non-Asset Trigger Event will occur.

The monies credited to the Excess Principal Fund will be deposited into the Transaction Accounts. The Excess Principal Ledger is maintained by the Cash Manager in the name of the Issuer to record amounts standing to the credit of the Excess Principal Fund from time to time and withdrawals from and deposits into the Excess Principal Fund.

Interest Provision Fund and Principal Provision Fund

Application and purpose

The Interest Provision Fund and the Principal Provision Fund were established in the name of the Issuer on the First Closing Date and are maintained in the Transaction Accounts to help provide for the payment of interest and principal on the Notes in respect of which payments are not made on a monthly basis. The balance of the Interest Provision Fund and the Principal Provision Fund will be recorded on sub-ledgers in respect of each Series and Class of Notes that are not Monthly Notes.

On each Note Payment Date in respect of a Series and Class of Notes that are not Monthly Notes, funds standing to the credit of the Interest Provision Fund and the Principal Provision Fund in respect of that Series and Class of Notes will be added to certain other funds of the Issuer in calculating Available Revenue Receipts and Available Principal Receipts, respectively.

Funding and Replenishment

The Interest Provision Fund and the Principal Provision Fund are required to be maintained in an amount not less than the Interest Provision Fund Required Amount and the Principal Provision Fund Required Amount respectively.

The Interest Provision Fund will be funded from time to time from the Funding Note Revenue Portion in accordance with item (ii)(c) of the application of the Funding Note Revenue Portion under the Pre-Enforcement Revenue Priority of Payments.

The Principal Provision Fund will be funded from time to time from the Funding Note Principal Portion in accordance with item (ii)(e) of the application of the Funding Note Principal Portion under the Pre-Enforcement Pre-Trigger Principal Priority of Payments and item (iv) of the application of the Funding Note Principal Portion under the Pre-Enforcement Post-Trigger Principal Priority of Payments.

Use of Principal Receipts to pay Remaining Revenue Shortfall

On the Calculation Date immediately preceding each Payment Date, the Cash Manager is required to calculate whether there will be a Remaining Revenue Shortfall, being a deficit of Available Revenue Receipts to pay interest on the Class A Notes and Senior Fees and Expenses in the Pre-Enforcement Revenue Priority of Payments following any application of the Reserve Fund as described under "*Reserve Fund – Application and purpose*" above.

If there is such a Remaining Revenue Shortfall, then the Cash Manager is required to pay or provide for that deficit by the application of Principal Receipts, if any, and, if any Principal Receipts are so applied, the Cash Manager will make a corresponding debit entry in the relevant Funding Principal Deficiency Sub-Ledger, as described under "*– Principal Deficiencies and the Principal Deficiency Ledger*" below. In so doing, the Cash Manager will apply (a) *first*, amounts standing to the credit of the Principal Ledger, and (b) *second*, if the amounts standing to the credit of the Principal Ledger are insufficient, any amounts standing to the credit of each Cash Accumulation Ledger.

Principal Deficiencies and the Principal Deficiency Ledger

The Principal Deficiency Ledger is constituted by way of the Funding Principal Deficiency Sub-Ledgers and the Seller's Note Principal Deficiency Sub-Ledger. The Principal Deficiency Ledger is maintained in the name of the Issuer to record any Losses realised on the Mortgage Loans as follows:

- the Seller's Note Percentage of such Losses will be recorded on the Seller's Note Principal Deficiency Sub-Ledger; and
- the Adjusted Funding Note Percentage of such Losses will be recorded on the Funding Principal Deficiency Sub-Ledgers.

Any Losses realised on the Mortgage Loans on account of Borrowers exercising any right of set-off will be recorded on the Seller's Note Principal Deficiency Sub-Ledger in amounts equal to the relevant Mortgage Loan Deposit Excess Amounts.

In addition, the Funding Principal Deficiency Sub-Ledgers will record any application of Available Principal Receipts to meet any Remaining Revenue Shortfall (as described under "*Use of Principal Receipts to pay Remaining Revenue Shortfall*" above). For the avoidance of doubt, with the exception of any Losses realised on the Mortgage Portfolio, no other debit entries will be made on the Seller's Note Principal Deficiency Sub-Ledger.

There is a separate Principal Deficiency Sub-Ledger for each of the Class A Notes and the Class Z(S) VFN (but not, for the avoidance of doubt, the Class Z(R) VFN). Debit entries will be recorded on each Funding Principal Deficiency Sub-Ledger for the Class A Notes and the Class Z(S) VFN in reverse sequential order, starting with the Class Z(S) VFN. Debit entries may be adjusted in the event that the Principal Amount Outstanding of any Sub-Class of Class Z VFN is increased following any further drawdowns permitted under the Programme. Debit entries may also be reduced by the application of Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments in sequential order starting with the Class A Principal Deficiency Sub-Ledger.

The Funding Note Percentage of Losses on the Mortgage Loans, as well as the application of Principal Receipts in respect of any Remaining Revenue Shortfall or any Principal Receipts to replenish the Reserve Fund are required to be recorded on the Funding Principal Deficiency Sub-Ledgers as follows:

(a) *first*, on the Class Z(S) VFN Principal Deficiency Sub-Ledger, until the balance of that sub-ledger is equal to the then current Principal Amount Outstanding of the Class Z(S) VFN; and

(b) *second*, on the Class A Principal Deficiency Sub-Ledger, at which point there will be a Trigger Event.

Amounts recorded as debit entries on the Funding Principal Deficiency Ledgers may be reduced through the subsequent application of the Funding Note Revenue Portion in accordance with the Pre-Enforcement Revenue Priority of Payments, with the debit entries being reduced in the following order:

(a) *first*, on the Class A Principal Deficiency Sub-Ledger; and

(b) *second*, on the Class Z(S) VFN Principal Deficiency Sub-Ledger.

In addition, the Issuer may apply the proceeds of any further drawdowns under the Class Z(R) VFN as Available Revenue Receipts for the purposes of reducing any debit entries on any Funding Principal Deficiency Sub-Ledger. The Class Z VFN Holder has sole discretion over whether any such further drawdowns will be funded, and any such drawdown will be subject to satisfaction of the drawdown tests set out in Condition 18 (*Increasing the Principal Amount Outstanding of the Class Z VFNs*).

Amounts recorded as debits on the Seller's Note Principal Deficiency Sub-Ledger may be reduced through the application of the Seller's Portion of Available Revenue Receipts.

Priority of interest payments among the Class A Notes and the Class Z VFNs

The order of payments of interest to be made on the Classes of Notes is prioritised so that, on any Payment Date:

(a) interest payments due on the Class Z(S) VFN will be subordinated to interest payments due on the Class Z(R) VFN and the Class A Notes;

(b) interest payments due on the Class Z(R) VFN will be subordinated to interest payments due on the Class A Notes,

in each case in accordance with the Pre-Enforcement Revenue Priority of Payments.

Prior to the delivery by the Note Trustee of an Enforcement Notice, the payment of interest due on any Note Payment Date in respect of the Class Z(R) VFN and the Class Z(S) VFN is also subordinated to the replenishment of the Reserve Fund up to the Reserve Fund Required Amount.

Priority of interest payments among the Class A Notes and the Seller's Note

The order of payments of interest to be made on the Classes of Notes is prioritised so that, on any Payment Date, interest due on the Class A Notes and the Seller's Note will rank *pro rata* and *pari passu*, in accordance with the Funding Note Revenue Portion and the Seller's Note Revenue Portion. On any date after the Calculation Date falling in December 2024 that Class A Notes, the Class Z(S) VFN or the Seller's Note are issued (including on any date that is not a Payment Date or a Calculation Date), the Funding Note Revenue Portion and the Seller's Note Revenue Portion will be recalculated to take into account those newly issued Notes in accordance with the applicable calculation.

Deferral of interest

Any interest amounts due but unpaid in respect of the Class Z(S) VFN, the Class Z(R) VFN and/or on the Seller's Note on any Note Payment Date will be deferred until the immediately succeeding Note Payment Date on which such amounts fall due. On that Note Payment Date, the amount of interest due on the Class Z(S) VFN, the Class Z(R) VFN and/or on the Seller's Note will be increased to take account of any deferred interest. If on that Note Payment Date there is still a shortfall in amounts available to pay interest due on that Sub-Class of Class Z(S) VFN, the Class Z(R) VFN and/or on the Seller's Note that interest will be deferred again in the same way.

The Issuer will not be able to defer payments of interest due on any Note Payment Date in respect of the Class A Notes. Failure to pay interest due on any Class A Notes on any Note Payment Date will (following the expiry of any grace period) be an Event of Default.

Redemption of a Series and Class of Notes on or after their Step-Up Date

The Issuer may redeem a Series and Class of Notes on or after their Step-Up Date in accordance with Condition 5(e) (*Optional redemption in full or in part*) by applying the proceeds of a further issuance of Notes or consideration received for the repurchase of Mortgage Loans in accordance with the Seller's general right of repurchase (see further "*Assignment of the Mortgage Loans and Related Security – General ability to repurchase*"). Any proceeds of such issuance or repurchase will be applied directly in the redemption of the relevant Series and Class of Notes and will not form part of Available Principal Receipts.

Cashflows

Under the Cash Management Agreement, the Cash Manager is responsible for distributing Available Revenue Receipts and Available Principal Receipts on behalf of the Issuer on each Payment Date in accordance with the orders of priorities described in the following section. For further information on the role of the Cash Manager, see "*Cash Management*".

Any change in the Priority of Payments and any events which trigger such a change shall be disclosed without undue delay to the extent required under Article 21(9) of the EU Securitisation Regulation and/or (i) prior to the Recast UK Securitisation Regime Effective Date, Article 21(9) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, in particular, SECN 2.2.23R.

Transaction Accounts

As at the Programme Date, the Issuer holds Transaction Accounts with the First Account Bank and the Second Account Bank pursuant to the terms of the First Account Bank Agreement and the Second Account Bank Agreement. The Issuer may, from time to time after the Programme Date, hold additional Transaction Accounts with Account Banks.

For details, see "*Cash Management – Account Bank Agreements and Bank Accounts*".

Authorised Investments

Pursuant to the terms of the Cash Management Agreement, the Cash Manager, may invest amounts in the Transaction Accounts, including the Reserve Fund and amounts standing to the credit of each Cash Accumulation Ledger, in Authorised Investments. Prior to the occurrence of an Asset Trigger Event and for as long as no Non-Asset Trigger Event is continuing, the Cash Manager will be required to determine

on each Calculation Date the amount of Authorised Investments that will need to be liquidated for the purposes of applying Available Revenue Receipts to pay interest due on the Class A Notes and Senior Fees and Expenses and for the purposes of applying Available Principal Receipts to repay any principal due and payable in respect of the Notes and any other amounts payable in accordance with items (i) to (iv) of the Pre-Enforcement Revenue Priority of Payments prior to the splitting the Remaining Available Revenue Receipts into the Funding Note Portion and the Seller's Note Portion, and will only be required to liquidate that amount on the relevant Payment Date. See "*Reserve Fund – Application and Purpose*" above. Authorised Investments will be held with the Custodian in a Custody Account.

Payment Holidays

On each Calculation Date, if the Cash Manager determines that there will be a shortfall in payment of interest and/or principal in respect of the Class A Notes on the next following Payment Date as a result of payment holidays being granted to Borrowers and any other authorised underpayments being permitted under the Mortgage Loans in the Mortgage Portfolio during the corresponding Calculation Period, the Issuer may draw down on the Seller's Note in the following amounts, as applicable:

(a) an amount equal to such revenue shortfall multiplied by the then Adjusted Funding Note Percentage (such amount being the "**Payment Holiday Revenue Shortfall Amount**"), to be added to the Funding Note Revenue Portion and applied in accordance with the Pre-Enforcement Revenue Priority of Payments; and/or

(b) an amount equal to such principal shortfall, multiplied by the then Adjusted Funding Note Percentage (such amount being the "**Payment Holiday Principal Shortfall Amount**") to be added to the Funding Note Principal Portion and applied in accordance with the relevant Pre-Enforcement Principal Priority of Payments.

AVAILABLE REVENUE RECEIPTS

Available Revenue Receipts in respect of any Payment Date are required to be calculated by the Cash Manager on the Calculation Date immediately preceding such Payment Date. When calculating the Available Revenue Receipts on any Calculation Date and applying such Available Revenue Receipts on any Payment Date, the Cash Manager will withdraw from the Reserve Fund only such amounts as are actually required to meet a relevant Revenue Shortfall as at such Payment Date and in calculating the amount available to be actually withdrawn from or the amount standing to the credit of the Reserve Fund at any time, the Cash Manager will include (without double-counting) funds that have been withdrawn from the Transaction Accounts and invested in Authorised Investments at the discretion of the Cash Manager pursuant to and in accordance with the Cash Management Agreement.

Pre-Enforcement Revenue Priority of Payments

Prior to the delivery by the Note Trustee of an Enforcement Notice, on each Payment Date, the Cash Manager is required to apply Available Revenue Receipts (other than Swap Collateral Excluded Amounts due to any Interest Rate Swap Counterparty or any Currency Swap Counterparty, any Swap Collateral Available Amounts to be applied by the Cash Manager (on behalf of the Issuer) in accordance with the Swap Collateral Account Priority of Payments, and any further consideration due to the Seller in relation to the Issuer's receipt of Early Repayment Charges which will be paid directly to the Seller), in the following order of priority (the "**Pre-Enforcement Revenue Priority of Payments**"):

(i) *first*, in no order of priority among them but in proportion to the amounts due, to pay amounts due to the Note Trustee and the Security Trustee and any of their respective Appointees and to provide

for any amounts due or to become due prior to the next following Payment Date to the Note Trustee and the Security Trustee, under the Trust Deed and/or the Deed of Charge, as applicable;

(ii) *second*, in no order of priority among them but in proportion to the respective amounts due:

(a) to pay amounts due to the Agent Bank, the Paying Agents, the Exchange and Transfer Agent, the VFN Registrar and/or the Registrar and to provide for any amounts due, or to become due prior to the next following Payment Date, to the Agent Bank, the Paying Agents, the Exchange and Transfer Agent, the VFN Registrar and/or the Registrar, under the Agency Agreement; and

(b) in no order of priority among them but in proportion to the respective amounts due, to pay amounts due to the Servicer and/or the Back-up Servicer Facilitator under the Servicing Agreement, to the Cash Manager under the Cash Management Agreement, to the Corporate Services Provider under the Corporate Services Agreement, to any Tender Agent under a Remarketing Agreement, to the Account Banks under the Account Bank Agreements, to the Custodian under the Custody Agreement and the Swap Collateral Custody Agreement and to provide for any amounts due, or to become due prior to the next following Payment Date, to the Servicer under the Servicing Agreement, to the Cash Manager under the Cash Management Agreement, to the Corporate Services Provider under the Corporate Services Agreement, to any Tender Agent under a Remarketing Agreement, to the Account Banks under the Account Bank Agreements and to the Custodian under the Custody Agreement and the Swap Collateral Custody Agreement;

(iii) *third*, to pay amounts due to any third party creditors of the Issuer (other than those referred to elsewhere in this Pre-Enforcement Revenue Priority of Payments) of which the Cash Manager has notice prior to the relevant Payment Date, which amounts have been incurred without breach in any material respect by the Issuer of the terms of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and to provide for any such amounts expected to become due and payable by the Issuer prior to the next following Payment Date and to pay or discharge any liability of the Issuer for tax (save to the extent that tax is corporation tax on the taxable profits of the Issuer can be met out of the Issuer Profit Amount); and

(iv) *fourth*, to retain an amount equal to the Issuer Profit Amount as profit,

(the amounts referred to in paragraphs (i) to (iv) are collectively referred to as the "**Senior Fees and Expenses**").

The Cash Manager will, following the payment of the Senior Fees and Expenses in full, allocate the remaining Available Revenue Receipts (but not taking into account any Reserve Fund Amount) (the "**Remaining Available Revenue Receipts**") into the Seller's Note Portion (the "**Seller's Note Revenue Portion**") and the Funding Note Portion (the "**Funding Note Revenue Portion**"). The Cash Manager will determine the size of the Seller's Note Revenue Portion on the basis of the following formula:

$$A \times \text{Seller's Note Revenue Percentage}$$

and the size of the Funding Note Revenue Portion on the basis of the following formula:

$$A \times \text{Adjusted Funding Note Revenue Percentage}$$

where:

A = Remaining Available Revenue Receipts.

The application of any Remaining Available Revenue Receipts attributable to the Seller's Note Revenue Portion will not take into account, nor have the benefit of, the application of the Reserve Fund and/or any payment made by any Interest Rate Swap Counterparty.

The Cash Manager will apply such Seller's Note Revenue Portion as follows:

(i) *first*, to pay interest due on the Seller's Note;

(ii) *second*, to eliminate any debits on the Seller's Note Principal Deficiency Sub-Ledger; and

(iii) *third*, to pay the remainder to the Seller as Deferred Consideration in respect of the sale of the Mortgage Loans under the Mortgage Sale Agreement. The Seller may, however, direct the Issuer, at its sole discretion, that, instead of receiving the Deferred Consideration, such amounts are, in whole or in part, instead added to the Funding Note Revenue Portion of the Remaining Available Revenue Receipts and applied as described in more detail immediately below.

The Cash Manager will apply such Funding Note Revenue Portion, as well as (at the discretion of the Seller) any amounts to be added to the Funding Note Revenue Portion in accordance with item (iii) above, and any Payment Holiday Revenue Shortfall Amount, as follows:

(i) *first* (to the extent not satisfied by any amounts available to be applied in accordance with the Swap Collateral Account Priority of Payments), to pay amounts (including such part of any Swap Termination Payment following the return of any Swap Collateral Excluded Amounts) due to any Interest Rate Swap Counterparty under each Interest Rate Swap Agreement (excluding any Interest Rate Swap Excluded Termination Amount);

(ii) *second*, in no order of priority among them but in proportion to the respective amounts due:

(a) (to the extent not satisfied by any amounts available to be applied in accordance with the Swap Collateral Account Priority of Payments) to pay amounts due and payable to the relevant Currency Swap Counterparty (if any) in respect of interest due and payable (if any) on the Class A Notes of each Series of Notes (including any Swap Termination Payment following the return of any Swap Collateral Excluded Amounts, but excluding any Currency Swap Excluded Termination Amount) in accordance with the terms of the relevant Currency Swap Agreement(s);

(b) to pay interest due and payable (if any) on the Class A Notes of each Series of Notes; and

(c) in respect of the Class A Notes of each Series of Notes in respect of which such Payment Date is not a Note Payment Date, to credit the Interest Provision Fund in an amount equal to the Interest Provision Fund Required Amount;

(iii) *third*, to eliminate any debit entry on the Class A Principal Deficiency Sub-Ledger;

(iv) *fourth*, to credit the Reserve Fund up to the Reserve Fund Required Amount;

(v) *fifth*, to eliminate any debit entry on the Class Z(S) VFN Principal Deficiency Sub-Ledger;

(vi) *sixth*, following the occurrence of an Asset Trigger Event and/or for so long as a Non-Asset Trigger Event is continuing, the remainder to be applied as Available Principal Receipts in order to provide for payment of items (ii) to (iv) inclusive of the Pre-Enforcement Post-Trigger Principal Priority of Payments, and thereafter to be applied at items (vii) to (xi) inclusive of the application of the Funding Note Revenue Portion under the Pre-Enforcement Revenue Priority of Payments;

(vii) *seventh*, to pay interest due and payable on the Class Z(R) VFN;

(viii) *eighth*, to pay interest due and payable on the Class Z(S) VFN;

(ix) *ninth*, to pay principal due and payable under the Class Z(R) VFN;

(x) *tenth*, in no order of priority among them but in proportion to the respective amounts due, to pay Excluded Swap Termination Amounts to any Interest Rate Swap Counterparty or any Currency Swap Counterparties; and

(xi) *eleventh*, to pay the remainder to the Seller as Deferred Consideration in respect of the sale of the Mortgage Loans under the Mortgage Sale Agreement.

AVAILABLE PRINCIPAL RECEIPTS

Available Principal Receipts in respect of a Payment Date will be calculated by the Cash Manager on behalf of the Issuer on the Calculation Date immediately preceding the relevant Payment Date. All Principal Receipts received by the Issuer will be deposited in the Transaction Accounts, will be credited by the Cash Manager to the Principal Ledger and will form part of the Available Principal Receipts.

The "**Pre-Enforcement Principal Priority of Payments**" means, together, the priorities of payments set out under the following sub-headings:

- "*Application of Available Principal Receipts while no Asset Trigger Event has occurred and/or no Non-Asset Trigger Event is continuing and prior to the delivery of an Enforcement Notice*"; and

- "*Application of Available Principal Receipts following the occurrence of an Asset Trigger Event and/or for so long as a Non-Asset Trigger Event is continuing but prior to the delivery of an Enforcement Notice*".

Application of Available Principal Receipts while no Asset Trigger Event has occurred and/or no Non-Asset Trigger Event is continuing and prior to the delivery of an Enforcement Notice

On each Payment Date while no Asset Trigger Event has occurred and/or no Non-Asset Trigger Event is continuing but prior to the delivery by a Note Trustee of an Enforcement Notice, subject to the Principal Repayment Rules, the Cash Manager will apply Available Principal Receipts (other than, for the avoidance of doubt, Swap Collateral Excluded Amounts due to a Swap Counterparty and any Swap Collateral Available Amounts to be applied by the Cash Manager (on behalf of the Issuer) in accordance with the Swap Collateral Account Priority of Payments) to pay, firstly, the Senior Fees and Expenses (to the extent not covered by the application of the Pre-Enforcement Revenue Priority of Payments).

The Cash Manager will then allocate the remaining Available Principal Receipts (the "**Remaining Available Principal Receipts**") into the Seller's Note Portion (the "**Seller's Note Principal Portion**") and the Funding Note Portion (the "**Funding Note Principal Portion**") **provided that**, while no Asset Trigger Event has occurred and for long as no Non-Asset Trigger Event is continuing, amounts standing to the credit of each Cash Accumulation Ledger can be applied to redeem the relevant Series of Bullet Redemption

Notes only. The Cash Manager will determine the size of the Seller's Note Principal Portion on the basis of the following formula:

$$A \times (B/C)$$

and the size of the Funding Note Principal Portion on the basis of the following formula:

$$A \times \left(1 - \left(\frac{B}{C}\right)\right)$$

where:

A = Remaining Available Principal Receipts;

B = the aggregate, as at (i) the relevant Calculation Date or (ii) on or after the Calculation Date falling in December 2024, if there has been an issuance of any Class A Note, Class Z(S) VFN or Seller's Note during the Payment Period immediately prior to such Calculation Date, then the date of issuance of such Notes, of the Sterling Equivalent Principal Amount Outstanding of the Seller's Note; and

C = the aggregate, as at (i) the relevant Calculation Date or (ii) on or after the Calculation Date falling in December 2024, if there has been an issuance of any Class A Note, Class Z(S) VFN or Seller's Note during the Payment Period immediately prior to such Calculation Date, then the date of issuance of such Notes, of the Sterling Equivalent Principal Amount Outstanding of each of the Class A Notes, the Class Z(S) VFN and the Seller's Note.

The application of any Remaining Available Principal Receipts attributable to the Seller's Note Principal Portion will not take into account, nor have the benefit of any payment made by any Interest Rate Swap Counterparty.

The Cash Manager will apply such Seller's Note Principal Portion to repay principal on the Seller's Note down to the Minimum Seller's Note Amount, **provided that**, to the extent there is a shortfall in Available Principal Receipts in respect of the payment of items (ii)(a) and (ii)(b) below ("**Funding Note Principal Portion Shortfall**"), the Seller's Note Principal Portion will be reduced by an amount equal to the Funding Note Principal Portion Shortfall and such amount will be added to the Funding Note Principal Portion and applied as described in more detail immediately below.

The Cash Manager will apply such Funding Note Principal Portion, as well as any amounts to be added to the Funding Note Principal Portion to make up any Funding Note Principal Portion Shortfall and any Payment Holiday Principal Shortfall Amount, as follows:

(i) *first*, to the extent there is a Revenue Shortfall following the application of the Funding Note Revenue Portion of the Remaining Available Revenue Receipts, to pay interest due and payable (if any) on the Class A Notes of each Series of Notes; and

(ii) *second*, in accordance with the Principal Repayment Rules where applicable, but otherwise in no order of priority among them but in proportion to the respective amounts due:

(a) (1) during the relevant Cash Accumulation Period, *pro rata* and *pari passu*, to credit the relevant Cash Accumulation Ledger towards the payment of principal due and payable on the relevant Class A Notes which are Bullet Redemption Notes up to an amount equal to the Cash Accumulation Requirement in respect of the relevant Class A Notes, (2) on any Payment Date which is the Bullet Redemption Date for any relevant Bullet Redemption Notes, to apply amounts standing to the credit of the relevant Cash Accumulation Ledger towards redeeming such Bullet Redemption Notes, and (3) with respect to any Soft Bullet

Redemption Notes which have not been repaid in full on the relevant Soft Bullet Scheduled Redemption Date, to pay any remaining amount of principal due and payable on such Class A Notes;

(b) towards the payment of principal due and payable on the Class A Notes which are Controlled Amortisation Notes in an amount up to the Controlled Amortisation Amount on such Payment Date;

(c) towards the payment of principal due and payable on the Class A Notes which are Pass-Through Redemption Notes until their Sterling Equivalent Principal Amount Outstanding is zero;

(d) towards the payment of amounts due and payable to the relevant Currency Swap Counterparty (if any) in respect of principal due and payable (if any) on non-Sterling denominated Class A Notes of each Series of Notes (including any Swap Termination Payment following the return of any Swap Collateral Excluded Amounts, but excluding any Currency Swap Excluded Termination Amount) in accordance with the terms of the relevant Currency Swap Agreement(s); and

(e) in respect of the Class A Notes of each Series of Notes in respect of which such Payment Date is not a Note Payment Date, to credit the Principal Provision Fund up to the Principal Provision Fund Required Amount,

(iii) *third*, for so long as a Revolving Period End Trigger Event is not continuing, and provided that any Series of the Class A Notes that satisfy the UK STS Criteria Requirements and which were outstanding at the time of the occurrence of such Revolving Period End Trigger Event have been redeemed by the Issuer in full:

(a) towards the purchase of any Additional Mortgage Portfolios; and

(b) towards payment of further consideration in respect of any Flexible Feature Payments or the purchase of any Further Advances granted in respect of any of the Mortgage Loans in the Mortgage Portfolio,

provided that the amount so applied shall be determined after taking into account any amount advanced by the VFN Holder under the Class Z(S) VFN or the Seller's Note in respect of Additional Mortgage Portfolios, or Further Advances, as applicable, or by the holder of the Seller's Note under the Seller's Note in respect of the payment of further consideration in respect of any Flexible Feature Payments, in each case on such Payment Date;

(iv) *fourth*, to the extent any Non-Sterling Notes remain outstanding following their Sterling Equivalent Redemption Date (after the application of any Principal Excess Amounts) to redeem any Non-Sterling Notes until they have been redeemed in full;

(v) *fifth*, to repay principal amounts due on the Class Z(S) VFN, in order to reduce the Principal Amount Outstanding of the Class Z(S) VFN such that it is no less than the Required Subordination Amount;

(vi) *sixth*, to repay principal on the Seller's Note provided that, following such repayment, the Principal Amount Outstanding on the Seller's Note shall be not less than the Minimum Seller's Note Amount; and

(vii) *seventh*, to credit the Excess Principal Fund.

In the applicable circumstances, the Principal Repayment Rules will apply to the Priority of Payments described above.

The Seller may, at any time, give written notice to the Issuer that the Seller intends to repurchase Mortgage Loans (selected at random by the Servicer) with an aggregate Current Balance less than or equal to the Seller's Note Permitted Principal Repayment Amount and repurchase the relevant Mortgage Loans (and their Related Security) from the Issuer. The proceeds of such repurchase will be used solely and exclusively in order to reduce the Seller's Note (**provided that** the Principal Amount Outstanding of the Seller's Note may not, after such repurchase and reduction, be less than the Minimum Seller's Note Amount) (the "**Seller's Note Permitted Repurchase Procedure**"). The Seller may exercise the Seller's Note Permitted Repurchase Procedure irrespective of whether an Asset Trigger Event has occurred or a Non-Asset Trigger Event is continuing or an Event of Default has occurred and is continuing. For these purposes, the "**Seller's Note Permitted Principal Repayment Amount**" will be calculated in accordance with the following formula:

$$A = B - C - D$$

where:

A = Seller's Note Permitted Principal Repayment Amount;
B = Principal Amount Outstanding of the Seller's Note;
C = any amounts recorded as a debit on the Seller's Note Principal Deficiency Sub-Ledger; and
D = the Minimum Seller's Note Amount.

Calculation of the Cash Accumulation Requirement

On each Calculation Date, the Cash Manager is required to determine whether the immediately following Payment Date is within a Cash Accumulation Period relating to any Bullet Redemption Notes. The "**Cash Accumulation Period**" means, in relation to any Series of Bullet Redemption Notes (the "**Relevant Bullet Redemption Notes**"), the period beginning on the earlier to occur of:

(a) the date determined after counting back in time from the Bullet Redemption Date for the Relevant Bullet Redemption Notes, the number of months calculated in respect of the Anticipated Cash Accumulation Period relating to the Relevant Bullet Redemption Notes; and

(b) the Cash Accumulation Start Date,

and ending (i) with respect to the Hard Bullet Redemption Notes, on the relevant Hard Bullet Redemption Date, and (ii) with respect to the Soft Bullet Redemption Notes, on the relevant Soft Bullet Scheduled Redemption Date.

"**Anticipated Cash Accumulation Period**" will be calculated as at each Calculation Date and means, for any Relevant Bullet Redemption Notes, the anticipated number of months required to accumulate sufficient Principal Receipts to pay the Sterling Equivalent Redemption Amount for such Notes on the Hard Bullet Redemption Date or, as applicable, the Soft Bullet Scheduled Redemption Date for the relevant Series, which will be equal to:

$$\frac{A + B - C}{D \times E \times F}$$

calculated in months and rounded up to the nearest whole number, where:

A = the Sterling Equivalent Redemption Amount for the Relevant Bullet Redemption Notes;
B = the aggregate, as at the Calculation Date, of the Sterling Equivalent Principal Amount Outstanding of each other Series of Bullet Redemption Notes, the Hard Bullet Redemption Date or, as applicable, the Soft Bullet Scheduled Redemption Date, of which falls on or before the Bullet Redemption Date, of the Relevant Bullet Redemption Notes;
C = the amounts standing to the credit of each Cash Accumulation Ledger at the relevant Calculation Date which are available to repay the relevant Bullet Redemption Amounts;
D = the lowest of (i) the Monthly PPR on the most recent Calculation Date, (ii) the sum of each Monthly PPR on the three most recent Calculation Dates divided by three, (iii) the sum of each Monthly PPR on the 12 most recent Calculation Dates divided by 12 and (iv) (in the case of Money Market Notes) any alternative PPR if specified in the applicable Final Terms;
E = 85 per cent.; and
F = the aggregate Current Balance of the Mortgage Loans in the Mortgage Portfolio at the beginning of the immediately preceding Calculation Period.

On each Calculation Date, the Cash Manager will additionally calculate the Cash Accumulation Requirement.

Rules for the repayment of principal amounts due on the Notes

The Cash Management Agreement sets out the rules for the application by the Issuer, or the Cash Manager on its behalf, of principal amounts due in respect of the Notes on each Payment Date. These are as follows (Rules (1) to (7) (inclusive) below being, together, the "**Principal Repayment Rules**"):

Rule (1) – Cash Accumulation Shortfall

The Issuer (or the Cash Manager on its behalf) will not apply amounts in accordance with items (ii)(b), (ii)(c), (ii)(d) and (ii)(e) of the application of the Funding Note Principal Portion under the Pre-Enforcement Pre-Trigger Principal Priority of Payments on a Payment Date, if to do so would cause a Cash Accumulation Shortfall to occur following the application of the remaining Available Principal Receipts in accordance with the Pre-Enforcement Pre-Trigger Principal Priority of Payments on such Payment Date.

Rule (2) – Payments in respect of Non-Sterling Notes

For the purposes of making payments in respect of any Series or Class of Non-Sterling Notes:

(a) the Cash Manager will transfer to the relevant Currency Swap Counterparty the relevant principal exchange amount due under the relevant Currency Swap Agreement and the relevant Currency Swap Counterparty will transfer the corresponding principal exchange amount in the currency of the relevant Class A Notes to the Principal Paying Agent for the account of the relevant Non-Sterling Noteholders; or

(b) if there is no Currency Swap Agreement in place for the relevant Series, the Cash Manager will convert an amount equal to the applicable share of Available Principal Receipts into the currency of the relevant Class A Notes at the applicable Spot Rate (booked for conversion for value on that Payment Date) and will transfer the amounts received following such conversion to the Principal Paying Agent for the account of the relevant Non-Sterling Noteholders.

Rule (3) – Repayment of Class Z(S) VFN only permitted to the extent that the Required Subordination Amount will be satisfied

In respect of any repayment of principal on the Class Z(S) VFN on any Payment Date, principal in respect of the Class Z(S) VFN may only be repaid if, after giving effect to such payment and the payment to be made on such date in respect of the Class A Notes, the Actual Subordination Amount is equal to or greater than the Required Subordination Amount.

Rule (4) – Exercise of the Seller's Note Permitted Repurchase Procedure only permitted to the extent that the Principal Amount Outstanding of the Seller's Note does not fall below the Minimum Seller's Note Amount

In respect of the Seller's Note, the Seller may only exercise the Seller's Note Permitted Repurchase Procedure to the extent that, following such exercise, the Principal Amount Outstanding of the Seller's Note will be at least equal to the Minimum Seller's Note Amount.

Following the exercise by the Seller of the Seller's Note Permitted Repurchase Procedure, the Issuer must redeem the Seller's Note using the proceeds of the sale of the relevant Mortgage Loans.

*Rule (5) – Reapplication of principal amounts (the "**Reapplication Rule**")*

Payments in respect of item (ii) of the application of the Funding Note Principal Portion under the Pre-Enforcement Pre-Trigger Principal Priority of Payments will be made in accordance with the following rules:

(a) the Cash Manager will allocate the Available Principal Receipts available to be applied in accordance with item (ii) of the application of the Funding Note Principal Portion under the Pre-Enforcement Pre-Trigger Principal Priority of Payments to each of the Controlled Amortisation Notes in proportion to the respective amounts due on such Controlled Amortisation Notes on the relevant Payment Date expressed as a percentage of the Sterling Equivalent Principal Amount Outstanding of such Controlled Amortisation Notes as at the relevant Calculation Date (each, a "**Note Principal Allocation Amount**");

(b) the Cash Manager will apply each Note Principal Allocation Amount:

  (i) towards the payment of principal due and payable on such Payment Date on each of the Controlled Amortisation Notes in an amount up to the Controlled Amortisation Amount in respect of such Controlled Amortisation Notes on such Payment Date;

  (ii) in respect of the Controlled Amortisation Notes of each Series of Notes in respect of which such Payment Date is not a Note Payment Date, to credit the Principal Provision Fund up to the Principal Provision Fund Required Amount;

(c) to the extent that any Note Principal Allocation Amount exceeds:

  (i) the Controlled Amortisation Amount in respect of any Controlled Amortisation Note in respect of which principal is due and payable on such Payment Date;

  (ii) the Principal Provision Fund Required Amount in respect of any Controlled Amortisation Notes in respect of which such Payment Date is not a Note Payment Date,

(such excess, a "**Note Principal Allocation Excess**"), the Cash Manager will:

(A) allocate such Note Principal Allocation Excess to each of the Controlled Amortisation Notes in respect of which there is a shortfall between the Note Principal Allocation Amount in respect of such Notes and the Controlled Amortisation Amount in respect of such Controlled Amortisation Notes, in proportion to the respective Sterling Equivalent Principal Amount Outstanding of such Notes following the payments in accordance with paragraph (b) above; and

(B) apply such allocated Note Principal Allocation Excess as the Note Principal Allocation Amount in respect of such Notes in accordance with paragraph (b) above; and

(d) if, after the application of any Note Principal Allocation Excess as the Note Principal Allocation Amount in accordance with paragraphs (b) and (c) above:

(i) such Note Principal Allocation Amount exceeds the Controlled Amortisation Amount in respect of any Controlled Amortisation Note in respect of which principal is due and payable on such Payment Date; and

(ii) there remains a shortfall between the Note Principal Allocation Amount in respect of any Controlled Amortisation Notes and the Controlled Amortisation Amount in respect of such Controlled Amortisation Notes,

then the Cash Manager will apply such excess as the Note Principal Allocation Excess in accordance with paragraphs (b) and (c) again. The Cash Manager will repeat this paragraph (d) until there is no further Note Principal Allocation Excess, **provided that** if there is no further shortfall between the Note Principal Allocation Amount in respect of any Controlled Amortisation Notes and the Controlled Amortisation Amount in respect of such Controlled Amortisation Notes, then the Cash Manager will apply any remaining amount available to be applied in accordance with item (ii)(c) of the application of the Funding Note Principal Portion under the Pre-Enforcement Pre-Trigger Principal Priority of Payments towards the payment of principal due and payable on the Class A Notes that are Pass-Through Redemption Notes in proportion to their respective aggregate Sterling Equivalent Principal Amount Outstanding.

Rule (6) – Application of drawdowns under the Seller's Note towards redemption of the Class Z(S) VFN

The Issuer may draw on the Seller's Note for the purposes of, among others, redemption of the Class Z(S) VFN, subject to maintaining the Required Subordination Amount. Where the Issuer draws on the Seller's Note for these purposes, the Issuer shall apply the amounts of such drawing directly in repayment of principal under the Class Z(S) VFN, and such repayment is not required to be subject to the relevant Priority of Payments.

Rule (7) – Application of drawdowns under the Class Z(S) VFN towards redemption of the Seller's Note

The Issuer may draw on the Class Z(S) VFN for the purposes of, among others, redemption of the Seller's Note, subject to maintaining the Minimum Seller's Note Amount. Where the Issuer draws on the Class Z(S) VFN for these purposes, the Issuer shall apply the amounts of such drawing directly in repayment of principal under the Seller's Note, and such repayment is not required to be subject to the relevant Priority of Payments.

Trigger Events

An "**Asset Trigger Event**" will occur if any amount is recorded as a debit on the Class A Principal Deficiency Sub-Ledger after the application of available funds in accordance with the applicable Priorities of Payment on a Payment Date.

Any of the following events is a "**Non-Asset Trigger Event**" (and, together with an Asset Trigger Event, a "**Trigger Event**"):

(a) the occurrence of an Insolvency Event in relation to the Seller or the Servicer;

(b) notice is provided by the Issuer to the Servicer terminating the appointment of the Servicer following the occurrence of a Servicer Termination Event in accordance with the terms of the Servicing Agreement, and a replacement Servicer is not appointed within six months following such termination;

(c) the Actual Subordination Amount continues to be less than the Required Subordination Amount for a period of two months following the date on which the Servicer became aware of the reduction of the Actual Subordination Amount below the Required Subordination Amount, and the Actual Subordination Amount is not restored to the level which is at least equal to the Required Subordination Amount by the end of such period;

(d) the Principal Amount Outstanding of the Seller's Note continues to be less than the Minimum Seller's Note Amount for a period of two months following the date on which the Servicer became aware of the reduction of the Principal Amount Outstanding of the Seller's Note below the Minimum Seller's Note Amount, and the Principal Amount Outstanding of the Seller's Note is not restored to the Minimum Seller's Note Amount by the end of such period; or

(e) the occurrence of an Excess Principal Fund Threshold Event.

Each of the Non-Asset Trigger Events set out at items (a) and (e) above is also a "**Revolving Period End Trigger Event**".

Following the occurrence of an Asset Trigger Event and/or for so long as a Non-Asset Trigger Event is continuing the following will occur:

- all Bullet Redemption Notes and Controlled Amortisation Notes will become Pass-Through Redemption Notes;
- following the occurrence of an Asset Trigger Event (but not following the occurrence of a Non-Asset Trigger Event), interest on all Class A Notes and Sub-Classes of Class A Notes in each Series will be determined and paid on a monthly basis and will be due and payable by the Issuer on each applicable Payment Date; and
- on each Payment Date, the Issuer will be required to apply Available Principal Receipts in accordance with the Priority of Payment set out under "*Application of Available Principal Receipts following the occurrence of an Asset Trigger Event and for so long as a Non-Asset Trigger Event is continuing but prior to the delivery of an Enforcement Notice*" below.

At any time where a Sale Period is not continuing, the Seller will be required to repurchase any Mortgage Loans in respect of which a Further Advance was granted or a Product Switch was made following the occurrence of an event which resulted in the suspension of a Sale Period.

For as long as a Non-Asset Trigger Event is continuing, and provided that a Sale Period is still continuing, the purchase by the Issuer of any Additional Mortgage Portfolio or any Further Advances and paying further consideration in respect of any Flexible Feature Payments in respect of the applicable Mortgage Loans in the Mortgage Portfolio at such time, can be funded solely by drawings under the Seller's Note.

Upon the redemption in full of all Series of Class A Notes that were both (i) outstanding at the time that a Revolving Period End Trigger Event occurred; and (ii) designated as being in compliance with the UK STS Criteria Requirements, the Issuer will no longer be prohibited from applying Available Principal Receipts or the proceeds of any further drawdowns under the Class Z(S) VFN or the Seller's Note towards the purchase of any Additional Mortgage Portfolio or any Further Advances and paying further consideration in respect of any Flexible Feature Payments.

Following the occurrence of a Revolving Period End Trigger Event, and upon the redemption in full of all Series of Class A Notes that are designated as being in compliance with the UK STS Criteria Requirements, the Issuer will no longer be prohibited from applying Available Principal Receipts or the proceeds of any further drawdowns under the Class Z(S) VFN or the Seller's Note towards the purchase of any Additional Mortgage Portfolio or any Further Advances and paying further consideration in respect of any Flexible Feature Payments.

At any time following the occurrence of a Revolving Period End Trigger Event the Issuer may, having given not more than 60 nor less than 30 days' notice to the Note Trustee, the relevant Currency Swap Counterparty (if any) and the Noteholders in accordance with Condition 14 (*Notice to Noteholders*), redeem all (but not some only) of such Series of the Class A Notes that satisfy the UK STS Criteria Requirements as of the date on which such Revolving Period End Trigger Event first occurred on the immediately succeeding Note Payment Date for such Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof.

If, following the occurrence of a Non-Asset Trigger Event, a Non-Asset Trigger Event is no longer continuing:

- the Bullet Redemption Notes which became Pass-Through Redemption Notes while the relevant Non-Asset Trigger Event was continuing will revert to being Hard Bullet Redemption Notes or Soft Bullet Redemption Notes, as applicable;

- the Controlled Amortisation Notes which became Pass-Through Redemption Notes while the relevant Non-Asset Trigger Event was continuing will revert to being Controlled Amortisation Notes, **provided that** on each subsequent Note Payment Date or, as the case may be, Controlled Amortisation Date, until such time as the Sterling Equivalent Principal Amount Outstanding of such Controlled Amortisation Notes immediately prior to such Note Payment Date or, as the case may be, such Controlled Amortisation Date, is greater than or equal to the Target Balance (i) on such Note Payment Date or, (ii) if no such Target Balance is specified in respect of such Note Payment Date, the next Controlled Amortisation Date for such Controlled Amortisation Notes, the Issuer will not apply any amounts in redemption of such Controlled Amortisation Notes on such Note Payment Date or, as the case maybe, such Controlled Amortisation Date; and

- on each Payment Date, the Issuer will be required to apply Available Principal Receipts in accordance with the Priority of Payment set out under "*Application of Available Principal Receipts while no Asset Trigger Event has occurred and/or no Non-Asset Trigger Event is continuing and prior to the delivery of an Enforcement Notice*" above,

provided that if such Non-Asset Trigger Event was also a Revolving Period End Trigger Event, item (iii) of the application of the Funding Note Principal Portion under the Pre-Enforcement Pre-Trigger Principal Priority of Payments will not apply.

Application of Available Principal Receipts following the occurrence of an Asset Trigger Event and for so long as a Non-Asset Trigger Event is continuing but prior to the delivery of an Enforcement Notice

On each Payment Date following the occurrence of an Asset Trigger Event and/or for so long as a Non-Asset Trigger Event is continuing (but prior to the delivery of an Enforcement Notice) the Cash Manager (on behalf of the Issuer) will apply Available Principal Receipts (other than, for the avoidance of doubt, Swap Collateral Excluded Amounts due to any Swap Counterparty and any Swap Collateral Available Amounts to be applied by the Cash Manager (on behalf of the Issuer) in accordance with the Swap Collateral Account Priority of Payments) in the following order of priority:

(i) *first*, to pay the Senior Fees and Expenses (to the extent not covered by the application of the Pre-Enforcement Revenue Priority of Payments);

(ii) *second*, to the extent there is a Revenue Shortfall following the application of the Funding Note Revenue Portion of the Remaining Available Revenue Receipts, to pay interest due and payable (if any) on the Class A Notes of each Series of Notes;

(iii) *third*, in no order of priority among them but in proportion to the respective amounts due:

(a) to the extent not satisfied by any amounts available to be applied in accordance with the Swap Collateral Account Priority of Payments, to pay amounts due and payable to the relevant Currency Swap Counterparty (if any) in respect of principal due and payable (if any) on non-Sterling denominated Class A Notes of each Series of Notes (including any Swap Termination Payment following the return of any Swap Collateral Excluded Amounts, but excluding any Currency Swap Excluded Termination Amount) in accordance with the terms of the relevant Currency Swap Agreement(s); and

(b) if an Asset Trigger Event has occurred, to redeem all the Class A Notes which remain outstanding in no order of priority among them but in proportion to the respective amounts due or, if a Non-Asset Trigger Event is continuing, but an Asset Trigger Event has not occurred, in the following order of priority:

(1) *first*, in the order of their Final Maturity Date, beginning with the earliest such date (and if two or more Series of Class A Notes have the same Final Maturity Date, in proportion to the respective amounts due), to redeem any Class A Notes with Final Maturity Dates falling within 5 years from the date on which the respective Non-Asset Trigger Event has occurred; and

(2) *second*, in no order of priority among them but in proportion to the respective amounts due, to redeem the remaining Class A Notes with Final Maturity Dates falling 5 years or later from the date on which the respective Non-Asset Trigger Event has occurred,

provided that, in respect of any Series of Class A Notes for which the relevant Payment Date is not a Note Payment Date, the Cash Manager (on behalf of the Issuer) will credit the Principal

Provision Fund up to the Principal Provision Fund Required Amount, and **provided further that**, for the purposes of making any payments in respect of any Series or Class of Non-Sterling Notes:

(1) the Cash Manager will transfer to the relevant Currency Swap Counterparty the relevant principal exchange amount due under the relevant Currency Swap Agreement and the relevant Currency Swap Counterparty will transfer the corresponding principal exchange amount in the currency of the relevant Class A Notes to the Principal Paying Agent for the account of the relevant Non-Sterling Noteholders; or

(2) if there is no Currency Swap Agreement in place for the relevant Series, the Cash Manager will convert an amount equal to the applicable share of Available Principal Receipts into the currency of the relevant Class A Notes at the applicable Spot Rate (booked for conversion for value on that Payment Date) and will transfer the amounts received following such conversion to the Principal Paying Agent for the account of the relevant Non-Sterling Noteholders;

(iv) *fourth*, to the extent any Non-Sterling Notes remain outstanding following their Sterling Equivalent Redemption Date (after the application of any Principal Excess Amounts) to redeem any Non-Sterling Notes until they have been redeemed in full;

(v) *fifth*, to redeem the Class Z(S) VFN in full;

(vi) *sixth*, to redeem the Seller's Note in full; and

(vii) *seventh*, any remaining Available Principal Receipts to be applied as Available Revenue Receipts.

Principal Payments in respect of Non-Sterling Notes

If the Original Currency Swap Agreement relating to any Series or Class of Non-Sterling Notes has been terminated, then, on each Payment Date prior to the delivery of an Enforcement Notice:

(a) if, on such Payment Date, the *pro rata* share of the Available Principal Receipts available under the relevant Pre-Enforcement Principal Priority of Payments to repay principal of the Non-Sterling Notes in accordance with Condition 5(c) (*Termination of the applicable Original Currency Swap Agreement*) following conversion into the Specified Currency at:

(i) if no replacement Currency Swap Agreement is in force, the Spot Rate (as determined by the Cash Manager); or

(ii) if a replacement Currency Swap Agreement is in force, the Replacement Exchange Rate,

is less than the amount that would have been payable in the Specified Currency by the original Currency Swap Counterparty in respect of principal if the Original Currency Swap Agreement had not been terminated, the shortfall amounts (such amounts being "**Principal Shortfall Amounts**") will only be paid from any Principal Excess Amounts (as defined below);

(b) if, on such Payment Date, the *pro rata* share of the Available Principal Receipts available under the relevant Pre-Enforcement Principal Priority of Payments to pay principal of the Non-Sterling

Notes in accordance with Condition 5(c) (*Termination of the applicable Original Currency Swap Agreement*) following conversion into Specified Currency at:

(i) if no replacement Currency Swap Agreement is in force, the Spot Rate (by the Cash Manager); or

(ii) if a replacement Currency Swap Agreement is in force, the Replacement Exchange Rate,

is greater than the amount that would have been payable in the Specified Currency by the original Currency Swap Counterparty in respect of principal if the original Currency Swap Agreement had not been terminated, then:

(i) if no replacement Currency Swap Agreement is in force, excess amounts (such amounts being "**Principal Excess Amounts**") will be used to pay any Principal Shortfall Amounts, with any excess being transferred to the Swap Excess Reserve Account for application (subject to the terms of the Transaction Documents) on subsequent Payment Dates to pay any future Principal Shortfall Amounts; and

(ii) if a replacement Currency Swap Agreement is in force, Principal Excess Amounts will be used to pay any Principal Shortfall Amounts, but any excess shall be released (and for the avoidance of doubt any amounts of such excess already held in the Swap Excess Reserve Account will also be released) and will be transferred to a Transaction Account (after conversion into Sterling at the applicable Spot Rate) and credited to the Revenue Ledger for application in accordance with the Pre-Enforcement Revenue Priority of Payments; and

(c) if that Payment Date falls on or following the Sterling Equivalent Redemption Date for the relevant Series or Class of Non-Sterling Notes:

(i) if the relevant Series or Class of Non-Sterling Notes has not been redeemed in full, following application of any amounts held in the Swap Excess Reserve Account, any remaining Principal Amount Outstanding of the relevant Non-Sterling Notes will only be paid subject to and in accordance with item (iv) of the Pre-Enforcement Pre-Trigger Principal Priority of Payments in respect of the application of the Funding Note Principal Portion or, following the occurrence of an Asset Trigger Event and/or for so long as a Non-Asset Trigger Event is continuing, item (iv) of the Pre-Enforcement Post-Trigger Principal Priority of Payments; or

(ii) if the relevant Series or Class of Non-Sterling Notes has been redeemed in full, any amounts held in the Swap Excess Reserve Account will be transferred to a Transaction Account (after conversion into Sterling by the Cash Manager at the applicable Spot Rate) and credited to the Revenue Ledger for application in accordance with the Pre-Enforcement Revenue Priority of Payments.

On or after the delivery of an Enforcement Notice, any amounts held in the Swap Excess Reserve Account will be transferred to a Transaction Account (after conversion into Sterling by the Cash Manager at the applicable Spot Rate) and applied in accordance with the Post-Enforcement Priority of Payments.

APPLICATION OF AVAILABLE FUNDS FOLLOWING THE DELIVERY OF AN ENFORCEMENT NOTICE

Following the delivery by the Note Trustee of an Enforcement Notice to the Issuer, but prior to the Security Trustee (or a Receiver appointed on its behalf) exercising any rights to enforce the Security, the Seller will

have the right to exercise the Seller's Note Permitted Repurchase Procedure in order to repurchase Mortgage Loans from the Issuer, and the proceeds from such repurchase will be applied directly and exclusively towards the repayment of the Seller's Note down to the Minimum Seller's Note Amount (as determined on the date of the delivery of the Enforcement Notice). If the Seller intends to exercise such right, it will provide a notice of such intention to the Security Trustee before the date falling 30 days after the date the Seller receives the copy of the Enforcement Notice, specifying the date on which the Seller intends to exercise its right (the "**Post-Enforcement Repurchase Date**") and setting out the aggregate value of the Mortgage Loans that the Seller will repurchase. The Seller shall then repurchase the relevant Mortgage Loans on the Post-Enforcement Repurchase Date, and the Security Trustee (or the Cash Manager on its behalf) will apply the proceeds of such repurchase directly towards the redemption of the Seller's Note.

Following such exercise of the Seller's Note Permitted Repurchase Procedure on the Post-Enforcement Repurchase Date, or if the Seller has not provided notice of its intention to exercise the Seller's Note Permitted Repurchase Procedure within the 30-day period specified above, the Security Trustee (or a Receiver appointed on its behalf) will be permitted to exercise its rights to enforce the Security. The Cash Management Agreement sets out the order of priority for the application by the Security Trustee (or the Cash Manager on its behalf) of amounts received or recovered by the Security Trustee or a Receiver appointed on its behalf.

On each Payment Date following the delivery by the Note Trustee of an Enforcement Notice to the Issuer, the Security Trustee (or the Cash Manager on its behalf) will be required to apply all amounts received or recovered by the Security Trustee (or a Receiver appointed on its behalf) (excluding Swap Collateral Excluded Amounts (if any) due to any Swap Counterparty by the Issuer under any Swap Agreement which will be applied in accordance with the Swap Collateral Account Priority of Payments and any further consideration due to the Seller in relation to the Issuer's receipt of Early Repayment Charges which will be paid directly to the Seller) in accordance with the following order of priority (the "**Post-Enforcement Priority of Payments**"):

(i) *first*, in no order of priority among them but in proportion to the amounts due, to pay amounts due to the Note Trustee, the Security Trustee and any Receiver appointed by the Security Trustee and any of their respective Appointees and to provide for any amounts then due or to become due and payable to the Note Trustee, the Security Trustee and the Receiver and any of their respective Appointees prior to the next following Payment Date pursuant to the terms of the Trust Deed and/or the Deed of Charge, as applicable;

(ii) *second*, in no order of priority among them but in proportion to the respective amounts due:

(a) to pay amounts due to the Agent Bank, the Paying Agents, the Exchange and Transfer Agent, the VFN Registrar and/or the Registrar and to provide for any amounts then due or to become due prior to the next following Payment Date to the Agent Bank, the Paying Agents, the Exchange and Transfer Agent, the VFN Registrar and/or the Registrar pursuant to the terms of the Agency Agreement;

(b) in no order of priority among them but in proportion to the respective amounts due, to pay amounts due (or, as applicable, to provide for any amounts then due or to become due prior to the next following Payment Date) to the Servicer and/or the Back-up Servicer Facilitator pursuant to the terms of the Servicing Agreement, to the Account Banks pursuant to the terms of the Account Bank Agreements, to the Custodian pursuant to the terms of the Custody Agreement and the Swap Collateral Custody Agreement, to the Cash Manager pursuant to the terms of the Cash Management Agreement, to the Corporate

Services Provider pursuant to the terms of the Corporate Services Agreement, to any Tender Agent under a Remarketing Agreement; and

(iii) *third* (to the extent not satisfied by any amounts available to be applied in accordance with the Swap Collateral Account Priority of Payments), to pay amounts (including such part of any Swap Termination Payment following the return of any Swap Collateral Excluded Amounts) due to any Swap Counterparty under the relevant Swap Agreement (excluding any relevant Swap Excluded Termination Amount).

The Security Trustee (or the Cash Manager on its behalf) will, following the payment of the amounts referred to in paragraphs (i) to (iii) above, allocate the remaining amounts received or recovered by the Security Trustee (or a Receiver appointed on its behalf) (the "**Remaining Available Enforcement Receipts**") into the Seller's Note Portion ("**Seller's Note Post-Enforcement Portion**") and the Funding Note Portion ("**Funding Note Post-Enforcement Portion**"). The Security Trustee (or the Cash Manager on its behalf) will determine the size of the Seller's Note Post-Enforcement Portion on the basis of the following formula:

A x Seller's Note Percentage

and the size of the Funding Note Post-Enforcement Portion on the basis of the following formula:

A x Adjusted Funding Note Percentage

where:

A = Remaining Available Enforcement Receipts.

Save as described above and the application of the Remaining Available Enforcement Receipts, the application of any Remaining Available Enforcement Receipts attributable to the Seller's Note Post-Enforcement Portion will not take into account, nor have the benefit of, the application of the Reserve Fund and/or any payment made by any Interest Rate Swap Counterparty, such amounts to be used solely and exclusively in connection with the Funding Post-Enforcement Note Portion.

The Security Trustee (or the Cash Manager on its behalf) will apply the Seller's Note Post-Enforcement Portion to pay interest due or overdue on, and to repay principal on, the Seller's Note. Should the Seller exercise the Seller's Note Permitted Repurchase Procedure, any proceeds received by the Issuer from such repurchase will be applied directly towards repayment of principal on the Seller's Note in accordance with Rule (4) of the Principal Repayment Rules, and these amounts will not be distributed in accordance with any applicable Priority of Payments.

The Security Trustee (or the Cash Manager on its behalf) will apply the Funding Note Post-Enforcement Portion in accordance with the following order of priority:

(i) *first*, in no order of priority among them but in proportion to the respective amounts due, to pay interest and fees due or overdue on, and to repay principal of, the applicable Series of Class A Notes and (to the extent not satisfied by any amounts available to be applied in accordance with the Swap Collateral Account Priority of Payments) to pay any Swap Termination Payment due to the relevant Swap Counterparty for each Series of Class A Notes (but excluding any Swap Excluded Termination Amount);

(ii) *second*, in no order of priority among them but in proportion to the respective amounts due, to pay interest due or overdue on each Sub-Class of Class Z VFNs;

(iii) *third* (to the extent not satisfied by any amounts available to be applied in accordance with the Swap Collateral Account Priority of Payments), in no order of priority among them but in proportion to the respective amounts due, to pay any Swap Excluded Termination Amounts to any Swap Counterparty;

(iv) *fourth*, to retain an amount equal to the Issuer Profit Amount as profit;

(v) *fifth*, to repay principal on the Class Z(R) VFN;

(vi) *sixth*, to repay principal on the Class Z(S) VFN;

(vii) *seventh*, to pay amounts due to any third party creditors of the Issuer (other than those referred to elsewhere in this Post-Enforcement Priority of Payments) of which the Cash Manager has notice prior to the relevant Payment Date, which amounts have been incurred without breach in any material respect by the Issuer of the terms of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and to provide for any such amounts expected to become due and payable by the Issuer prior to the next following Payment Date and to pay or discharge any liability of the Issuer for tax; and

(viii) *eighth*, to pay any amount remaining to the Seller as Deferred Consideration.

As described in "*Application of Available Principal Receipts while no Asset Trigger Event has occurred and/or no Non-Asset Trigger Event is continuing and prior to the delivery of an Enforcement Notice*" above, the Seller may continue to exercise the Seller's Note Permitted Repurchase Procedure at any time following the delivery by the Note Trustee of an Enforcement Notice to the Issuer for so long as any Mortgage Loans remain in the Mortgage Portfolio. For the avoidance of doubt, the Seller will ensure that the Principal Amount Outstanding of the Seller's Note is at least equal to the Minimum Seller's Note Amount for so long as any Class A Notes (or any other Notes that are not at all times held by the Seller (or its wholly-owned affiliates)) or any Class Z VFNs remain outstanding.

SWAP COLLATERAL ACCOUNT PRIORITY OF PAYMENTS

Swap Collateral

In the event that a Swap Counterparty is required to transfer Swap Collateral to the Issuer in respect of its obligations under the relevant Swap Agreement in accordance with the terms of the relevant Credit Support Annex, that Swap Collateral (and any interest and/or distributions earned thereon) will be credited to the relevant Swap Collateral Account and credited to the relevant Swap Collateral Ledger. In addition, upon termination of a Swap Agreement, (a) any Swap Replacement Premium received by the Issuer from a replacement Swap Counterparty, (b) any termination payment received by the Issuer from the relevant outgoing Swap Counterparty which is required to fund any Swap Replacement Premium payable by the Issuer, and (c) any Swap Tax Credits will be credited to the relevant Swap Collateral Account and recorded on the relevant Swap Collateral Ledger.

Amounts standing to the credit of the relevant Swap Collateral Account (including interest, distributions and redemption or sale proceeds thereon or thereof) and recorded on the relevant 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 (the "**Swap Collateral Account Priority of Payments**"), and **provided further that** if the Swap Collateral Account Priority of Payments and any of the Priorities of Payments are to be operated on the same date, the Swap Collateral Account Priority of Payments will be operated prior to any of the Priorities of Payments:

(a) to pay, subject to the terms of the relevant Swap Agreement, to the relevant Swap Counterparty an amount equal to any Swap Tax Credits received by the Issuer;

(b) prior to the designation of an early termination date (as such term is defined in the relevant Swap Agreement, the "**Early Termination Date**") in respect of the relevant Swap Agreement, solely in or towards payment or discharge of any Return Amounts, Interest Amounts and Distributions (each as defined in the relevant Credit Support Annex), on any day, directly to the relevant Swap Counterparty;

(c) following the occurrence of an Early Termination Date in respect of a Swap Agreement where (A) such Early Termination Date has been designated following a Swap Counterparty Default or Swap Counterparty Downgrade Event, and (B) the Issuer enters into a Replacement Swap Agreement in respect of the relevant Swap Agreement on or around the Early Termination Date of such Swap Agreement (and no later than 20 Business Days following such Early Termination Date), on the later of (1) the day on which such Replacement Swap Agreement is entered into, (2) (**provided that** the Cash Manager may apply such amounts on such earlier date (as notified by the Issuer to the Cash Manager) as the Issuer may determine appropriate if the Issuer reasonably believes that the Issuer will not receive the corresponding termination payment from the relevant Swap Counterparty on the relevant due date under the relevant Swap Agreement) the day on which a termination payment (if any) payable to the Issuer has been received, and (3) the day on which any Swap Replacement Premium (if any) payable to the Issuer has been received, in the following order of priority:

(i) *first*, in or towards payment of any Swap Replacement Premium (if any) payable by the Issuer to the relevant replacement Swap Counterparty in order to enter into the relevant Replacement Swap Agreement with the Issuer with respect to the relevant Swap Agreement being terminated;

(ii) *second*, in or towards payment of any termination payment due to the relevant outgoing Swap Counterparty; and

(iii) *third*, the surplus (if any) on such day to be transferred to a Transaction Account, to be applied as Available Revenue Receipts;

(d) following the occurrence of an Early Termination Date in respect of a Swap Agreement where: (A) such Early Termination Date has been designated otherwise than as a result of one of the events specified at item (c) above, and (ii) the Issuer enters into a Replacement Swap Agreement in respect of the relevant Swap Agreement on or around the Early Termination Date of such Swap Agreement (and no later than 20 Business Days following such Early Termination Date), on the later of (1) the day on which such Replacement Swap Agreement is entered into, (2) (**provided that** the Cash Manager may apply such amounts on such earlier date (as notified by the Issuer to the Cash Manager) as the Issuer may determine appropriate if the Issuer reasonably believes that the Issuer will not receive the corresponding termination payment from the relevant Swap Counterparty on the relevant due date under the relevant Swap Agreement) the day on which a termination payment (if any) payable to the Issuer has been received, and (3) the day on which any Swap Replacement 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 relevant outgoing Swap Counterparty;

(ii) *second*, in or towards payment of any Swap Replacement Premium (if any) payable by the Issuer to the relevant replacement Swap Counterparty in order to enter into the relevant Replacement Swap Agreement with the Issuer with respect to the Swap Agreement being terminated; and

(iii) *third*, the surplus (if any) on such day to be transferred to a Transaction Account, to be applied as Available Revenue Receipts;

(e) following the occurrence of an Early Termination Date in respect of a Swap Agreement for any reason where the Issuer does not enter, or intend to enter, into a Replacement Swap Agreement within 10 Business Days of such Early Termination Date, then on the date on which the relevant payment is due, in or towards payment of any termination payment due to the relevant outgoing Swap Counterparty; and

(f) following payments of amounts due pursuant to (e) above, if amounts remain standing to the credit of a Swap Collateral Account, such amounts may be transferred to a Transaction Account, to be applied as Available Revenue Receipts, **provided that** for so long as the Issuer does not enter into a Replacement Swap Agreement with respect to the relevant Swap Agreement, on each Swap Payment Date, the Issuer (or the Cash Manager on its behalf) will be permitted to withdraw an amount from the relevant Swap Collateral Account (which will be debited to the relevant Swap Collateral Ledger), equal to the excess of such amount, determined in accordance with the terms of the relevant Swap Agreement, over the Issuer Swap Amount which would have been paid by the relevant Swap Counterparty to the Issuer on such Swap Payment Date but for the designation of an Early Termination Date under the relevant Swap Agreement, such surplus to be transferred to a Transaction 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 relevant Swap Agreement on or prior to the earlier of:

(i) the Calculation Date immediately before the Payment Date on which the Principal Amount Outstanding of all Class A Notes would be reduced to zero (taking into account any Swap Collateral Account Surplus to be applied as Available Revenue Receipts on such Payment Date); or

(ii) the day on which an Enforcement Notice is served in accordance with Condition 9 (*Events of Default*); or

(iii) the date on which the Current Balance of the Fixed Rate Mortgage Loans (excluding any Enforced Mortgage Loans) is reduced to zero,

then the amount standing to the credit of such Swap Collateral Account on such day will be transferred to a Transaction Account, to be applied as Available Revenue Receipts as soon as reasonably practicable thereafter.

THE CLASS Z VFNS AND THE SELLER'S NOTE

On the First Closing Date, the Issuer issued the Class Z VFNs and the Seller's Note to the VFN Holder. The Class Z VFNs consist of two separate Sub-Classes, namely the Class Z(R) VFN and the Class Z(S) VFN, each as explained below.

Form and denomination

The Class Z VFNs and the Seller's Note have been issued in definitive form and are represented by Regulation S Individual Note Certificates pursuant to the Trust Deed. The Issuer also maintains a VFN Register, kept on the Issuer's behalf by the VFN Registrar, in which the Class Z VFNs and the Seller's Note are registered in the name of the VFN Holder. Transfers of the Class Z VFNs and the Seller's Note may be made only through the Register maintained by the Issuer and are subject to the transfer restrictions set out in Condition 1(d) (*Transfers*).

Ranking

The payment of interest due on any Payment Date in respect of the Class Z(R) VFN and the Class Z(S) VFN is subordinated to the payment of interest due on such Payment Date in respect of the Class A Notes of all Series and the Seller's Note, with the payment of interest on the Class A Notes and the Seller's Note ranking *pro rata* and *pari passu*.

The payment of interest due on any Payment Date in respect of the Class Z(R) VFN and the Class Z(S) VFN is also subordinated to the replenishment of the Reserve Fund up to the Reserve Fund Required Amount. None of the Class Z VFNs or the Seller's Note has the benefit of amounts standing to the credit of the Reserve Fund.

The repayment of principal due on any Payment Date in respect of the Class Z(S) VFN is subordinated to the repayment of principal due on such Payment Date in respect of the Class A Notes.

The repayment of principal due on any Payment Date in respect of the Seller's Note (i) prior to service of an Enforcement Notice (for so long as no Asset Trigger Event has occurred and/or no Non-Asset Trigger Event is continuing), and (ii) following service of an Enforcement Notice, will rank *pro rata* and *pari passu* with the repayment of principal on the Class A Notes.

Where an Asset Trigger Event has occurred and/or a Non-Asset Trigger Event is continuing, and provided that no action has been taken to enforce the security created by the Issuer under the Transaction Documents, the repayment of principal due on any Payment Date in respect of the Seller's Note is subordinated to the repayment of principal on the Class A Notes and the Class Z(S) VFN.

See also "*Credit Structure and Cashflows*" and "*Risk factors – Subordination of other Classes may not protect Noteholders from all risk of loss*".

Class Z VFNs

Each Sub-Class of Class Z VFN has been issued as a separate variable funding note, the Principal Amount Outstanding of which may be increased through further drawdowns from time to time, or may be decreased through:

(i) in the case of the Class Z(R) VFN, being repaid from Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments; or

(ii) in the case of the Class Z(S) VFN, being repaid from Available Principal Receipts in accordance with the relevant Pre-Enforcement Principal Priority of Payments (subject to certain conditions as

set out in "*Credit Structure and Cashflows*" including, in particular, that the Required Subordination Amount for the Class A Notes is maintained at all times),

or otherwise in accordance with Condition 5 (*Redemption, Purchase and Cancellation*).

Any further drawdown under any Sub-Class of Class Z VFN will be carried out in accordance with, and subject to the conditions set out in, Condition 18 (*Increasing the Principal Amount Outstanding of the VFNs*).

Interest

Each Sub-Class of Class Z VFNs bears interest on its Principal Amount Outstanding from time to time as described in Condition 4 (*Interest*). Interest on each Sub-Class of Class Z VFNs is payable on each Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments.

The Seller's Note

The Seller's Note has been issued to Coventry Building Society on the First Closing Date. The Seller's Note has been issued for one or more of the following purposes:

(a) maintaining the requisite level of on-going Principal Receipts necessary so as to meet scheduled payments on the Controlled Amortisation Notes and the Cash Accumulation Requirement in respect of Bullet Redemption Notes;

(b) funding all or any part of the Initial Additional Mortgage Portfolio Purchase Price for any Additional Mortgage Portfolios;

(c) funding the purchase of Additional Mortgage Loans and their Related Security in circumstances where the Actual Subordination Amount is greater than the Required Subordination Amount;

(d) complying with the EU Risk Retention Requirements, the UK Risk Retention Requirements and the US Credit Risk Retention Requirements;

(e) application of the drawings thereunder as Available Principal Receipts to effect the redemption of the Class A Notes on the next following Payment Date in accordance with Condition 5(b) (*Mandatory Redemption of the Notes in Part*) and the applicable Priority of Payments and the Principal Repayment Rules;

(f) application of the drawings thereunder to effect the redemption of the Class Z(S) VFN in accordance with Condition 5 (*Redemption, Purchase and Cancellation*), subject to maintaining the Required Subordination Amount; and/or

(g) funding in whole or in part the purchase of any Further Advances or further consideration in respect of any Flexible Feature Payments on the applicable Mortgage Loans in the Mortgage Portfolio; and/or

(h) making up for any shortfall caused by payment holidays granted to Borrowers and any other authorised underpayments under the Mortgage Loans in the Mortgage Portfolio,

provided that the Issuer (or the Cash Manager on its behalf) will ensure that the Principal Amount Outstanding of the Seller's Note is at least equal to the Minimum Seller's Note Amount.

Minimum Seller's Note Amount

The Issuer (or the Cash Manager on its behalf) will ensure that, for so long as any Class A Notes (or any other Notes that are not at all times held by the Seller (or its wholly-owned affiliates)) or any Class Z VFNs

remain outstanding, the Principal Amount Outstanding of the Seller's Note is at least equal to the Minimum Seller's Note Amount.

If the Principal Amount Outstanding of the Seller's Note is in excess of the Minimum Seller's Note Amount, then:

(a) the Seller's Note may, in accordance with the relevant Pre-Enforcement Principal Priority of Payments, be redeemed in an amount such that, following such repayment, Principal Amount Outstanding of the Seller's Note is at least equal to the Minimum Seller's Note Amount; and/or

(b) the Seller may elect to exercise the Seller's Note Permitted Repurchase Procedure in order to repurchase Mortgage Loans and their Related Security from the Issuer, and the proceeds from such repurchase will be applied directly and exclusively towards the repayment of the Seller's Note.

In addition, the Issuer may apply the Class A Note Issuance Proceeds (with any costs and expenses associated with such issuance being funded by a drawing made under the Class Z(R) VFN) to redeem the Seller's Note, provided that:

(a) following such redemption, the Principal Amount Outstanding of the Seller's Note would not be less than the Minimum Seller's Note Amount; and

(b) the Seller's Note Redemption Amount shall not exceed the amount of such Class A Note Issuance Proceeds.

If some or all of the relevant Class A Notes are Retained Class A Notes, then, to the extent that the Seller's Note Redemption Amount is less than or equal to the Class A Note Issuance Proceeds, the Seller's Note Redemption Amount shall be netted against an amount equal to the Retained Class A Notes. The holder of the Seller's Note shall procure that any surplus Class A Note Issuance Proceeds relating to Retained Class A Notes left following such netting are turned over to the Issuer.

Any such redemption of the Seller's Note shall take place on the Closing Date in respect of the relevant Class A Notes, and shall occur otherwise than in accordance with any Priority of Payments.

It should be noted that, at any time when the Principal Amount Outstanding of the Seller's Note is in excess of the Minimum Seller's Note Amount, the Seller may, at its discretion, exercise the Seller's Note Permitted Repurchase Procedure. For the avoidance of doubt, the Seller may exercise the Seller's Note Permitted Repurchase Procedure irrespective of whether an Asset Trigger Event has occurred or whether a Non-Asset Trigger Event is continuing and/or an Event of Default has occurred and is continuing.

The Class Z(S) VFN

The Class Z(S) VFN has been issued to the VFN Holder on the First Closing Date.

Required Subordination Amount

The overall Required Subordination Amount for the Programme and each Series of outstanding Class A Notes from time to time will be achieved through the retention by the VFN Holder of the Class Z(S) VFN. The Principal Amount Outstanding under the Class Z(S) VFN at any time is required to be an amount equal to or greater than the Required Subordination Amount.

The Issuer (or the Cash Manager on its behalf) may change the Required Subordination Percentage or the method of computing the Required Subordination Amount, at any time (including, without limitation, on any Issuance Date) without the consent of any Noteholders **provided that**:

- it ensures that the Required Subordination Amount is calculated by reference to the highest Required Subordination Percentage applicable from time to time with respect to all Class A Notes which are outstanding and have not been repaid in full;
- it has obtained a Ratings Confirmation in respect thereof; and
- for so long as any Series and Class of Notes that remain outstanding are Rule 144A Notes, it has obtained an opinion of counsel that for US federal income tax purposes (i) the change will not adversely affect the tax characterisation as debt of any outstanding Series and Class of Notes that were characterised as debt at the time of their issuance and (ii) such change will not cause or constitute an event in which gain or loss would be recognised by any holder of such Notes.

If, on any Calculation Date, the Cash Manager determines that a Subordination Deficit has occurred, it will notify the Issuer who in turn will notify the VFN Holder of such occurrence.

Upon receipt of notice of a Subordination Deficit, the VFN Holder will make an offer to advance a Class Z(S) Increase to the Issuer. The Issuer is required to accept any such offer, and the VFN Holder will advance an amount equal to the relevant Class Z(S) Increase to the Issuer on the relevant Payment Date, to be applied by the Issuer on such Payment Date either in payment to the Seller of the Initial Additional Mortgage Portfolio Purchase Price payable for Additional Mortgage Portfolios on such Payment Date or as Available Principal Receipts.

If, on any Calculation Date, the Cash Manager determines that the Actual Subordination Amount is (or will be following the application of Available Revenue Receipts and Available Principal Receipts on the relevant Payment Date) in excess of the Required Subordination Amount, the Class Z(S) VFN may, in accordance with the relevant Pre-Enforcement Principal Priority of Payments, be repaid on the relevant Payment Date to an amount such that the Actual Subordination Amount is at least equal to the Required Subordination Amount.

The Class Z(R) VFN

The Class Z(R) VFN has been issued to the VFN Holder on the First Closing Date, and may be drawn down for the purposes of paying the start-up expenses of the Issuer and the fees, costs and expenses of the Issuer incurred in connection with the issuance of each Series of Notes, funding and (at the sole discretion of the VFN Holder) replenishing the Reserve Fund, and (at the sole discretion of the VFN Holder), eliminating any debt entries on any Principal Deficiency Sub-Ledger.

Reserve Deficits

If, on any Calculation Date, the Cash Manager determines that:

(a) the amount standing to the credit of the Reserve Fund on such Calculation Date is less than the Reserve Fund Required Amount and there will be insufficient Available Revenue Receipts to be applied in accordance with item (iv) of the application of the Funding Note Revenue Portion under the Pre-Enforcement Revenue Priority of Payments on the immediately succeeding Payment Date to credit the Reserve Fund to the Reserve Fund Required Amount; or

(b) a Revenue Shortfall will occur on the immediately succeeding Payment Date,

then the Cash Manager will notify the VFN Holder of the amount that the Issuer wishes to draw down under the Class Z(R) VFN, being an amount equal to:

(a) the Reserve Fund Required Amount on such Payment Date; less

(b) the amount that will be standing to the credit of the Reserve Fund on such Payment Date after application of Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments on such Payment Date,

(the "**Reserve Deficit Drawing**").

Upon receipt of notice of a Reserve Deficit Drawing, the VFN Holder may, at its sole discretion, make an offer to the Issuer to advance a Class Z(R) Increase in an amount up to the Reserve Deficit Drawing.

The Issuer is required to accept any such offer, and the VFN Holder will advance an amount equal to the relevant Class Z(R) Increase to the Issuer on the relevant Payment Date to be applied by the Issuer as Available Revenue Receipts.

Principal Deficiencies

If, on any Calculation Date, the Cash Manager determines that there is a Principal Deficiency, or there will be a Principal Deficiency following the application of available funds in accordance with the relevant Priority of Payments on the immediately succeeding Payment Date, then the Cash Manager will notify the Issuer who will in turn notify the VFN Holder.

Upon receipt of notice of a Principal Deficiency, the VFN Holder may, at its sole discretion, make an offer to the Issuer to advance an amount under the Class Z(R) VFN up to an amount equal to the Principal Deficiency.

The Issuer is required to accept any such offer, and the VFN Holder will advance an amount equal to the relevant Class Z(R) Increase to the Issuer on the relevant Payment Date.

CASH MANAGEMENT

The material terms of the Cash Management Agreement, the Account Bank Agreements, the Custody Agreement and the Swap Collateral Custody Agreement are summarised in this section. The summary does not purport to be complete and it is subject to the provisions of the Cash Management Agreement, the Account Bank Agreements, the Custody Agreement and the Swap Collateral Custody Agreement.

Cash Management Agreement

Pursuant to the terms of the Cash Management Agreement, the Cash Manager has been appointed to provide cash management services to the Issuer.

Cash Management Services

The Cash Manager's duties include, but are not limited to:

(a) maintaining the following ledgers on behalf of the Issuer:

(i) the Principal Ledger, which will record Principal Receipts received by the Issuer;

(ii) the Revenue Ledger, which will record Revenue Receipts received by the Issuer;

(iii) the relevant Cash Accumulation Ledgers which will record the Principal Receipts accumulated by the Issuer to repay the relevant Bullet Redemption Amounts;

(iv) the Profit Ledger, which will record all amounts retained by the Issuer as profit on each Payment Date;

(v) the Reserve Ledger, which will record the amount credited to the Reserve Fund from time to time, and subsequent withdrawals from and deposits to the Reserve Fund;

(vi) the Interest Provision Ledger, which will record amounts credited to the Interest Provision Fund from time to time, and subsequent withdrawals from the Interest Provision Fund to be applied as Available Revenue Receipts;

(vii) the Principal Provision Ledger, which will record amounts credited to the Principal Provision Fund from time to time, and subsequent withdrawals from the Principal Provision Fund to be applied as Available Principal Receipts;

(viii) the Excess Principal Ledger, which will record amounts standing to the credit of the Excess Principal Fund at any time;

(ix) the Principal Deficiency Ledger (to be divided into Funding Principal Deficiency Sub-Ledgers and the Seller's Note Principal Deficiency Sub-Ledger) which will record, among other things, any Losses on the Mortgage Loans in the Mortgage Portfolio together with the application of any Available Principal Receipts in respect of any Revenue Shortfall; and

(x) the relevant Swap Collateral Ledgers which will record all payments, deliveries, transfers and receipts in connection with Swap Collateral in respect of any Swap Agreement.

(b) making the following determinations on each Calculation Date:

(i) the amount of Available Revenue Receipts and Available Principal Receipts to be applied on the relevant Payment Date;

(ii) the Principal Amount Outstanding of each Series and Class of Notes;

(iii) the amounts to be applied in accordance with each Priority of Payments on the relevant Payment Date;

(iv) the Interest Provision Fund Required Amount and the Principal Provision Fund Required Amount;

(v) whether any Series of Bullet Redemption Notes is in a Cash Accumulation Period, along with the Cash Accumulation Requirement, the Pass-Through Redemption Allocation and the Controlled Amortisation Allocation;

(vi) the Actual Subordination Amount and the Required Subordination Amount and any amounts that may be repaid in respect of the Sub-Classes of Class Z VFNs;

(vii) the Reserve Fund Required Amount;

(viii) whether a Revenue Shortfall will exist on the relevant Payment Date;

(ix) whether the Excess Principal Fund Threshold Event has occurred; and

(x) such other amounts as are expressed to be calculations and determinations made by the Cash Manager under the Transaction Documents and the Conditions, including (but not limited to) the calculations required by the definitions of Funding Note Principal Portion, Funding Note Revenue Portion, Funding Note Post-Enforcement Portion, Seller's Note Principal Portion, Seller's Note Revenue Portion and Seller's Note Post-Enforcement Portion (and, in particular, to take into account any Notes issued during the relevant Payment Period);

(c) investing sums standing to the credit of the Transaction Accounts, in Authorised Investments as described in "*Credit Structure and Cashflows – General Credit Structure – Authorised Investments*";

(d) making withdrawals from the Reserve Fund as and when required;

(e) applying Available Revenue Receipts and Available Principal Receipts in accordance with the relevant Priority of Payments;

(f) administering further advances under the Class Z VFNs; and

(g) preparing and providing to the Issuer, the Security Trustee and the Rating Agencies, the Investor Report and the Loan Level Report.

For details of the cashflows applicable to the Programme, see "*Credit Structure and Cashflows*".

Reporting

The Cash Manager will make available electronically, through its website at www.coventrybuildingsociety.co.uk/member/investor-relations/funding-programmes.html, the Investor Report and the Loan Level Report within one month of each Payment Date to the Issuer, the Servicer, the Note Trustee, the Security Trustee and the Rating Agencies. The Cash Manager will make available the Investor Report and the Loan Level Report on the UK Securitisation Repository Website and the EU Securitisation Repository Website.

The Cash Manager will report any change in Priority of Payments without undue delay to the extent required under Article 21(9) of the EU Securitisation Regulation and/or (i) prior to the Recast UK Securitisation Regime Effective Date, Article 21(9) of the UK Securitisation Regulation, and (ii) on and from the Recast

UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, in particular, SECN 2.2.23R, as provided for in the Cash Management Agreement.

Compensation of Cash Manager

The Cash Manager is paid an annual fee for its services which is required to be paid in equal instalments monthly in arrear on a Payment Date. In addition, the Cash Manager is entitled to be indemnified for any expenses or other amounts properly incurred by it in carrying out its duties. The fees, expenses and other amounts are required to be paid by the Issuer in accordance with and subject to the terms of the relevant Priority of Payments, prior to the payment of amounts due in respect of the Notes.

Resignation of Cash Manager

The Cash Manager is entitled to resign only on giving 90 days' prior written notice to the Issuer and the Security Trustee **provided that**:

- a substitute Cash Manager has been appointed and a new Cash Management Agreement is entered into on terms substantially the same as the Cash Management Agreement and the rights of the Issuer under such agreement are assigned by way of security in favour of the Security Trustee; and

- a Ratings Confirmation is received in respect of the replacement.

Termination of appointment of Cash Manager

The Issuer (with the prior written consent of the Security Trustee) or (following delivery of an Enforcement Notice) the Security Trustee is entitled, upon written notice to the Cash Manager, to terminate its appointment as Cash Manager immediately on, or at any time after, the occurrence of certain events, including:

- the Cash Manager defaults in the payment of any amount due and such default is not waived by the Issuer (with the prior written consent of the Security Trustee), and the Cash Manager fails to remedy such default for a period of five Business Days after the earlier of the Cash Manager becoming aware of the default and receiving a written notice of such default from the Issuer or (following delivery of an Enforcement Notice) the Security Trustee;

- the Cash Manager fails to comply with any of its other obligations under the Cash Management Agreement, and such failure to comply is not waived by the Issuer (in each case, with the prior written consent of the Security Trustee), and in the opinion of the Security Trustee, acting in accordance with the direction of the Note Trustee, such failure is materially prejudicial to the interests of the holders of the Most Senior Class of Notes and does not remedy that failure within 20 Business Days after the earlier of becoming aware of the failure and receiving written notice from the Issuer or (following delivery of an Enforcement Notice) the Security Trustee; or

- the Cash Manager suffers an Insolvency Event.

Upon termination of the appointment of the Cash Manager, the Issuer is required to use its reasonable endeavours to procure the appointment of a substitute Cash Manager. Any such substitute Cash Manager will be required to enter into an agreement on substantially the same terms as the provisions of the Cash Management Agreement and any appointment is conditional upon receipt of a Ratings Confirmation.

If the appointment of the Cash Manager is terminated or it resigns, the Cash Manager is required to deliver its books of account relating to the Mortgage Loans in the Mortgage Portfolio to or at the direction of the Issuer or (following delivery of an Enforcement Notice) the Security Trustee. The Cash Management Agreement will terminate automatically when the Issuer has no further interest in the Mortgage Portfolio and all amounts outstanding under the Notes have been repaid or otherwise discharged.

Governing law

The Cash Management Agreement is and any non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with English law.

Account Bank Agreements and Bank Accounts

Pursuant to the terms of the Account Bank Agreements the Issuer will maintain the Bank Accounts.

Transaction Accounts

As at the Programme Date, the Issuer holds the Transaction Accounts with the First Account Bank and the Second Account Bank pursuant to the terms of the First Account Bank Agreement and the Second Account Bank Agreement, respectively. The Issuer may, from time to time after the Programme Date, hold additional Transaction Accounts with Account Banks.

The Issuer is required to credit all Revenue Receipts and all Principal Receipts and all other amounts received by it in connection with the Mortgage Portfolio and the Transaction Documents into either Transaction Account at its discretion, subject to the limitation described under "*Amounts required to be held in the First Transaction Account*" below.

In connection with any payment to be made by or on behalf of the Issuer from amounts standing to the credit of the Transaction Accounts, the Issuer may apply amounts standing to the credit of one or all of the Transaction Accounts at its discretion. In addition, subject to the limitation described under "*Amounts required to be held in the First Transaction Account*" below, the Issuer (or the Cash Manager on its behalf) may at any time and at its sole discretion transfer amounts between the First Transaction Account, the Second Transaction Account and any other Transaction Account established in the name of the Issuer in accordance with the Cash Management Agreement and the Deed of Charge.

Liquidation of Authorised Investments

If the Cash Manager determines that, on any Payment Date, after taking into account the amounts of cash already standing to the credit of the Transaction Accounts, there are insufficient funds to meet the Issuer's obligations on such Payment Date (the amount by which such funds are insufficient being a "**Cash Shortfall**"), the Cash Manager may liquidate any Authorised Investments in an amount necessary to make up for such Cash Shortfall. The Cash Manager will deposit the proceeds of such liquidation of Authorised Investments into one or more Transaction Accounts, and such proceeds will be added to the relevant cash amounts standing to the credit of such Transaction Accounts, and will be applied in accordance with the relevant Priority of Payments.

Downgrade and replacement of the First Account Bank

Pursuant to the terms of the First Account Bank Agreement, where the First Account Bank fails to satisfy the required Account Bank Minimum Required Rating, the Issuer will be required to move any amounts recorded to any of the Excess Principal Ledger, the Cash Accumulation Ledger and/or the Reserve Ledger (and, where the Note Payment Dates in respect of the any Class A Notes that are then outstanding are less frequent than quarterly, the Interest Provision Ledger and the Principal Provision Ledger) (collectively, the "**Affected Ledgers**") maintained on the Transaction Accounts held with the First Account Bank to a replacement transaction account opened with a financial institution that complies with the required Account Bank Minimum Required Rating (which can be, for the avoidance of doubt, the Second Account Bank), and record the relevant amounts on ledgers corresponding to the Affected Ledgers maintained with such replacement financial institution.

Alternatively, the First Account Bank may obtain a guarantee in support of its obligations under the relevant Account Bank Agreement or take such other actions as may be reasonably requested by the parties to the

First Account Bank Agreement (other than the Security Trustee) to ensure that the rating of the Class A Notes immediately prior to the breach is not adversely affected by the breach.

Where the First Account Bank fails to satisfy the required Account Bank Minimum Required Rating, the Issuer (or the Cash Manager on its behalf) may continue to operate the Transaction Accounts held with the First Account Bank for any purpose other than to maintain the Affected Ledgers.

Downgrade of the Second Account Bank

Pursuant to the terms of the Second Account Bank Agreement, the Bank Accounts held with the Second Account Bank will be required to be transferred from the Second Account Bank to another bank where the Second Account Bank fails to satisfy the required Account Bank Minimum Required Rating.

Account Bank Minimum Required Rating

The "**Account Bank Minimum Required Rating**" will be the minimum short-term or long-term rating requirements of the Relevant Rating Agencies specified in the table below, as updated from time to time (other than in the case of S&P, as to which see immediately below):

Rating	S&P	Fitch	Moody's	DBRS
Long-term	A	A	A3	DBRS Equivalent Rating
Short-term	A-1	F1	P-1	DBRS Equivalent Rating

Where any of the Account Banks is rated by S&P, the Account Bank Minimum Required Rating shall include both short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-1 by S&P (if a short-term unsecured, unguaranteed and unsubordinated debt rating is assigned by S&P) and a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A by S&P. Should the relevant Account Bank not benefit from a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-1 from S&P, the Account Bank Minimum Required Rating will be a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A+ by S&P.

Governing law

The Account Bank Agreements and all non-contractual obligations arising out of or in connection with them are governed by and construed in accordance with English law.

The Swap Collateral Account Bank Agreement

Pursuant to the terms of the Swap Collateral Account Bank Agreement entered into on the Programme Date between, among others, the Issuer, the Security Trustee and the Swap Collateral Account Bank, the Issuer will open one or more Swap Collateral Accounts with the Swap Collateral Account Bank.

The Issuer will deposit in the relevant Swap Collateral Account any cash collateral which is required to be paid by a Swap Counterparty to the Issuer in accordance with the terms of the relevant Swap Agreement. The Swap Collateral Account Bank will be required to maintain the required Account Bank Minimum Required Ratings.

Governing law

The Swap Collateral Account Bank Agreement and all non-contractual obligations arising out of or in connection with it is governed by and construed in accordance with English law.

The Collection Account Declaration of Trust

On or prior to the Programme Date, the Issuer, the Seller, the Servicer and the Security Trustee will enter into a collection account declaration of trust, which the Collection Account Bank will acknowledge (the "**Collection Account Declaration of Trust**") pursuant to which the Seller (as trustee) will declare a trust (the "**Collection Account Trust**") in favour of the Issuer over all of the Seller's rights, title, interest and benefit (both present and future) in the Issuer Trust Share absolutely for the Issuer in the manner specified in the Collection Account Declaration of Trust.

"**Issuer Trust Share**" means, on any date, an amount equal to the aggregate of the Daily Loan Amounts, relating to the Mortgage Loans in the Mortgage Portfolio, paid into the Collection Account from (and including) the Programme Date to (and including) such date less an amount equal to the payments made from the Collection Account to any Transaction Account from (and including) the Programme Date to (and including) such date.

Governing Law

The Collection Account Declaration of Trust and any non-contractual obligations arising out of or in connection with it will be governed by the laws of England and Wales.

Custody Agreement and the Custody Accounts

Pursuant to the terms of the Custody Agreement entered into on the Programme Date between, among others, the Issuer, the Security Trustee and the Custodian, the Issuer will open one or more Custody Accounts with the Custodian.

The Issuer will deposit in the Custody Account any Authorised Investments held as securities.

Pursuant to the terms of the Custody Agreement, the Custodian will be required to hold the required Account Bank Minimum Required Rating.

Governing law

The Custody Agreement and all non-contractual obligations arising out of or in connection with it is governed by and construed in accordance with English law.

Swap Collateral Custody Agreement and the Swap Collateral Custody Accounts

Pursuant to the terms of the Swap Collateral Custody Agreement entered into on the Programme Date between, among others, the Issuer, the Security Trustee and the Custodian, the Issuer will open one or more Swap Collateral Custody Accounts with the Custodian.

The Issuer will deposit in the Swap Collateral Custody Account any Swap Collateral held as securities.

Pursuant to the terms of the Swap Collateral Custody Agreement, the Custodian will be required to hold the required Account Bank Minimum Required Rating.

Governing law

The Swap Collateral Custody Agreement and all non-contractual obligations arising out of or in connection with it is governed by and construed in accordance with English law.

THE SWAP AGREEMENTS

The following section describes, in summary, the material terms of the Interest Rate Swap Agreements and the Currency Swap Agreements and each Swap. The description does not purport to be complete and is subject to the provisions of each of the Swap Agreements.

The Interest Rate Swap Agreements

The Issuer has entered, on the First Closing Date, and will be required to enter, on each subsequent Closing Date on which any further Series of Class A Notes which are Floating Rate Notes are issued, into one or more Interest Rate Swap Agreements with respect to the Current Balance of the Fixed Rate Mortgage Loans sold to the Issuer under the Mortgage Sale Agreement multiplied by the then Swap Funding Note Percentage. Fixed Rate Mortgage Loans will pay a fixed rate of interest for a period of time. The purpose of each Interest Rate Swap is to mitigate the Issuer's interest rate risk with respect to the Fixed Rate Mortgage Loans and to provide for the Issuer to receive from the relevant Interest Rate Swap Counterparty amounts which will enable it to meet interest payments due on certain Notes. In return for such amounts, the Issuer will pay to the relevant Interest Rate Swap Counterparty amounts based on the rates of interest on the relevant portfolio of Fixed Rate Mortgage Loans in the Mortgage Portfolio. Each Interest Rate Swap will properly mitigate the interest rate risk present in the transaction in the context of the Notes.

The notional amount under each Interest Rate Swap Agreement will be recalculated on a monthly basis.

If a payment is to be made by any Interest Rate Swap Counterparty pursuant to the terms of any Interest Rate Swap Agreement, that payment will be included by the Issuer (or the Cash Manager on its behalf) in the Available Revenue Receipts on its receipt from such Interest Rate Swap Counterparty and will be applied on the relevant Payment Date according to the relevant Priority of Payments. If a payment is to be made by the Issuer pursuant to the terms of any Interest Rate Swap Agreement, it will be made according to the relevant Priority of Payments.

In the event that any Interest Rate Swap terminates prior to the delivery by the Note Trustee of an Enforcement Notice to the Issuer or the latest occurring Final Maturity Date of the relevant Note, the Issuer will be required to use its reasonable efforts to enter into a replacement Swap specified in the relevant Interest Rate Swap Agreement.

Pursuant to the terms of each Interest Rate Swap Agreement, in the event that the rating of the respective Interest Rate Swap Counterparty (or any guarantor of any Interest Rate Swap Counterparty) is downgraded by a Relevant Rating Agency below the rating(s) specified in the relevant Interest Rate Swap Agreement (in accordance with the requirements of the Relevant Rating Agencies) and, where applicable, the then-current ratings of the Notes by the Relevant Rating Agencies would or may, as applicable, be adversely affected as a result of the downgrade, that Interest Rate Swap Counterparty will, as a result of the downgrade, be required to take certain remedial measures. Such measures may include providing collateral for its obligations under the relevant Interest Rate Swap, arranging for its rights and obligations under the relevant Interest Rate Swap Agreement to be transferred to an entity with the ratings required by the Relevant Rating Agencies, procuring another entity with the ratings required by the Relevant Rating Agencies to become a co-obligor in respect of, or guarantor of, its obligations under the relevant Interest Rate Swap Agreement or taking such other action as may be agreed with the Relevant Rating Agencies. A failure to take such steps will allow the Issuer to terminate such Interest Rate Swap, provided that in connection with certain termination events where the Issuer is entitled to designate an Early Termination Date (as defined in the relevant Interest Rate Swap Agreement) and there is a payment due to that Interest Rate Swap Counterparty, the Issuer may only designate such an Early Termination Date if it has found a replacement Interest Rate Swap Counterparty.

The Currency Swaps

To protect the Issuer against certain interest rate and/or currency risks in respect of amounts received by the Issuer in respect of the Mortgage Portfolio and amounts payable by the Issuer under each Series and Class of Notes, the Issuer will, on the Closing Date for a Series and Class of Notes (and where it is required to hedge such risks) enter into a Currency Swap Agreement with the relevant Currency Swap Counterparty. The Currency Rate Swap will cover a major share of the currency risk present in the transaction in the context of any Series of Notes with a specified currency other than Sterling and therefore the risk is properly mitigated.

Pursuant to the terms of a Currency Swap Agreement entered into in respect of a Series and Class of Notes:

(a) the Issuer will be scheduled to pay to the relevant Currency Swap Counterparty:

(i) where such Notes have been issued in a specified currency other than Sterling:

- on the applicable Closing Date, an amount in the specified currency equal to the proceeds of the issue of such Notes; and

- on each Note Payment Date in respect of such Notes, an amount in Sterling equivalent to the principal payment (in the specified currency) to be made on such Series and Class of Notes on that Note Payment Date, such amount to be calculated by reference to the relevant Specified Currency Exchange Rate; and/or

(ii) on each Payment Date, an amount in Sterling calculated by applying the applicable interest rate as specified in the Currency Swap Agreement to the Principal Amount Outstanding of such Notes (or, as applicable, its Sterling Equivalent); and

(b) the relevant Currency Swap Counterparty will be scheduled to pay to the Issuer:

(i) where such Notes have been issued in a Specified Currency other than Sterling:

- on the applicable Closing Date, an amount in Sterling Equivalent to the proceeds of the issue of such Notes, converted from the Specified Currency into Sterling at the specified currency swap rate;

- on each Note Payment Date in respect of such Notes, an amount in the Specified Currency equal to the principal payments to be made on the relevant Series and Class of Notes on that Note Payment Date; and/or

(ii) on each Note Payment Date in respect of such Notes, an amount in the Specified Currency equal to the interest to be paid in the Specified Currency on such Notes on that Note Payment Date.

Pursuant to the terms of the Currency Swap Agreements, the Currency Swap Counterparties have been directed by the Cash Manager to make all payments of interest and principal due and payable in respect of the Notes on each Note Payment Date directly to the Principal Paying Agent until instructed otherwise.

In order to allow for the effective currency amount of each Currency Swap to amortise at the same rate as the relevant Series and Class of Notes, each Currency Swap Agreement will provide that, as and when the Notes amortise, a corresponding portion of the currency amount of the relevant Currency Swap will amortise. Pursuant to each Currency Swap Agreement, any portion of Currency Swap so amortised will be swapped from Sterling into US Dollars at the relevant US Dollar currency exchange rate, into Euro at the Euro currency exchange rate or into such other relevant Specified Currency at the relevant Specified Currency Exchange Rate, as applicable.

In the event that a Currency Swap is terminated prior to the delivery by the Note Trustee of an Enforcement Notice to the Issuer or the Final Maturity Date in respect of the applicable Series and Class of Notes (and where such Notes have not been repaid in full), the Issuer will be required to use its reasonable efforts to enter into a replacement Currency Swap Agreement in respect of such Notes. Any replacement Currency Swap Agreement must be entered into on terms specified in the relevant Currency Swap Agreement.

Pursuant to the terms of each Currency Swap Agreement, in the event that the relevant rating of the relevant Currency Swap Counterparty (or any guarantor of that Currency Swap Counterparty) is downgraded by a Relevant Rating Agency below the rating(s) specified in the relevant Currency Swap Agreement (in accordance with the requirements of the Rating Agencies) and, where applicable, the then-current ratings of the Notes would or may, as applicable, be adversely affected as a result of the downgrade, such Currency Swap Counterparty will be required to take certain remedial measures. Such measures may include providing collateral for its rights and obligations under the relevant Currency Swap Agreement, arranging for its obligations under the relevant Currency Swap Agreement to be transferred to an entity with the ratings required by the Relevant Rating Agencies, procuring another entity with the ratings required by the Relevant Rating Agencies to become a co-obligor in respect of, or guarantor of, its obligations under the relevant Currency Swap Agreement or taking such other action as may be agreed with the Relevant Rating Agencies. A failure to take such steps will allow the Issuer to terminate the relevant Currency Swap, provided that in connection with certain termination events where the Issuer is entitled to designate an Early Termination Date (as defined in the relevant Currency Swap Agreement) and there is a payment due to the relevant Currency Swap Counterparty, the Issuer may only designate such an early termination date if it has found a replacement Swap Counterparty.

Termination of the Swaps

A Swap may also be terminated on the occurrence of certain other Swap Early Termination Events which may include, but will not be limited to, the following:

- at the option of one party to the Swap, if there is a failure by the other party to pay any amounts due and payable pursuant to the terms of the Swap Agreement. Certain amounts may be due but not payable pursuant to the terms of the Swap Agreement as described below under "*– Limited recourse and swap payment obligation*";

- delivery of an Enforcement Notice;

- if withholding taxes are imposed on payments under the relevant agreement due to a change in law (as described below under "**Taxation**"); and

- upon the occurrence of certain insolvency events in relation to any of the parties to a Swap Agreement (or, in the case of the Swap Counterparty, its credit support provider, if applicable) or the merger of a party (or its credit support provider, if applicable) without an assumption of the obligations under the Swaps or the relevant credit support document (as the case may be), or changes in law resulting in the obligations of one of the parties to a Swap Agreement (or, in the case of the Swap Counterparty, its credit support provider, if applicable) becoming illegal.

Upon the occurrence of a Swap Early Termination Event pursuant to the terms of any Interest Rate Swap Agreement, the Issuer or the relevant Swap Counterparty may be liable to make a Swap Termination Payment to the other. This Swap Termination Payment will be calculated and made in Sterling. The amount of any Swap Termination Payment is expected to be based on the market value of the terminated swap based on market quotations of the cost of entering into a swap with the same terms and conditions that would have the effect of preserving the respective full payment obligations of the parties (or based upon loss in the event that no market quotation can be obtained). Any such Swap Termination Payment could be substantial.

Following termination of any Swap Agreement as a result of a Swap Counterparty default with respect to the relevant Swap Counterparty, where a Swap Termination Payment becomes due from the Issuer to the relevant Swap Counterparty, such payment will be made by the Issuer only after paying interest amounts due on the Notes and replenishing the Principal Deficiency Ledger.

However, following termination of any Swap Agreement as a result of a default by the Issuer with respect to the relevant Swap Counterparty:

(a) any Swap Termination Payment due by the Issuer under the relevant Interest Rate Swap Agreement will rank in priority to payments due on the Notes. Any additional amounts required to be paid by the Issuer following termination of the relevant Interest Rate Swap Agreement (including any extra costs incurred (for example, from entering into other hedging transactions) if the Issuer cannot immediately enter into a replacement swap), will also rank in priority to payments due on the Notes; and

(b) any Swap Termination Payment due by the Issuer under a Currency Swap will rank equally with payments due on the Class A Notes. Any additional amounts required to be paid by the Issuer following termination of the relevant Currency Swap Agreement (including any extra costs incurred (for example, from entering into other hedging transactions) if the Issuer cannot immediately enter into a replacement swap), will also rank equally with payments due on the Class A Notes.

The payment by the Issuer of Swap Termination Payments due to the relevant Swap Counterparty may affect the funds available to pay amounts due to Noteholders (see "*Risk factors – Swap Termination Payments may adversely affect the funds available to make payments on the Notes*").

The Issuer will be required to use commercially reasonable endeavours to find a replacement Swap Counterparty. If the Issuer receives a Swap Termination Payment from a Swap Counterparty, then the Issuer may be required to use those funds towards meeting its costs in effecting applicable hedging transactions until a replacement Swap is entered into and/or to acquire a replacement Swap. Noteholders will not receive extra amounts (over and above interest and principal payable on the Notes) as a result of the Issuer receiving a Swap Termination Payment.

Taxation

The Issuer will not be obliged under any of the Swaps to gross up payments made by the Issuer if withholding taxes are imposed on payments to be made pursuant to the Swap Agreements. Each Interest Rate Swap Counterparty will be obliged under the relevant Interest Rate Swap Agreement to gross up payments made by such Interest Rate Swap Counterparty if withholding taxes are imposed on payments to be made pursuant to the relevant Interest Rate Swap Agreement. If withholding taxes are imposed on payments made under the relevant Interest Rate Swap Agreement, the affected Interest Rate Swap Counterparty may have the right to terminate the Swap.

The relevant Currency Swap Counterparty will always be obliged to gross up payments made by it to the Issuer if withholding taxes are imposed on payments made under the applicable Swap. If withholding taxes are imposed on payments made under the Currency Swap Agreement, the affected Currency Swap Counterparty may have the right to terminate the applicable Swap.

Limited recourse and swap payment obligation

On any scheduled payment date in respect of a Currency Swap, the Issuer will only be obliged to pay an amount to the relevant Swap Counterparty in respect of a Swap Agreement to the extent that it has sufficient funds available subject to and in accordance with the relevant Priority of Payments, and the relevant Swap Counterparty will only be obliged to pay to the Issuer an amount that is proportionate to the amount of the related payment(s) that it has received from the Issuer on or prior to that scheduled payment date.

SECURITY FOR THE ISSUER'S OBLIGATIONS

Deed of Charge

To provide security for its obligations under the Notes and the other Programme Documents, the Issuer entered into the Deed of Charge with, *inter alios*, the Security Trustee. A summary of the material terms of the Deed of Charge is set out below. The summary does not purport to be complete and is subject to the provisions of the Deed of Charge.

Security

The Issuer has granted the following security to be held by the Security Trustee for itself and on trust for the benefit of the Secured Creditors (which definition includes the Noteholders):

- a first fixed charge over all of the Issuer's right, title, interest and benefit, present and future, in, to and under the Mortgage Portfolio in respect of the English Mortgage Loans and their Related Security and all other related rights under the same;

- an assignment by way of first fixed security of the Issuer's right, title, interest and benefit, present and future, in, to and under each of the Transaction Documents to which it is a party (but excluding all of the Issuer's right, title, interest and benefit in the Deed of Charge, any Scottish Declaration of Trust, any Scottish Supplemental Charge and any Scottish Sub-Security (and, in respect of the Swap Agreements, after giving effect to all applicable netting and set-off provisions therein));

- a first fixed charge over the Issuer's right, title, interest and benefit in each Transaction Account, each Custody Account, each Swap Collateral Account and each other account (if any) of the Issuer and all amounts or securities standing to the credit of those accounts (including all interest or other income or distributions earned on such amounts or securities) and the debts represented by them, together with all rights and claims relating or attached thereto including, without limitation, the right to interest and the proceeds of any of the foregoing;

- a first fixed charge over the Issuer's right, title, benefit and interest, present and future in, to and under all Authorised Investments made by or on behalf of the Issuer (including all interest and other income or distributions paid or payable on such investments), any Swap Collateral in the form of securities from time to time being owned by the Issuer and all rights in respect of or ancillary to such Authorised Investments and such Swap Collateral, including the right to income, distributions and the proceeds of any of the foregoing;

- an assignment by way of first fixed security of the Issuer's right, title, interest and benefit in any Insurance Policies;

- an assignation in security in respect of the Issuer's right, title, benefit and interest in the Scottish Mortgage Loans and their Related Security (comprising the Issuer's beneficial interest under the initial Scottish Declaration of Trust); and

- a first floating charge over all the assets and undertaking of the Issuer which are not otherwise effectively subject to a fixed charge or assignment by way of security as described in the preceding paragraphs (and also extending over all of the Issuer's property, assets and undertaking situated in Scotland or governed by Scots law, whether or not effectively charged or assigned by way of security as aforesaid).

Security which is expressed to be fixed in nature may take effect as floating security depending on the degree of control which the secured party is given over the relevant assets and the degree to which such secured party exercises such control. See further "*Risk Factors – Fixed charges may take effect under English law as floating charges*".

Scots law does not recognise any equivalent concept of fixed charges taking effect as floating charges, as described above in relation to English law.

In relation to each Scottish Declaration of Trust entered into after the Programme Date in respect of any Scottish Mortgage Loans and their Related Security comprised in an Additional Mortgage Portfolio, the Issuer will grant a Scottish Supplemental Charge in favour of the Security Trustee.

If a Further Advance is sold to the Issuer, and a Scottish Declaration of Trust in respect of it is granted in favour of the Issuer, the Issuer will grant a Scottish Supplemental Charge in favour of the Security Trustee.

Secured Creditors

Each Secured Creditor has agreed that, on each occasion that the Issuer issues a Series and Class of Notes, it will execute any deed of accession and any other additional agreement that may be required in relation to such issuance and take such other action as may be necessary or required by the Rating Agencies or otherwise to take into account the terms of that Series and Class of Notes.

As a condition precedent to any Series of Notes issued under the Programme, any New Secured Creditor will be required to accede to the terms of the Deed of Charge by executing an accession undertaking.

Upon:

(a) the issuance of any Series and Class of Notes, any new Currency Swap Counterparties, where relevant; or

(b) the Issuer entering into a new or replacement Interest Rate Swap Agreement with a new or replacement Interest Rate Swap Counterparty, the new or replacement Interest Rate Swap Counterparty,

may be required to enter into deeds of accession or supplemental deeds in relation to the Deed of Charge.

Each Secured Creditor (other than the Security Trustee) agrees that if any amount is received by it (including by way of set-off) in respect of any secured obligation owed to it other than in accordance with the provisions of the Deed of Charge, then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of the Deed of Charge, will be received and held by it as trustee (except in the case of the Agents, the Collection Account Bank, the Account Banks and the Custodian which will hold such funds as banker and to the order of the Security Trustee) for the Security Trustee and will be paid over to the Security Trustee (or as the Security Trustee may direct) immediately upon receipt so that such amount can be applied in accordance with the provisions of the Deed of Charge.

Enforcement

The Security will become enforceable following the delivery by the Note Trustee of an Enforcement Notice to the Issuer. No provision of the Deed of Charge requires automatic liquidation upon default.

For the avoidance of doubt, the Seller may exercise the Seller's Note Permitted Repurchase Procedure at any time both prior to and following delivery by the Note Trustee of an Enforcement Notice to the Issuer.

Conflicts

The Deed of Charge contains provisions which require the Security Trustee, whilst any Notes issued by the Issuer are outstanding, to act only at the direction of the Note Trustee. Pursuant to the provisions of the Trust Deed, if in the sole opinion of the Note Trustee, there may be a conflict as among Noteholders, the Note Trustee is required to have regard to the interests of the Class of Noteholders with the highest-ranking Notes only. If there is a conflict between the interests of the Class A Noteholders of one Series, Class or

Sub-Class of Class A Notes and the Class A Noteholders of another Series, Class or Sub-Class of Class A Notes, or, in the case of the VFN Holder, a conflict between the VFN Holder of the different Sub-Classes of Class Z VFNs then a resolution directing the Note Trustee to take any action will be deemed to have been duly passed only if passed at separate meetings of the holders of each Series of Class A Notes or, as applicable, each Sub-Class of the VFNs subject to the conflict.

If there is a conflict of interest between the interests of the Noteholders of one Sub-Class of Notes of a Series and the Noteholders of another Sub-Class of Notes of the same Class and Series, then a resolution directing the Note Trustee to take any action will be deemed to have been duly passed only if passed at separate meetings of the holders of such Sub-Classes of Notes.

In all cases, the Security Trustee will only be obliged to act if it is indemnified and/or secured and/or prefunded to its satisfaction.

For more information on how conflicts between Noteholders are resolved, see Condition 11 (*Meetings of Noteholders, modifications and waiver*).

No enforcement by Secured Creditors

Pursuant to the terms of the Deed of Charge, each of the Secured Creditors (other than the Security Trustee and the Note Trustee acting on behalf of the Noteholders) has agreed that (i) only the Security Trustee may enforce the security created by the Deed of Charge, and (ii) it will not take steps directly against the Issuer to recover amounts owing to it by the Issuer unless the Security Trustee has become bound to enforce the Security but has failed to do so within 30 days of becoming so bound.

Fees, expenses and indemnity

The Issuer is required to:

- pay to the Security Trustee a fee of such amount and on such dates as will be agreed from time to time by the Security Trustee and the Issuer;
- reimburse the Security Trustee for all costs and expenses properly incurred by it in acting as Security Trustee; and
- indemnify the Security Trustee and its directors, officers, agents and employees in respect of all Liabilities to which it (or any person appointed by it under or pursuant to the Deed of Charge) may be or become liable or which may be properly incurred by it (or any such person as aforesaid) in the execution or purported execution of any of its trusts, powers, authorities and discretions under or pursuant to the Deed of Charge or its functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to the Deed of Charge and any of the other Transaction Documents to which the Security Trustee is a party save where the same arises as a result of the fraud, gross negligence or wilful default of the Security Trustee.

Retirement and removal

Subject to the appointment of a successor Security Trustee, the Security Trustee may retire after giving three months' notice in writing to the Issuer, without giving any reason and without being responsible for any liabilities resulting therefrom. If within 60 days of having given notice of its intention to retire, the Issuer has failed to appoint a replacement Security Trustee, the outgoing Security Trustee will be entitled to appoint a successor (**provided that** such successor is acceptable to the Rating Agencies and agrees to be bound by the terms of the Deed of Charge). The Issuer may remove the Security Trustee or appoint a new Security Trustee at any time **provided that** it has the approval, which must not be unreasonably withheld or delayed, of the Note Trustee and the Secured Creditors. If the Note Trustee retires or is removed, then the Security Trustee will be required to retire in accordance with the Deed of Charge. In such case, the

successor Security Trustee is required to be the same person as the Note Trustee. In addition, the Security Trustee may, subject to the conditions specified in the Deed of Charge, appoint a co-trustee to act jointly with it.

Additional provisions of the Deed of Charge

The Deed of Charge contains a range of provisions regulating the scope of the Security Trustee's duties and liabilities. These include the following:

- the Security Trustee is not responsible for the execution, legality, effectiveness, adequacy, genuineness, validity or enforceability or admissibility in evidence of any Transaction Document or any other document entered into in connection therewith or any security thereby constituted or purported to be constituted thereby nor will it be responsible or liable to any person because of any invalidity of any provision of such documents or the unenforceability thereof, whether arising from statute, law or decision of any court;

- the Security Trustee will not be bound to ascertain whether any Event of Default or Potential Event of Default has happened and, until it will have express notice to the contrary, the Security Trustee will be entitled to assume that no such Event of Default or Potential Event of Default has happened and that the Issuer is observing and performing all the obligations on its part under the Notes and the Deed of Charge and no event has happened as a consequence of which any Notes may become repayable. "**Potential Event of Default**" means any condition, event or act which with the lapse of time and/or the giving of any notice and/or determination of materiality and/or fulfilment of any similar condition would constitute an Event of Default;

- Security Trustee will be under no obligation to monitor or supervise and will not have any duty to make any investigation in respect of or in any way be liable whatsoever for the performance or observance by the Issuer or any other person of the provisions of the Deed of Charge or any other Transaction Document and will be entitled to assume that each person is properly performing and complying with its obligations hereunder;

- the Security Trustee as between itself and the Secured Creditors or any of them will have full power to determine all questions and doubts arising in relation to any of the provisions of this Deed and/or any other Transaction Document and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Security Trustee, will be conclusive and will bind the Security Trustee and the Secured Creditors;

- each Noteholder and each other Secured Creditor must make its own independent appraisal, without reliance on the Security Trustee, as to the financial condition and affairs of the Issuer;

- the Security Trustee will not have any duty to make any investigation in respect of or in any way be liable whatsoever for the failure to call for delivery of documents of title to or require any transfers, legal mortgages, standard securities, charges or other further assurances in relation to any of the assets the subject matter of any of the Deed of Charge or any other document;

- the Security Trustee may accept such title as the Issuer has to the Issuer charged property and will not be required to investigate or make inquiry into the Issuer's title to such property;

- the Security Trustee will not be responsible for any shortfall which may arise because it is liable to tax in respect of the Issuer charged property or the proceeds of such property; and

- the Security Trustee is not required to take steps or action in connection with the Programme Documents (including enforcing the Security) unless (1) whilst the Notes are outstanding, it has been directed or instructed to do so by the Note Trustee acting in accordance with the instructions

of the Noteholders in accordance with Condition 10 (*Enforcement*) and Condition 11 (*Meetings of Noteholders, modifications and waiver*) or (2) following the redemption of the Notes, it has been directed or instructed to do so by any other Secured Creditor **provided that**, in each case, it has been indemnified and/or secured and/or prefunded to its satisfaction against all costs, liabilities and claims which it may incur or in respect of which it may become liable.

Governing law

The Deed of Charge and any non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with English law, **provided that** certain provisions particular to the Issuer's assets in Scotland are governed by and will be construed in accordance with Scots law. Each Scottish Supplemental Charge will be governed by and construed in accordance with Scots law.

DESCRIPTION OF THE TRUST DEED AND THE NOTES

The principal agreement governing the Notes is the Trust Deed. A summary of the material terms of the Trust Deed and the Global Note Certificates is set out below. The summary does not purport to be complete and it is subject to the provisions of the Trust Deed.

The Trust Deed sets out the forms of the Global Note Certificates and the Individual Note Certificates. It also sets out the conditions for the issue of Individual Note Certificates and/or the cancellation of any Notes. The Agency Agreement contains the detailed provisions as to the appointment of the Paying Agents and other agents and regulates how payments are made on the Notes and how determinations and notifications are made.

The Trust Deed also contains covenants to be made by the Issuer in favour of the Note Trustee and the Noteholders. The main covenants are that the Issuer will pay interest on, and repay the principal of, each of the Notes when due. Some of the covenants also appear in the Conditions.

The Issuer also covenants that it will (i) do all things necessary to maintain the listing of the Notes issued by it on the Official List and to maintain trading of such Notes on the market, (ii) keep in place a Common Depositary, a Common Safekeeper, Paying Agents, the VFN Registrar and an Agent Bank, and (iii) comply with and perform and observe all its obligations in the Trust Deed. The Trust Deed provides for delivery to the Note Trustee of a certificate, annually and within 14 days of request by the Note Trustee, signed by two directors of the Issuer to the effect that no Event of Default exists or has existed since the date of the previous annual statement and that the Issuer has complied with all its obligations under the Transaction Documents (to which it is a party) throughout the preceding financial year, except to the extent specified in such statement.

The Trust Deed provides that the interests of the Class A Noteholders will take precedence for so long as Class A Notes of any Series are outstanding and thereafter the interests of the VFN Holder take precedence. Certain basic terms of each Class of Notes will not be able to be amended without the consent of the majority of the holders of that Class of Note and the consent of the majority of the holders of the other classes of affected Notes outstanding (see Condition 11 (*Meetings of Noteholders, modifications and waiver*)).

The Trust Deed also sets out the terms under which the Note Trustee is appointed, the indemnification of the Note Trustee, the payments it will be entitled to receive and the extent of the Note Trustee's authority to act beyond its statutory powers under English law. The Note Trustee is also given the ability to appoint a delegate or agent in the execution of any of its duties under the Trust Deed. The Trust Deed also sets out the circumstances in which the Note Trustee may resign or retire.

Finally, the Trust Deed provides that until the Notes have been paid in full, holders of any Series and Class of Notes are entitled to the benefit of and be bound by the terms and conditions of the Trust Deed. The Trust Deed will be discharged with respect to the collateral securing the Notes upon the delivery to the Note Trustee for cancellation of all the Notes or, with certain limitations, upon deposit with the Note Trustee of funds sufficient for the payment in full of all the Notes.

The Notes

Each issuance of Notes by the Issuer will be authorised by a resolution of the board of directors of the Issuer prior to the relevant Closing Date. Each issue of Notes will be constituted by a deed or deeds supplemental to the Trust Deed between the Issuer and the Note Trustee. The Trust Deed includes provisions which enable it to be modified or supplemented and any reference to the Trust Deed will be a reference also to the Trust Deed as modified or supplemented in accordance with its terms.

Form of the Notes

Class A Notes

The Class A Notes sold in reliance on Regulation S will be represented on issue by one or more Regulation S Global Note Certificates, which will be deposited on behalf of the beneficial owners of those Class A Notes with a Common Depositary or Common Safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg, and registered in the name of a nominee of a Common Depositary for Euroclear and Clearstream, Luxembourg or in the name of a nominee of a Common Safekeeper for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Regulation S Global Note Certificate may be held only through Euroclear or Clearstream, Luxembourg or their participants at any time. On confirmation from the Common Depositary or, as applicable, the Common Safekeeper that it holds the Regulation S Global Note Certificates, Euroclear or Clearstream, Luxembourg, as applicable, will record book-entry interests in the beneficial owner's account or the participant account through which the beneficial owner holds its interests in the Regulation S Notes. These book-entry interests will represent the beneficial owner's beneficial interest in the relevant Regulation S Global Note Certificates.

The Class A Notes sold in reliance on Rule 144A will be represented on issue by one or more Rule 144A Global Note Certificates. Rule 144A Global Note Certificates representing Rule 144A Notes denominated in a currency other than US Dollars will be deposited with a Common Depositary or Common Safekeeper for Euroclear and Clearstream, Luxembourg. Rule 144A Global Note Certificates representing Rule 144A Notes denominated in US Dollars will be deposited with Citibank, N.A., London Branch, as custodian for, and registered in the name of, Cede & Co., as nominee of DTC. Beneficial interests in a Rule 144A Global Note Certificate may only be held through Euroclear, Clearstream, Luxembourg (in the case of Rule 144A Notes denominated in a currency other than US Dollars) or DTC (in the case of Rule 144A Notes denominated in US Dollars) or their participants at any time. Beneficial interests in a Rule 144A Global Note Certificate may only be held by persons who are QIBs holding their interests for their own account or for the account of one or more QIBs. By acquisition of a beneficial interest in a Rule 144A Global Note Certificate, the purchaser thereof will be deemed to represent, among other things, that it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Rule 144A Global Note Certificates (see "*Subscription and Sale and Transfer and Selling Restrictions – Transfer Restrictions*"). On confirmation from the Common Depositary or, as applicable, Common Safekeeper that it holds the Rule 144A Global Note Certificates (in the case of Rule 144A Notes denominated in a currency other than US Dollars) or the custodian that it holds the Rule 144A Global Note Certificates (in the case of Rule 144A Notes denominated in US Dollars), Euroclear, Clearstream, Luxembourg or DTC, as the case may be, will record book-entry interests in the beneficial owner's account or the participant account through which the beneficial owner holds its interests in the Class A Notes. These book-entry interests will represent the beneficial owner's beneficial interest in the relevant Rule 144A Global Note Certificates.

Beneficial interests in a Regulation S Note may be exchanged for beneficial interests in a Rule 144A Note only if such exchange occurs in connection with a transfer of the Class A Notes pursuant to Rule 144A and, prior to the first business day that is 40 calendar days after the later of the commencement of the offering and the Closing Date (the "**Release Date**"), the transferring Noteholder first delivers to the Exchange and Transfer Agent and the Registrar (i) instructions given in accordance with the procedures of Euroclear, Clearstream, Luxembourg and/or DTC, as applicable, directing the Exchange and Transfer Agent and the Registrar to credit or cause to be credited a beneficial interest in the Rule 144A Note in an amount equal to the beneficial interest in the Regulation S Note to be exchanged or transferred, (ii) a written order given in accordance with the procedures of Euroclear, Clearstream, Luxembourg and/or DTC, as applicable, containing information regarding the account to be credited with such increase and the name of such account and (iii) a written certificate in the form required by the Trust Deed to the effect that the transfer is being made to a person who the transferor reasonably believes is a QIB, purchasing for its own account or

the account of a QIB in a transaction meeting the requirements of Rule 144A and in accordance with all applicable securities laws of the states of the US and other jurisdictions.

Beneficial interests in a Rule 144A Note may be transferred to a person who takes delivery in the form of an interest in a Regulation S Note, whether before or after the Release Date, only if the transferring Noteholder first delivers to the Exchange and Transfer Agent and the Registrar (i) instructions given in accordance with the procedures of Euroclear, Clearstream, Luxembourg and/or DTC, as applicable, from or on behalf of a beneficial owner of the Rule 144A Note, directing the Exchange and Transfer Agent and Registrar to credit or cause to be credited a beneficial interest in the Regulation S Note in an amount equal to the beneficial interest in the Rule 144A Note to be exchanged or transferred, (ii) a written order given in accordance with the procedures of Euroclear, Clearstream, Luxembourg and/or DTC, as applicable, containing information regarding the account to be credited with such increase and the name of such account and (iii) a written certificate in the form required by the Trust Deed to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S.

Transfers involving an exchange of a beneficial interest in a Regulation S Note for a beneficial interest in a Rule 144A Note denominated in US Dollars or *vice versa* will be effected in DTC by means of an instruction originated by the Exchange and Transfer Agent and Registrar through the facilities of DTC, Euroclear or Clearstream, Luxembourg (as applicable). Any beneficial interest in one of the Global Note Certificates that is transferred to a person who takes delivery in the form of an interest in the other Global Note Certificates will, upon transfer, cease to be an interest in such Global Note Certificate and will become an interest in the other Global Note Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Global Note Certificate for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Class A Notes, but the Note Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The amount of Class A Notes represented by each Global Note Certificate will be evidenced by the Register maintained for that purpose by the Registrar. Together, the Notes represented by the Global Note Certificates and any outstanding Individual Note Certificates will equal the aggregate principal amount of the Notes outstanding at any time. Except in the limited circumstances described under "– *Individual note certificates*" below, owners of beneficial interests in Global Note Certificates will not be entitled to receive physical delivery of certificated Class A Notes. The Class A Notes are not issued in bearer form.

Beneficial owners may hold their interests in the Global Note Certificates only through DTC, Clearstream, Luxembourg or Euroclear, as applicable, or indirectly through organisations that are participants in any of those systems. Ownership of these beneficial interests in a Global Note Certificate will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC, Clearstream, Luxembourg or Euroclear (with respect to interests of their participants) and the records of their participants (with respect to interests of persons other than their participants). By contrast, ownership of direct interests in a Global Note Certificate will be shown on, and the transfer of that ownership will be effected through, the register maintained by the Registrar. Because of this holding structure of the Notes, beneficial owners of Class A Notes may look only to DTC, Clearstream, Luxembourg or Euroclear, as applicable, or their respective participants for their beneficial entitlement to those Class A Notes. The Issuer expects that DTC, Clearstream, Luxembourg or Euroclear will take any action permitted to be taken by a beneficial owner of Class A Notes only at the direction of one or more participants to whose account the interests in a Global Note Certificate is credited and only in respect of that portion of the aggregate principal amount of Notes as to which that participant or those participants has or have given that direction. See "*Book-entry clearance procedures*" for more information about DTC, Clearstream, Luxembourg and Euroclear.

Beneficial owners will be entitled to the benefit of, will be bound by and will be deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement. Beneficial owners can see copies of these agreements at the principal office for the time being of the Note Trustee, which is, as of the date of this

document, Citigroup Centre, Canada Square, London, E14 5LB and at the specified office for the time being of each of the Paying Agents.

VFNs

The Class Z VFNs and the Seller's Note have been issued in definitive form and are represented by Regulation S Individual Note Certificates pursuant to the Trust Deed. The Issuer maintains a VFN Register, kept on the Issuer's behalf by the VFN Registrar, in which the Class Z VFNs are registered in the name of the VFN Holder and the Seller's Note is registered in the name of the holder of the Seller's Note.

Individual Note Certificates

Owners of beneficial interests in Global Note Certificates will only be entitled to receive Individual Note Certificates under the following limited circumstances:

- if, as a result of any amendment to or change in the laws or regulations of the UK (or any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which becomes effective on or after the relevant Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment on the Notes that would not be required if the Notes were represented by Individual Note Certificates;

- if, in relation to Rule 144A Notes denominated in US Dollars, DTC notifies the Issuer that it is unwilling or unable to hold the Rule 144A Global Note Certificates or is unwilling or unable to continue as, or has ceased to be, a clearing agency registered under the Exchange Act and, in each case, the Issuer cannot appoint a successor to DTC within 90 days of such notification; or

- if, in relation to Rule 144A Notes denominated in a currency other than US Dollars and Regulation S Notes, Clearstream, Luxembourg and Euroclear are closed for business for a continuous period of 14 days or more (other than by reason of legal holidays) or announce an intention to cease business permanently or do in fact do so and no alternative clearing system satisfactory to the Note Trustee is available.

In no event will Individual Note Certificates in bearer form be issued. Any Individual Note Certificate will be issued in registered form in minimum denominations as specified for such Class A Notes in the applicable Final Terms. With respect to any note which is lodged in a Clearing System, any Individual Note Certificates will be registered in that name or those names as the Registrar will be instructed by DTC, Clearstream, Luxembourg and Euroclear, as applicable. It is expected that these instructions will be based upon directions received by DTC, Clearstream, Luxembourg and Euroclear from their participants reflecting the ownership of book-entry interests. To the extent permitted by law, the Issuer, the Note Trustee and any Paying Agent will be entitled to treat the person in whose names any Individual Note Certificate is registered as the absolute owner thereof. The Agency Agreement contains provisions relating to the maintenance by a Registrar of a register reflecting ownership of the Notes and other provisions customary for a registered debt security.

Whenever a Global Note Certificate is to be exchanged for Individual Note Certificates relating to a Series of Class A Notes, such Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the relevant Global Note Certificate within five business days of the delivery, by or on behalf of the registered holder of the relevant Global Note Certificate, Euroclear and/or Clearstream, Luxembourg and/or DTC, as applicable, to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the relevant Global Note Certificate at the specified office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency

Agreement and the regulations concerning the transfer and registration of Class A Notes scheduled thereto and, in particular, will be effected without charge to any holder or the Note Trustee, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Any person receiving Individual Note Certificates will not be obligated to pay or otherwise bear the cost of any tax or governmental charge or any cost or expense relating to insurance, postage, transportation or any similar charge, which will be solely the responsibility of the Issuer. No service charge will be made for any registration of transfer or exchange of any Individual Note Certificates.

Modification and waiver

The Note Trustee, the Security Trustee, acting in accordance with the direction of the Note Trustee, and the Issuer, may from time to time, without the consent or sanction of the Noteholders of any Series or any other Secured Creditor (other than any Secured Creditor who is party to the relevant Transaction Document):

- concur with the Issuer or any other person, or direct the Security Trustee to concur with the Issuer or any other person, in making any modification of the Notes of one or more Series (including the Conditions applicable thereto) or of any Transaction Document (except for a Basic Terms Modification) **provided that** the Note Trustee is of the opinion that such modification will not be materially prejudicial to the interests of any of the Noteholders of any Series, is made to correct a manifest error or is of a formal, minor or technical nature; or

- without prejudice to its rights in respect of any subsequent breach, (a) waive or authorise any breach or proposed breach by the Issuer or any other party of any of the covenants or provisions contained in any Transaction Document if, in the opinion of the Note Trustee, such waiver or authorisation will not be materially prejudicial to the interests of the Class A Noteholders, as applicable or (b) in relation to the Note Trustee only, determine that any Event of Default in respect of any of the Noteholders of any Series will not be treated as such if in the opinion of the Note Trustee, such waiver or authorisation will not be materially prejudicial to the Class A Noteholders **provided always that** the Note Trustee will not exercise any powers conferred on it in contravention of any express direction given by an Extraordinary Resolution, or of a request in writing made by the holders of not less than one quarter in aggregate principal amount of the relevant Class of Notes then outstanding, in accordance with the Conditions (but so that no such direction or request will affect any waiver, authorisation or determination previously given or made). Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Note Trustee may determine,

but the Security Trustee will not be obliged to agree to any modification or waiver 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, liabilities or duties, or decreasing the rights or protection, of the Note Trustee and/or the Security Trustee in the Programme Documents and/or the Conditions.

Any such modification will be binding on the Noteholders and the Secured Creditors.

As a result of the operation of the provisions of the Deed of Charge, when formulating its opinion and/or when exercising the rights, benefits, trusts, authorities, directions and obligations under the Programme Documents to which it is a party, the Security Trustee will, whilst any of the Notes are outstanding, act only at the request or direction of the Note Trustee.

Governing law

The Trust Deed and any non-contractual obligations arising out of or in connection with it are, and the Notes will be, governed by and construed in accordance with English law.

Money Market Notes

The Issuer may, from time to time, issue Money Market Notes. However, the determination as to whether any applicable Series and Class of Notes will qualify as "eligible securities" under Rule 2a-7 will involve investment determinations and interpretive questions that, as with qualification and compliance with other aspects of Rule 2a-7, will be solely the responsibility of each money market fund and its investment adviser. None of the Issuer, the Seller, the Note Trustee, the Security Trustee, the Cash Manager, each Remarketing Agent, each Tender Agent, each Paying Agent, the Agent Bank, the Registrar, the Exchange and Transfer Agent, each Conditional Note Purchaser or any other party to the Programme Documents will make any representation as to the suitability of such Notes as "Money Market Notes" for investment by money market funds subject to Rule 2a-7.

The Final Maturity Date of any Money Market Notes will always be less than 397 days from the Closing Date on which such Notes were issued, unless the Money Market Notes are issued subject to the following remarketing arrangements.

Remarketing arrangements

If specified in relation to a Series and Class of Money Market Notes as being applicable to such Notes in the applicable Final Terms, such Notes will be issued subject to the mandatory transfer arrangements referred to in Condition 5(g) (*Money Market Note Mandatory Transfer Arrangements*), the Remarketing Agreement and the Conditional Note Purchase Agreement entered into in relation to such Notes, and the Trust Deed (the "**Money Market Note Mandatory Transfer**") under which:

- the applicable Remarketing Agent will agree, pursuant to the terms of the Remarketing Agreement, to seek purchasers of such Money Market Notes on the Payment Dates specified for such purpose in relation to such Notes in the applicable Final Terms, prior to the occurrence of a remarketing termination event (each such date a "**Money Market Note Mandatory Transfer Date**") until the Final Maturity Date or earlier redemption in full of such Notes; and

- the applicable Conditional Note Purchaser will agree, pursuant to the terms of the Conditional Note Purchase Agreement, to purchase some or all of such Money Market Notes on the Money Market Note Mandatory Transfer Date for such Notes to the extent that purchasers for such Notes have not been found, **provided that** certain events have not then occurred.

Noteholders should note, in particular, that the Money Market Note Mandatory Transfer would be likely to be deemed to be a "conditional demand feature" (as such term is defined in Rule 2a-7). One of the conditions of determination by the board of directors of the relevant money market fund of the eligibility of a Money Market Note for investment by such money market fund will be the determination that, where such note is issued with a Final Maturity Date that is more than 397 days from the Closing Date on which such Notes were issued, there is minimal risk that the circumstances would occur that would result in such Money Market Note not being able to be transferred on a Money Market Note Mandatory Transfer Date for such Note. Each Series and Class of Money Market Notes, to which the Money Market Note Mandatory Transfer arrangements are expressed to be applicable, will be sold subject to Condition 5(g) (*Money Market Note Mandatory Transfer Arrangements*), which will provide for mandatory transfer of such Notes on each Money Market Note Mandatory Transfer Date for such Notes. However, failure by the Issuer to make or procure any payment required under Condition 5(g) (*Money Market Note Mandatory Transfer Arrangements*) in relation to a Series and Class of Money Market Notes, by reason of any failure on the

part of the applicable Remarketing Agent or the applicable Conditional Note Purchaser to perform their respective obligations under the relevant Programme Documents will not constitute an Event of Default.

In relation to a Series and Class of Money Market Notes, to which the Money Market Note Mandatory Transfer arrangements are expressed to be applicable, Condition 5(g) (*Money Market Note Mandatory Transfer Arrangements*) will provide for the applicable Remarketing Agent to have the ability, in order to effect the remarketing, to increase or decrease the margin on such Notes from that payable as at the Closing Date for such Notes or the previous Money Market Note Mandatory Transfer Date (as appropriate) in accordance with the applicable Remarketing Agreement and, in each case, subject to the maximum reset margin for such Notes. Pursuant to the terms of the applicable Conditional Note Purchase Agreement, on each Money Market Note Mandatory Transfer Date for such Notes, the applicable Conditional Note Purchaser will be obliged to purchase, at the maximum reset margin for such Notes, some or all of such Notes to the extent not purchased by investors and, in the event of the occurrence of an optional remarketing termination event in relation to such Notes (and, following which, the termination by the Remarketing Agent of its appointment under the Remarketing Agreement) all of such Notes. If some or all of such Notes are purchased by the Conditional Note Purchaser, the relevant margin in respect of the next interest period for all such Notes that are outstanding will be the applicable maximum reset margin for such Notes.

For the avoidance of doubt, all Notes comprising a Series and Class of Money Market Notes, to which the Money Market Note Mandatory Transfer arrangements are expressed to be applicable, will be transferred on the Money Market Note Mandatory Transfer Date for such Notes. However, existing holders of such Notes may, prior to their Final Maturity Date or earlier redemption in full, repurchase such Notes on each Money Market Note Mandatory Transfer Date for such Notes.

Remarketing agreements

Under the terms of the Remarketing Agreement to be entered into in relation to a Series and Class of Money Market Notes, the Issuer will appoint the applicable Remarketing Agent to act as its agent and use all reasonable endeavours to identify investors for such Notes on each Money Market Note Mandatory Transfer Date prior to the occurrence of either an optional remarketing termination event in relation to such Notes (and, following which, the termination by the Remarketing Agent of its appointment under the Remarketing Agreement) or an Automatic Remarketing Termination Event in relation to such Notes, (each, a "**Remarketing Termination Event**").

Subject to there being no Remarketing Termination Event then outstanding in relation to a Series and Class of Money Market Notes, the applicable Remarketing Agent will be required to approach potential investors with a view to procuring investors for such Notes on the Money Market Note Mandatory Transfer Date for such Notes.

The Remarketing Agent for a Series and Class of Money Market Notes will be required to seek bids from investors for the margin to apply to such Notes as from the Money Market Note Mandatory Transfer Date. If there are one or more investors willing to purchase in aggregate all of such Notes, the margin on all of such Notes will be reset to an amount (not greater than the maximum reset margin for such Notes) being the lowest margin at which all of such Notes will be purchased at par by investors, as determined by the Remarketing Agent. If all of such Notes cannot be placed with investors, the applicable Conditional Note Purchaser will be required to purchase the unplaced Notes pursuant to the terms of the applicable Conditional Note Purchase Agreement and the margin on all such Notes that are outstanding will be reset to the maximum reset margin for such Notes.

The Remarketing Agent for a Series and Class of Money Market Notes will be required to notify details of the money market note reset margin applicable to such Notes to the Principal Paying Agent no later than three business days prior to each Money Market Note Mandatory Transfer Date for such Notes.

The Remarketing Agent for a Series and Class of Money Market Notes will be required to procure the payment of the Money Market Note Mandatory Transfer Price for such Notes in respect of the investors' firm bids for such Notes, so as to enable settlement of such Notes on the Money Market Note Mandatory Transfer Date for such Notes. (See "*Book-entry clearance procedures – Transfer and settlement of Money Market Notes under Remarketing Agreements and Conditional Note Purchase Agreements*"). The Remarketing Agent will be required to hold any amounts paid to the applicable Remarketing Agent by any investor or the applicable Conditional Note Purchaser for such Notes as part of the relevant money market note mandatory transfer as fiduciary for the relevant purchaser or the Conditional Note Purchaser, as applicable.

To the extent that, no later than three business days prior to the Money Market Note Mandatory Transfer Date for a Series and Class of Money Market Notes, the applicable Remarketing Agent is unable to obtain firm bids for all of the outstanding Notes, and to procure the payment of the related purchase funds to enable settlement of all of such Notes, the Remarketing Agent (failing whom, the Issuer or the Cash Manager on its behalf) will be required to serve on the applicable Conditional Note Purchaser a notice in respect of the unplaced Notes in the manner set out in the applicable Conditional Note Purchase Agreement. Such notice will be required to specify the interests in such Notes that are to be purchased by the Conditional Note Purchaser on the Money Market Note Mandatory Transfer Date; the amount representing the Money Market Note Mandatory Transfer Price payable (if any) to the relevant Noteholders; and either (i) the Principal Amount Outstanding of such Notes which cannot be placed with investors pursuant to the applicable Remarketing Agreement, or (ii) that an optional remarketing termination event in relation to such Notes has occurred on or before the Money Market Note Mandatory Transfer Date.

Under the terms of a Remarketing Agreement for a Series and Class of Money Market Notes, the Issuer will be permitted to terminate the appointment of the applicable Remarketing Agent broadly where: (a) the Remarketing Agent becomes insolvent; (b) the Remarketing Agent no longer has the requisite authority or ability to act in accordance with the terms of the Remarketing Agreement; or (c) the Remarketing Agent is in material breach of any warranty or covenant given by it pursuant to the terms of the Remarketing Agreement. Following the termination of the appointment of the Remarketing Agent, the Issuer may require the Remarketing Agent to use all reasonable endeavours to appoint an alternative remarketing bank.

An optional remarketing termination event in relation to a Series and Class of Money Market Notes will occur, broadly, where: (a) an event has occurred which is beyond the control of the applicable Remarketing Agent or the Issuer and, as a consequence of which, the Remarketing Agent will be unable to perform its obligations under the applicable Remarketing Agreement or which in the Remarketing Agent's reasonable opinion represents a material market change affecting such Notes; (b) the Remarketing Agent reasonably determines, following consultation with the applicable Conditional Note Purchaser that the enactment or amendment of any law or regulation or any form of banking, fiscal, monetary or regulatory control which is mandatory or customarily adopted in the banking, securities or broker/dealer industries would cause the Remarketing Agent to incur increased costs in carrying out its remarketing obligations or make it unlawful or impossible to carry out those obligations; or (c) the Issuer is in material breach of any representations and warranties given by it in the applicable Conditional Note Purchase Agreement as at the Closing Date for such Notes. Following the occurrence of an optional remarketing termination event in relation to such Notes, the Remarketing Agent will have the option to terminate its remarketing obligations under the Remarketing Agreement. Following termination of its remarketing obligations, in the absence of an Automatic Remarketing Termination Event in relation to such Notes, the Remarketing Agent will still be obliged under the Remarketing Agreement, if required by the Issuer, to facilitate the transfer and settlement of such Notes. For the avoidance of doubt, the occurrence of an optional remarketing termination event in relation to such Notes will not affect the obligations of the Conditional Note Purchaser under the terms of the Conditional Note Purchase Agreement.

An Automatic Remarketing Termination Event in relation to a Series and Class of Money Market Notes will occur, broadly, where: (a) an Event of Default has occurred which has not been remedied or waived;

(b) the applicable Conditional Note Purchaser has purchased all such Notes which are outstanding and a notice to this effect has been delivered by the applicable Remarketing Agent or the applicable tender agent to the Issuer and the Principal Paying Agent; or (c) upon redemption in full of such Notes. Following the occurrence of an Automatic Remarketing Termination Event in relation to such Notes, the appointment of the Remarketing Agent will automatically terminate and the Remarketing Agent will have no further obligations in respect of such Notes. For the avoidance of doubt, following the occurrence of an Automatic Remarketing Termination Event in relation to a Series and Class of Money Market Notes, the Conditional Note Purchaser will have no obligation to purchase such Notes.

Each Remarketing Agent will be required to make the representations required of Dealers as described in "*Subscription and sale and Transfer and Selling Restrictions – Transfer Restrictions*".

Conditional Note Purchase Agreements

Under the terms of the Conditional Note Purchase Agreement to be entered into in relation to a Series and Class of Money Market Notes, **provided that** an Event of Default has not occurred, the applicable Conditional Note Purchaser will be obliged, on any Money Market Note Mandatory Transfer Date for such Notes prior to the occurrence of an Automatic Remarketing Termination Event in relation to such Notes, to purchase at the maximum reset margin for such Notes the outstanding Notes which the applicable Remarketing Agent is unable to place with investors pursuant to the applicable Remarketing Agreement.

Under the terms of the Conditional Note Purchase Agreement to be entered into in relation to a Series and Class of Money Market Notes if, on or before a Money Market Note Mandatory Transfer Date for such Notes, the applicable Remarketing Agent terminates its appointment following an optional remarketing termination event in relation to such Notes, the applicable Conditional Note Purchaser will, pursuant to the terms of the Conditional Note Purchase Agreement, be obliged to purchase on such Money Market Note Mandatory Transfer Date all of the Notes at the maximum reset margin for such Notes. If an Automatic Remarketing Termination Event occurs in relation to such Notes, the Issuer will not be obliged to procure any subsequent purchase of such Notes, the Remarketing Agent will not be obliged to remarket any of such Notes and the Conditional Note Purchaser will not be obliged to purchase any of such Notes. For the avoidance of doubt, following the occurrence of an Event of Default, the margin payable on a Series and Class of Money Market Notes will be the margin applicable immediately prior to such Event of Default.

In the event of a downgrade of the short-term unsecured, unsubordinated and unguaranteed credit rating of the Conditional Note Purchaser for a Series and Class of Money Market Notes to a level which is below that sufficient to support the then current short-term rating applicable to such Notes, the Issuer will, subject to certain conditions, have the right to terminate the appointment of such Conditional Note Purchaser **provided that** it is able, prior to any such termination, taking effect to appoint a successor Conditional Note Purchaser for such Notes which has a short-term rating at least equal to that sufficient to support the short-term ratings that were applicable to such Notes immediately prior to the downgrade of the Conditional Note Purchaser.

The Remarketing Agent and the Conditional Note Purchaser for a Series and Class of Money Market Notes will not have any recourse to the Issuer in respect of such arrangements.

No assurance can be given that any Remarketing Agent or Conditional Note Purchaser for a Series and Class of Money Market Notes will comply with and perform their respective obligations under the remarketing arrangements. In addition, if you purchase such Notes, you will have no recourse against the Issuer, the Conditional Note Purchaser or the Remarketing Agent for any default or failure to purchase by the Conditional Note Purchaser under the terms of the applicable Conditional Note Purchase Agreement or default or failure to remarket by the Remarketing Agent under the terms of the applicable Remarketing Agreement. Although the other parties to these agreements may be able to enforce their respective terms, they will not be under any obligation to do so.

Eurosystem Eligibility

Where the Global Note Certificates issued in respect of any Class are intended to be held under the NSS, the Issuer will also notify the ICSDs upon the issue whether such Global Note Certificates are intended, or are not intended, to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Note Certificates are to be so held does not necessarily mean that the Notes of any Class will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon the European Central Bank being satisfied that the Eurosystem eligibility criteria have been met.

BOOK-ENTRY CLEARANCE PROCEDURES

The information set out below has been obtained from Euroclear, Clearstream, Luxembourg and DTC (each with respect to itself), and the Issuer believes that such sources are reliable. However, prospective investors are advised to make their own enquiries as to the procedures described below. The Issuer accepts responsibility for the accurate reproduction of such information from publicly available information. In particular, such information is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream, Luxembourg or DTC currently in effect and investors wishing to use the facilities of any of Euroclear, Clearstream, Luxembourg or DTC are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Seller, the Joint Arrangers, the Dealers, the Note Trustee, the Security Trustee, any Swap Counterparty, the Paying Agents, the Agent Bank, any of their respective affiliates or any other party to the Programme Documents will have any responsibility for the performance by Euroclear, Clearstream, Luxembourg and DTC or their respective direct and indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

Euroclear, Clearstream, Luxembourg and DTC

Custodial and depositary links have been established between Euroclear and Clearstream, Luxembourg and DTC to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading. See "**–** *Initial settlement*" and "**–** *Secondary trading*" below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of those participants, thereby eliminating the need for physical movement 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 also deal with domestic securities markets in several countries through established depository and custodial relationships.

Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other. Transactions may be settled in Euroclear and Clearstream, Luxembourg in any of numerous currencies, including Sterling, US Dollars and Euro. Clearstream, Luxembourg is incorporated under the laws of Luxembourg as a professional depository. Clearstream, Luxembourg participants are financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, and clearing corporations. Indirect access to Clearstream, Luxembourg is also available to others, including banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream, Luxembourg participant, either directly or indirectly.

The Euroclear system was created in 1968 to hold securities for its participants and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment. The Euroclear system is operated by Euroclear Bank S.A./N.V. (the "**Euroclear Operator**"). All operations are conducted by the Euroclear Operator. All Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator. Euroclear participants include banks – including central banks – securities brokers and dealers and other professional financial intermediaries. Indirect access to the Euroclear system is also available to other firms that maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the terms and conditions governing use of Euroclear and the related operating procedures of the Euroclear system. These

terms and conditions govern transfers of securities and cash within the Euroclear system, withdrawal of securities and cash from the Euroclear system, and receipts of payments for securities in the Euroclear system. All securities in the Euroclear system are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under these terms and conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding through Euroclear participants.

DTC

DTC has advised the Issuer that it intends to follow the following procedures:

DTC will act as securities depository for the Rule 144A Global Note Certificates representing Rule 144A Notes denominated in US Dollars. These Rule 144A Global Note Certificates will be issued as securities registered in the name of Cede & Co. as DTC's nominee.

DTC has advised the Issuer that it is:

- a limited-purpose trust company organised under New York Banking Law;
- a "banking organisation" within the meaning of New York Banking Law;
- a member of the Federal Reserve System;
- a "clearing corporation" within the meaning of the New York Uniform Commercial Code; and
- a "clearing agency" registered under the provisions of Section 17A of the US Securities and Exchange Act of 1934, as amended (the "**Exchange Act**").

DTC holds securities for its participants and facilitates the clearance and settlement among its participants of securities transactions, including transfers and pledges, in deposited securities through electronic book-entry changes in its participants' accounts. This eliminates the need for physical movement of securities certificates. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organisations. Indirect access to the DTC system is also available to others including securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Transfers between participants on the DTC system will occur under DTC rules. Transfers between participants on the Clearstream, Luxembourg system and participants in the Euroclear system will occur under their rules and operating procedures.

Purchases of Notes under the DTC system must be made by or through DTC participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual beneficial owner is in turn to be recorded on the DTC participants' and indirect participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase. However, beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the DTC participant or indirect participant through which the beneficial owner entered into the transaction. Transfer of ownership interests in the Rule 144A Notes deposited with DTC are to be accomplished by entries made on the books of DTC participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interest in Notes unless use of the book-entry system for the Notes described in this section is discontinued.

To facilitate subsequent transfers, all offered Global Note Certificates deposited with DTC are registered in the name of DTC's nominee, Cede & Co. The deposit of these offered Global Note Certificates with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no

knowledge of the ultimate beneficial owners of the Notes. DTC's records reflect only the identity of the DTC participants to whose accounts the beneficial interests are credited, which may or may not be the actual beneficial owners of the Notes. The DTC participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to DTC participants, by DTC participants to indirect participants, and by DTC participants and indirect participants to beneficial owners will be governed by arrangements among them and by any statutory or regulatory requirements in effect from time to time.

Redemption notices for the Rule 144A Notes represented by Rule 144A Global Note Certificates deposited with DTC will be sent to DTC. If less than all of those Notes are being redeemed by investors, DTC's practice is to determine by lot the amount of the interest of each participant in those Notes to be redeemed.

Neither DTC nor Cede & Co. will consent or vote on behalf of the Rule 144A Noteholders. Under its usual procedures, DTC will mail an omnibus proxy to the Issuer as soon as possible after the record date, which assigns the consenting or voting rights of Cede & Co. to those DTC participants to whose accounts the book-entry interests are credited on the record date, identified in a list attached to the proxy.

The Issuer understands that under existing industry practices, when the Issuer requests any action of Noteholders or when a beneficial owner desires to give or take any action which a Noteholder is entitled to give or take under the Trust Deed, DTC generally will give or take that action, or authorise the relevant participants to give or take that action, and those participants would authorise beneficial owners owning through those participants to give or take that action or would otherwise act upon the instructions of beneficial owners through them.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

Book-entry ownership

Each Regulation S Global Note Certificate will have an ISIN and a Common Code and will be delivered at initial settlement to a Common Depositary or Common Safekeeper, as specified in the applicable Final Terms, for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of a Common Depositary for Euroclear and Clearstream, Luxembourg or in the name of a nominee of a common safekeeper for Euroclear and Clearstream, Luxembourg.

Each Rule 144A Global Note Certificate representing Rule 144A Notes denominated in a currency other than US Dollars will have an ISIN and a Common Code and will be delivered at initial settlement to a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg or to a Common Safekeeper on behalf of Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms.

Each Rule 144A Global Note Certificate representing Rule 144A Notes denominated in US Dollars will have a CUSIP number and will be registered in the name of Cede & Co. as nominee for DTC, and be deposited with, the DTC Custodian, on or about the relevant Closing Date. The DTC Custodian and DTC will electronically record the principal amount of the Rule 144A Notes held within the DTC system.

As the holders of book-entry interests, beneficial owners will not have the right under the Trust Deed to act on solicitations by the Issuer for action by Noteholders. Beneficial owners will only be able to act to the extent they receive the appropriate proxies to do so from DTC, Clearstream, Luxembourg or Euroclear or, if applicable, their respective participants. No assurances are made about these procedures or their adequacy for ensuring timely exercise of remedies under the Trust Deed.

No beneficial owner of an interest in a note represented by a Global Note Certificate will be able to transfer that interest except in accordance with applicable procedures, in addition to those provided for under the Trust Deed, of DTC, Clearstream, Luxembourg and Euroclear, as applicable.

Payment and relationship of participants with Clearing Systems

Principal and interest payments on the Rule 144A Notes accepted for clearance through DTC will be made via the Paying Agents to DTC or its nominee, as the registered holder of the Rule 144A Global Note Certificates. DTC's practice is to credit its participants' accounts on the applicable Note Payment Date according to their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on that Note Payment Date.

Principal and interest payments on the Regulation S Notes and Rule 144A Notes accepted for clearance through Euroclear and/or Clearstream, Luxembourg will be made to the Principal Paying Agent and then credited by the Principal Paying Agent to the cash accounts of Euroclear, Clearstream, Luxembourg or (in the case of Notes represented by a Global Note Certificate) the Common Depositary by whom such note is held or a nominee in whose name it is registered or, in the case of Regulation S Global Note Certificates to be held under the NSS, the Common Safekeeper by whom such note is held or a nominee in whose name it is registered. After receipt of any payment from the Principal Paying Agent to the Common Depositary or, as applicable, Common Safekeeper (or, in either case, its nominee), Euroclear and Clearstream, Luxembourg, as the case may be, will credit their respective participants' accounts in proportion to those participants' holdings as shown on the records of Euroclear and Clearstream, Luxembourg, respectively.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the holder of a note represented by a Global Note Certificate must look solely to Euroclear, Clearstream, Luxembourg or DTC (as the case may be) for his share of each payment made by the Issuer to the holder of such global note and in relation to all other rights arising under the Global Note Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or DTC (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Note Certificate, the Common Depositary or Common Safekeeper, as the case may be, by whom such note is held, or nominee in whose name it is registered, will immediately credit the relevant participants' or accountholders' accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant global note as shown on the records of the relevant Clearing System or its nominee. The Issuer also expects that payments by direct participants in any Clearing System to owners of beneficial interests in any global note held through such direct participants in any Clearing System will be governed by standing instructions and customary practices. Save as aforesaid, such persons will have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note Certificates and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such global note in respect of each amount so paid. None of the Issuer, the Note Trustee, any Joint Arranger, any Dealer nor any Paying Agent will have any responsibility or liability for any aspect of the records of DTC, Clearstream, Luxembourg or Euroclear relating to or payments made by DTC, Clearstream, Luxembourg or Euroclear on account of beneficial interests in the Global Note Certificates or for maintaining, supervising or reviewing any records of DTC, Clearstream, Luxembourg or Euroclear relating to those beneficial interests.

Initial settlement

The Global Note Certificates for each Series and Class of Notes will be delivered on the relevant Closing Date to Citibank, N.A., London Branch, as custodian for DTC, and to the Common Depositary or, as applicable, Common Safekeeper for Euroclear and Clearstream, Luxembourg, as applicable. Customary settlement procedures will be followed for participants of each system on that Closing Date. Notes will be credited to investors' securities accounts on the relevant Closing Date against payment in same-day funds.

Secondary trading

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes held within a Clearing System must be made by or through direct participants, which will receive a credit for such Notes on the Clearing System's records. The ownership interest of each beneficial owner of each such note will in turn be recorded on the participant's records. Beneficial owners will not receive written confirmation from any Clearing System of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct and indirect participant through which they entered into the transaction. Transfers of ownership interests in Notes held within the Clearing System will be effected by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Note Certificate held within a Clearing System are exchanged for Individual Note Certificates.

No Clearing System has knowledge of the actual beneficial owners of the Notes held within such Clearing System and their records will reflect only the identity of the direct participants to whose accounts such Notes are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to direct participants by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions (including some states of the US) require that certain purchasers of securities take physical delivery of those securities in definitive form. These laws may impair the ability to transfer beneficial interests in a note represented by a Global Note Certificate. DTC can only act on behalf of direct participants, who in turn act on behalf of indirect participants, so the ability of a person having an interest in a global note to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by a lack of a physical certificate in respect of such interest. See "*Risk factors – Noteholders will not receive physical Notes, which may cause delays in distributions and hamper your ability to pledge or resell the Notes*".

Trading between Euroclear and/or Clearstream, Luxembourg participants

Secondary market sales of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds and US Dollar denominated bonds.

Trading between DTC participants

Secondary market sales of book-entry interests in the Notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to US corporate debt obligations in DTC's same-day funds settlement system in same-day funds, if payment is effected in US Dollars, or free of payment, if payment is not effected in US Dollars. Where payment is not effected in US Dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading between DTC seller and Euroclear/Clearstream, Luxembourg purchaser

When book-entry interests in Notes are to be transferred from the account of a DTC participant holding a beneficial interest in a Global Note Certificate to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in that global note (subject to the certification procedures provided in the Agency Agreement), the DTC participant will deliver instructions for delivery

to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the custodian of the Global Note Certificate will instruct the Registrar to (i) decrease the amount of Notes registered in the name of Cede & Co., and evidenced by the relevant Global Note Certificate and (ii) increase the amount of Notes registered in the name of the nominee of the Common Depositary or, as applicable, Common Safekeeper for Euroclear and Clearstream, Luxembourg and evidenced by the relevant Global Note Certificate. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

Trading between Euroclear/Clearstream, Luxembourg seller and DTC purchaser

When book-entry interests in the Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC participant wishing to purchase a beneficial interest in a Global Note Certificate (subject to the certification procedures provided in the Trust Deed and any Trust Deed supplement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7.45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the Common Depositary or the common service provider, as the case may be, for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the Common Depositary or, as applicable, the common service provider for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the custodian of the Global Note Certificate who will in turn deliver evidence of such book-entry interests in the Notes free of payment to the relevant account of the DTC participant and (b) instruct the Registrar to (i) decrease the amount of Notes registered in the name of the nominee of the Common Depositary or, as applicable, the Common Safekeeper for Euroclear and Clearstream, Luxembourg and evidenced by the relevant Global Note Certificate and (ii) increase the amount of Notes registered in the name of Cede & Co. and evidenced by the relevant Global Note Certificate.

Although DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in Global Note Certificates among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear, 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 directors of the Issuer, the Seller, any Joint Arranger, any Dealer, the Note Trustee, the Security Trustee, any Interest Rate Swap Counterparty, any Currency Swap Counterparty, the Paying Agents or the Agent Bank will have any responsibility for the performance by DTC, Clearstream, Luxembourg or Euroclear or their respective participants of their respective obligations under the rules and procedures governing their operations.

Pre-issue trades settlement

It is expected that delivery of each Series of Notes will be made against payment therefor on the Closing Date for such Series of Notes, which could be more than three business days following the date of pricing for such Series of Notes. Under Rule 15c6-1 under the Exchange Act, trades in the US secondary market generally are required to settle within three business days (T+3), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes in the US on the date of pricing or the next succeeding business days until three days prior to the Closing Date of a Series of Notes will be required, by virtue of the fact that the Notes initially will settle beyond T+3, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices and purchasers

of Notes who wish to trade Notes between the date of pricing and the Closing Date for such Series of Notes should consult their own adviser.

Sub-Series of the Class A Notes

Pursuant to the Agency Agreement, the Principal Paying Agent shall procure that, where any additional Sub-Series of Class A Notes is issued which is intended to form a single Series with the then existing Series or, as the case may be, Sub-Series of the Class A Notes, the Class A Notes of such additional Sub-Series shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Class A Notes of any existing Sub-Series of the relevant Series until at least the expiry of the Distribution Compliance Period applicable to the Class A Notes of such Sub-Series.

Transfer and settlement of Money Market Notes under the Remarketing Agreements and Conditional Note Purchase Agreements

A Series and Class of Money Market Notes will initially be represented by a Regulation S Global Note Certificate and/or a Rule 144A Global Note Certificate. Each Global Note Certificate will in turn be exchangeable for certificates in individual certificated form only in the circumstances described under "*Description of the Trust Deed and the Notes – The Notes – Individual note certificates*".

Three business days before the Money Market Note Mandatory Transfer Date for a Series and Class of Money Market Notes, the applicable Remarketing Agent will be required to deliver to Euroclear and/or Clearstream, Luxembourg a written notice (a "**Euroclear/Clearstream Money Market Note Call Notice**") in respect of such Notes which are represented by a registered Regulation S Global Note Certificate (the "**Euroclear/Clearstream Money Market Notes**", and holders thereof, the "**Euroclear/Clearstream Money Market Noteholders**") that will specify, among other things, the applicable Remarketing Agent's account details with Euroclear or Clearstream, Luxembourg (as the case may be) and the Principal Amount Outstanding in respect of such Notes on such Money Market Note Mandatory Transfer Date (after giving effect to the payment of any Note Principal Payments (or any part thereof) that will be made on such date in respect of such Notes) (the "**Euroclear/Clearstream Money Market Note Mandatory Transfer Price**").

Prior to the Money Market Note Mandatory Transfer Date for a Series and Class of Money Market Notes, the applicable Remarketing Agent will be required to deliver to Euroclear and/or Clearstream, Luxembourg a second written notice (a "**Euroclear/Clearstream Money Market Note Transfer Notice**") in respect of the Euroclear/Clearstream Money Market Notes, which will specify, among other things, the account details with Euroclear and/or Clearstream, Luxembourg (as the case may be) of any purchaser of the Euroclear/Clearstream Money Market Notes, on such Money Market Note Mandatory Transfer Date (which will include the applicable Conditional Note Purchaser in respect of such Euroclear/Clearstream Money Market Notes if the Remarketing Agent is unable to identify investors for some or all of such Notes pursuant to the terms of the applicable Remarketing Agreement) (each such purchaser of the Euroclear/Clearstream Money Market Notes being an "**Incoming Euroclear/Clearstream Money Market Noteholder**") and the Euroclear/Clearstream Money Market Note Mandatory Transfer Price payable on such Money Market Note Mandatory Transfer Date.

No further action will be required of the Euroclear/Clearstream Money Market Noteholders in connection with the transfer of the Euroclear/Clearstream Money Market Notes to the applicable Remarketing Agent (as contemplated by the Euroclear/Clearstream Money Market Note Call Notice) or the transfer from the Remarketing Agent to the Incoming Euroclear/Clearstream Money Market Noteholders (as contemplated by the Euroclear/Clearstream Money Market Note Transfer Notice).

To facilitate the transfer of interests in a Series and Class of Money Market Notes held through DTC (the "**DTC Money Market Notes**", and holders thereof, the "**DTC Money Market Noteholders**") as part of

the Money Market Note Mandatory Transfer Arrangements, the tender agent appointed in respect of such Series and Class of Notes will be required to arrange delivery and payment by and to the DTC Money Market Noteholders on the Money Market Note Mandatory Transfer Date for such Notes. The Remarketing Agent appointed in respect of such Series and Class of Notes will be required to provide a suitable securities account to be used for the purposes of settlement of the DTC Money Market Notes on each Money Market Note Mandatory Transfer Date for such Notes.

The Remarketing Agent for a Series and Class of Money Market Notes will be required (to the extent that any DTC Money Market Notes are held in global form) to notify DTC no later than three business days prior to a Money Market Note Mandatory Transfer Date for such Notes of (i) the Principal Amount Outstanding on such Money Market Note Mandatory Transfer Date (after giving effect to the payment of any Note Principal Payments (or any part thereof) that will be made on such date in respect of such Notes), being the amount payable by the investors wishing to purchase the DTC Money Market Notes (the "**DTC Money Market Note Mandatory Transfer Price**"), (ii) the account details with DTC of any purchaser of the DTC Money Market Notes, on such Money Market Note Mandatory Transfer Date (which will include the related applicable Conditional Note Purchaser in respect of such DTC Money Market Notes if the Remarketing Agent is unable to identify investors for some or all of such Notes pursuant to the terms of the applicable Remarketing Agreement) (each such purchaser of the DTC Money Market Notes being an "**incoming DTC Money Market Noteholder**"), the money market note reset margin applicable to such Notes after that Money Market Note Mandatory Transfer Date, and (iii) the next Reset Period (which will be defined in the applicable Remarketing Agreement or the applicable Conditional Note Purchase Agreement) in respect of such Notes. The applicable Remarketing Agent will arrange delivery of the relevant DTC Money Market Notes to the incoming DTC Money Market Noteholders on each Money Market Note Mandatory Transfer Date for such Notes (including, without limitation, specifying details of the accounts of such incoming DTC Money Market Noteholders to DTC).

No further action will be required of the incoming DTC Money Market Noteholders for the transfer of DTC Money Market Notes to or for the account of a Remarketing Agent.

Upon payment on the Money Market Note Mandatory Transfer Date of the DTC Money Market Note Mandatory Transfer Price by the incoming DTC Money Market Noteholders for a Series and Class of Money Market Notes, all rights in respect of the DTC Money Market Notes will be transferred to or for the account of the applicable Remarketing Agent and then will be transferred that same day to the incoming DTC Money Market Noteholders.

If an existing holder of Money Market Notes wishes to repurchase such Notes on the Money Market Note Mandatory Transfer Date for such Notes, the transfer and settlement process is as described above except that there will be no cash payment of the applicable DTC Money Market Note Mandatory Transfer Price to or from such holder.

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the "**Conditions**", and any reference to a "**Condition**" will be construed accordingly) of Notes in the form (subject to amendment) which will be incorporated by reference into each Global Note Certificate and each Individual Note Certificate, and in the latter case with respect to the Notes, only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Individual Note Certificate will have endorsed thereon or attached thereto such Conditions. The Final Terms in relation to each Series and Class of Notes and each Sub-Series of the Class A Notes may specify other terms and conditions which will, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) for Notes will be endorsed upon, or attached to, each Global Note Certificate and Individual Note Certificate. References to the "**applicable Final Terms**" are, in relation to a Series and Class of Notes or a Sub-Series of the Class A Notes, to the Final Terms, pricing supplement or drawdown prospectus (or the relevant provisions thereof) attached to or endorsed on such Notes.

The Notes are constituted by a deed or deeds supplemental to the Trust Deed. The Security for the Notes is created pursuant to, and on the terms set out in, the Deed of Charge. By the Agency Agreement, provision is made for, among other things, the payment of principal and interest in respect of the Notes.

References herein to the "**Notes**" will, unless the context otherwise requires, be references to all the Notes issued by the Issuer and constituted by the Trust Deed and will mean:

(i) in relation to any Notes of a Series and Class represented by a Global Note Certificate, units of the lowest Specified Denomination in the Specified Currency in each case of such Series and Class;

(ii) any Global Note Certificates; and/or

(iii) any Individual Note Certificates:

  (a) in respect of the Class A Notes, issued in exchange for a Global Note Certificate; and/or

  (b) in respect of the Class Z VFNs and the Seller's Note, Regulation S Individual Note Certificates issued on the First Closing Date.

Notes constituted by the Trust Deed are issued in series (each a "**Series**") and each Series comprises one or more Classes (each a "**Class**") of Notes. Each Class of Notes of any Series may comprise one or more Sub-Classes of Notes (each a "**Sub-Class**"). Each Series of Notes is subject to Final Terms.

As used in this Base Prospectus, "**Sub-Series**" means a sub-series of Class A Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issuance Date, Interest Commencement Dates and/or issue prices.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge and the Agency Agreement.

Copies of the Trust Deed, the Deed of Charge, the Agency Agreement and each of the other Programme Documents are available for inspection during normal business hours at the registered office of the Issuer, being 10th Floor, 5 Churchill Place London E14 5HU, the specified office for the time being of the Principal Paying Agent, being at Citigroup Centre, Canada Square, London, E14 5LB, and the specified office for the time being of the US Paying Agent, being at Citigroup Centre, Canada Square, London, E14 5LB. Copies of the Final Terms of each Series of Notes are obtainable by Noteholders during normal business hours at the registered office of the Issuer, the specified office for the time being of the Principal Paying Agent and the specified office for the time being of the US Paying Agent and any Noteholder must produce

evidence satisfactory to the Issuer, the Principal Paying Agent or the US Paying Agent (as the case may be) as to its holding of Notes and its identity.

The holders of any Series and Class of Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Trust Deed, the Deed of Charge, the Agency Agreement, each of the other Programme Documents and the applicable Final Terms and to have notice of each of the other Final Terms relating to each other Series and Class of Notes.

References herein to the "**Class A Noteholders**" will, in each case and unless specified otherwise, be references to the holders of the Class A Notes of all Series and all Sub-Classes of the Class A Notes.

References herein to the "**VFN Holders**" will, in each case and unless specified otherwise, be references to the holders of the Class Z VFNs of all Sub-Classes and to the Seller as the holder of the Seller's Note.

Unless the context otherwise requires, references herein to the "**Class A Notes**" will, in each case and unless specified otherwise, be references to the Class A Notes of all Series and all Sub-Classes of the Class A Notes.

Unless the context otherwise requires, references herein to the "**VFNs**" will, in each case and unless specified otherwise, be references to the Class Z VFNs of all Sub-Classes and to the Seller's Note.

The VFNs have been issued in definitive form and are represented by Regulation S Individual Note Certificates. The Issuer maintains the VFN Register, kept on the Issuer's behalf by the VFN Registrar, in which the Class Z VFNs are registered in the name of the VFN Holder and the Seller's Note is registered in the name of the Seller.

The Notes are not issuable in bearer form.

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Conditions will bear the meanings given to them in the applicable Final Terms and/or the Master Definitions Schedule set out in Schedule 1 (*Master Definitions Schedule*) to the Incorporated Terms Memorandum made between the parties to the Transaction Documents on or about the Programme Date (as modified and/or supplemented and/or restated from time to time, the "**Master Definitions Schedule**"), a copy of each of which may be obtained as described above.

For the purposes of: (1) the right to attend and vote at any meeting of the Noteholders of any Class A Notes of any Series, an Extraordinary Resolution in writing or an Ordinary Resolution in writing, a written resolution or an electronic consent through the relevant Clearing System(s) as envisaged by the Trust Deed and/or these Conditions and any direction or request by the Noteholders of any Class A Notes of any Series; the determination of how many and which Class A Notes are for the time being outstanding; (2) any discretion, power or authority (whether contained in the trust presents, or vested by operation of law) which the Security Trustee and/or the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders of any Class A Notes; and (3) the determination by the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders of any Class A Notes, "**outstanding**" means, in relation to the Class A Notes, all the Class A Notes issued from time to time other than those Class A Notes (if any) which are for the time being held by or on behalf of the Seller or any Subsidiary of the Seller (each such entity a "**Relevant Person**"), in each case as beneficial owner, those Class A Notes will (unless and until ceasing to be so held) be deemed not to remain outstanding. However, if:

(i) all of the Class A Notes of any Series are held by or on behalf of or for the benefit of one or more Relevant Persons (the "**Relevant Notes**"); or

(ii) in respect of any of the Class A Notes of any Series which are prepositioned with the Bank of England, the European Central Bank or any other central bank, for the purposes of using the Bank

of England's discount window facility or any other similar central bank liquidity scheme (provided that a certificate addressed to the Note Trustee (upon which the Note Trustee shall be entitled to rely without enquiry or liability) confirming the same has been provided by the Relevant Person to the Note Trustee, in the absence of which the Note Trustee shall be entitled to assume that the Class A Notes have not been so prepositioned),

then in each case, the Class A Notes held by or on behalf of or for the benefit of the Relevant Persons shall be deemed to remain outstanding. For the avoidance of doubt, for so long as the Seller's Note and/or any Class Z VFNs are held by a Relevant Person such Notes so held will be considered outstanding.

Notwithstanding the above, any Notes held by a Relevant Person will be always be deemed to remain outstanding for the purposes of a sanctioning a Basic Terms Modification.

1. **Form, Denomination, Register, Title and Transfers**

(a) ***Form and denomination***

The Rule 144A Notes have not been and will not be registered under the Securities Act and may not be offered and sold within the US or to, or for the account or benefit of, US persons, except to "qualified institutional buyers" (within the meaning of Rule 144A under the Securities Act) in reliance on the exemption from registration provided by Rule 144A under the Securities Act.

The Regulation S Notes will initially be offered and sold outside the US to non-US persons pursuant to Regulation S.

Each Series and Class of Class A Notes will be issued in registered form and denominated in the Specified Currency and in the Specified Denomination. Each Series and Class of Class A Notes which are Rule 144A Notes will be initially represented by a Rule 144A Global Note Certificate, which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of Rule 144A Notes. Each Series and Class of Class A Notes which are Regulation S Notes will be initially represented by a Regulation S Global Note Certificate which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of the Regulation S Notes.

Each Class Z VFN and the Seller's Note will be issued in definitive form and denominated in the Specified Currency and in the Specified Denomination. Each Class Z VFN and the Seller's Note will be represented by Regulation S Individual Note Certificates issued on the First Closing Date. Each Regulation S Individual Note Certificate will represent the Principal Amount Outstanding from time to time of the relevant Class Z VFN and/or the Seller's Note.

Each Series and Class of Notes may be Fixed Rate Notes or Floating Rate Notes or a combination of the foregoing, depending upon the interest basis specified for such Notes in the applicable Final Terms.

Each Series and Class of Class A Notes may be Bullet Redemption Notes, Controlled Amortisation Notes, Pass-Through Redemption Notes or a combination of any of the foregoing, depending upon the redemption/payment basis specified for such Notes in the applicable Final Terms.

Global Note Certificates will be exchanged for Individual Note Certificates in definitive registered form only under certain limited circumstances (as described in the relevant Global Note Certificate). If Individual Note Certificates are issued, they will be serially numbered and issued in an aggregate principal amount equal to the Principal Amount Outstanding of the relevant Global Note Certificates and in registered form only.

In the case of a Series and Class of Notes with more than one Specified Denomination, Notes of one Specified Denomination may not be exchanged for Notes of such Series and Class of another Specified Denomination.

(b) ***Register***

The Registrar will maintain the Register in respect of the Class A Notes in accordance with the provisions of the Agency Agreement. In these Conditions, the "**Holder**" of a Class A Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof). A Note Certificate will be issued to each Noteholder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.

The VFN Registrar will maintain the VFN Register in respect of the Class Z VFNs and the Seller's Note in accordance with the provisions of the Trust Deed. In these Conditions, the "**Holder**" of a Class Z VFN or of the Seller's Note means the person in whose name such Class Z VFN or the Seller's Note, as the case may be, is for the time being registered in the VFN Register.

(c) ***Title***

The Holder of each Note will (except as otherwise required by law) be treated by the Issuer, the Note Trustee, the Security Trustee, the Agent Bank and any Agent as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no person will be liable for so treating such holder.

(d) ***Transfers***

Subject as provided otherwise in this Condition 1(d), a Class A Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the specified office of the Registrar or the Exchange and Transfer Agent, together with such evidence as the Registrar or (as the case may be) the Exchange and Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided**, **however**, **that** a Class A Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a holder are being transferred) the principal amount of the balance of Notes not transferred are each in the Minimum Specified Denomination. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.

Within five Business Days of such surrender of a Note Certificate, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant holder at its specified office or (as the case may be) the specified office of the Exchange and Transfer Agent or (at the request and risk of any such relevant holder) by uninsured first class mail (and by airmail if the holder is overseas) to the address specified for such purpose by such relevant holder.

The transfer of a Class A Note will be effected without charge by or on behalf of the Issuer, the Registrar or the Exchange and Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Exchange and Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

Noteholders may not require transfers of Notes to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

All transfers of Class A Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

Title to a Class Z VFN and/or to the Seller's Note will only pass by and upon registration of the transfer in the VFN Register. No transfer of a Class Z VFN and/or the Seller's Note may be made unless, at the time of the transfer, the Principal Amount Outstanding of all of the Class Z VFNs and the Seller's Note is greater than £10 million.

Title to a Class Z VFN and/or to the Seller's Note cannot be transferred to a US Person.

2. **Status, priority and security**

(a) ***Status***

The Notes of each Series and Class are direct, secured and, subject to the limited recourse provisions in Condition 10(b) (*Limited Recourse*), unconditional obligations of the Issuer.

Subject to the provisions of Conditions 5 (*Redemptions, Purchase and Cancellation*) and 6 (*Payments*) and subject to the other payment conditions set out in the applicable Final Terms and the other Transaction Documents, amounts payable in respect of the Notes will be paid in accordance with the relevant Priority of Payments.

(b) ***Conflict between the Classes of Notes***

The Trust Deed contains provisions:

(i) requiring the Note Trustee to have regard to the interests of the Class A Noteholders and the Class Z VFN Holder and the holder of the Seller's Note equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee under these Conditions or any of the Transaction Documents (except where expressly provided otherwise), but requiring the Note Trustee to have regard (except as expressly provided otherwise), for so long as there are any Class A Notes outstanding (of any Series), only to the interests of the Class A Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class A Noteholders and the interests of the Class Z VFN Holder and the holder of the Seller's Note. If there is a conflict between the interests of one Class of Noteholders of one Series and the same Class of Noteholders of another Series, then a resolution directing the Note Trustee to take any action must be passed at separate meetings of the holders of each Series of the relevant Class of Notes; and

(ii) limiting the powers of the Class Z VFN Holder and the holder of the Seller's Note, among other things, 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 Class A Noteholders (of that Series or of any other series). Except in certain circumstances described in Condition 11 (*Meetings of Noteholders, modifications and waivers*), the Trust Deed contains no such limitation on the powers of the Class A Noteholders, the exercise of which will be binding on the Class Z VFN Holder and the holder of the Seller's Note irrespective of the effect thereof on their interests.

The Note Trustee, in determining whether the exercise by it of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents will not be materially prejudicial to the interests of the Noteholders (or any Series and Class thereof), will have regard to Ratings Confirmations (if issued) that the then current ratings of the

applicable Series and Class of Notes would not be reduced, withdrawn or qualified by such exercise and any other confirmation which it considers, in its sole and absolute discretion, is appropriate.

(c) ***Security***

As security for, among other things, the payment of all monies payable in respect of the Notes, the Issuer will enter into the Deed of Charge and the initial Scottish Supplemental Charge creating the Security in favour of the Security Trustee for itself and on trust for, *inter alios*, the Note Trustee and the Noteholders.

3. **Covenants**

Save with the prior written consent of the Note Trustee or unless provided in or contemplated under these Conditions or any of the Transaction Documents to which the Issuer is a party, the Issuer will not, so long as any note remains outstanding:

(a) ***Negative pledge***

create or permit to subsist any mortgage, standard security, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law), upon the whole or any part of its assets (including any uncalled capital) or its undertakings, present or future;

(b) ***Disposal of assets***

sell, assign, transfer, lease or otherwise dispose of, or deal with, or grant any trust, option or present or future right to acquire all or any of its properties, assets, or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do any of the foregoing;

(c) ***Equitable interest***

permit any person other than itself and the Security Trustee (as to itself and on behalf of the Secured Creditors) to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

(d) ***Bank accounts***

have an interest in any bank account, other than a Bank Account or a Swap Excess Reserve Account;

(e) ***Custody accounts***

have an interest in any securities custody account, other than a Custody Account;

(f) ***Restrictions on activities***

carry on any business other than as described in the Base Prospectus (as revised, supplemented and/or amended from time to time) relating to the issue of the Notes and the related activities described therein or as contemplated in the Transaction Documents relating to the issue of the Notes;

(g) ***Borrowings***

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or obligation of any person other than as contemplated in the Transaction Documents;

(h) ***Merger***

consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

(i) ***Waiver or consent***

permit the validity or effectiveness of any of the Trust Deed or the Deed of Charge or the priority of the security interests created thereby to be amended, terminated, postponed, waived or discharged, or permit any other person whose obligations form part of the Security to be released from such obligations;

(j) ***Employees or premises***

have any employees or premises or subsidiaries;

(k) ***Dividends and distributions***

pay any dividend (other than dividends paid out of amounts recorded in the Profit Ledger), or make any other distribution to its shareholders or issue any further shares or alter any rights attaching to its shares as at the date of the Deed of Charge;

(l) ***Purchase Notes***

purchase or otherwise acquire any Note or Notes;

(m) ***US activities***

engage in any activities in the US (directly or through agents), or derive any income from US sources as determined under US income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the US as determined under US income tax principles; or

(n) ***VFNs***

allow the Principal Amount Outstanding of any Series, Class or Sub-Class of the VFNs to be less than £10,000 unless such Series, Class or Sub-Class of the VFNs is to be redeemed in full.

4. **Interest**

(a) ***Interest on Fixed Rate Notes***

Each Fixed Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the rate(s) of interest payable, subject as provided in these Conditions, in arrear on the Note Payment Date(s) in each year specified for such Note in the applicable Final Terms up to (and including) the Final Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable in respect of any Fixed Rate Note on each Note Payment Date for a Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Note Payment Date will, if so specified for such Note in the applicable Final Terms, amount to the broken amount so specified.

If interest is required to be calculated in respect of any Fixed Rate Note for a period other than a Fixed Interest Period, such interest will be calculated by applying the Rate of Interest specified for such Note in the applicable Final Terms to the Principal Amount Outstanding on such Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to

the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(b) ***Interest on Floating Rate Notes***

(i) *Note Payment Dates*

Each Floating Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrears on the Note Payment Date(s) in each year specified for such Note in the applicable Final Terms. Such interest will be payable in respect of each Floating Interest Period.

If a Business Day Convention is specified for a Floating Rate Note in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which a Note Payment Date should occur or (y) if any Note Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day convention specified is:

(a) the "**Following Business Day Convention**", the Note Payment Date for such Note will be postponed to the next day which is a Business Day; or

(b) the "**Modified Following Business Day Convention**", the Note Payment Date for such Note will be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Note Payment Date will be brought forward to the immediately preceding Business Day; or

(c) the "**Preceding Business Day Convention**", the Note Payment Date for such Note will be brought forward to the immediately preceding Business Day.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of a Floating Rate Note will be determined in the manner specified for such Note in the applicable Final Terms.

(iii) *ISDA determination for Floating Rate Notes*

Where "**ISDA Determination**" is specified for such Notes in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate (provided that in any circumstances where under the ISDA Definitions, the Agent Bank would be required to exercise any discretion, including the selection of any reference banks and seeking quotations from reference banks, when calculating the relevant ISDA Rate, the relevant determination(s) which require the Agent Bank to exercise its discretion shall instead be made by the Issuer or its designee) plus or minus (as indicated for such Note in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (a), "**ISDA Rate**" for an Interest Period means a rate equal to the floating rate that would be determined by the Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the Class Z VFNs and the Seller's Note), as the case may be, or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the Class Z VFNs and the Seller's Note), as the case may be, or that other person were acting as calculation agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(A) the Floating Rate Option is as specified for such Notes in the applicable Final Terms;

(B) the Designated Maturity is the period specified for such Notes in the applicable Final Terms; and

(C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on EURIBOR for a currency, the first day of that Interest Period, or (ii) in any other case, as specified for such Note in the applicable Final Terms.

For the purposes of this sub-paragraph (iii), "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

For the purposes of this Condition 4 (*Interest*), "**EURIBOR**" means the Euro-zone inter-bank offered rate.

(iv) *Screen Rate Determination for Floating Rate Notes - EURIBOR*

Where "**Screen Rate Determination**" is specified for a Floating Rate Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for such Note, and the Reference Rate is specified in the applicable Final Terms as being EURIBOR, the Rate of Interest for such Notes for each Interest Period will, subject as provided below, be either:

(A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or

(B) the arithmetic mean (rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum), for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at 11:00am (Brussels time, in the case of EURIBOR) on the Interest Determination Date in question (the "**Specified Time**") plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the Class Z VFNs and the Seller's Note), as the case may be. If five or more offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one highest quotation, one only of those quotations) and the lowest (or, if there is more than one lowest quotation, one only of those quotations) will be disregarded by the Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the Class Z VFNs and the Seller's Note), as the case may be, for the purpose of determining the arithmetic mean (rounded as provided above) of the offered quotations.

If the Relevant Screen Page is not available or if no offered quotation appears as at the Specified Time on the Interest Determination Date, the Issuer or an agent on its behalf appointed at such time (in respect of the Class A Notes) or the VFN Registrar (in respect of the Class Z VFNs and the Seller's Note), as the case may be, will request each of the Reference Banks to provide the Issuer or an agent on its behalf appointed at such time (in respect of the Class A Notes) or the VFN Registrar (in respect of the Class Z VFNs and the Seller's Note), as the case may be, with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Issuer or an agent on its behalf appointed at such time (in respect of the Class A Notes) or the VFN Registrar (in respect of the Class Z VFNs and the Seller's Note), as the case may be,

with offered quotations, the Rate of Interest for the Interest Period will be the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the Class Z VFNs and the Seller's Note), as the case may be.

If on any Interest Determination Date only one or none of the Reference Banks provides the Issuer or an agent on its behalf appointed at such time (in respect of the Class A Notes) or the VFN Registrar (in respect of the Class Z VFNs and the Seller's Note), as the case may be, with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period will be the rate per annum which the Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the Class Z VFNs and the Seller's Note), as the case may be, determines as being the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the rates, as communicated to (and at the request of) the Issuer or an agent on its behalf appointed at such time (in respect of the Class A Notes) or the VFN Registrar (in respect of the Class Z VFNs and the Seller's Note), as the case may be, by any two or more of the Reference Banks, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Issuer or an agent on its behalf appointed at such time (in respect of the Class A Notes) or the VFN Registrar (in respect of the Class Z VFNs and the Seller's Note), as the case may be, with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Issuer or an agent on its behalf appointed at such time (in respect of the Class A Notes) or the VFN Registrar (in respect of the Class Z VFNs and the Seller's Note), as the case may be, it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), **provided that**, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest for such Series and Class of Notes will be determined as at the last preceding Interest Determination Date for such Series and Class of Notes (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of a Series and Class of Floating Rate Notes is specified in the applicable Final Terms as being other than EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in paragraphs (v) and (vi) below.

(v) *Compounded Daily Interest Rates*

Where screen rate determination is specified for a Floating Rate Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for such Note, and the Reference Rate is specified in the applicable Final Terms as being a Compounded Daily Interest Rate, the Rate of Interest for each Interest Period will, subject as provided

below, be the Compounded Daily Interest Rate for the relevant currency plus or minus (as indicated in the applicable Final Terms) the Margin, as determined on the basis of the provisions set out below:

"**Compounded Daily Interest Rate**" means, with respect to an Interest Period for the relevant currency:

(a) where "Index Determination" is specified as "Not Applicable" in the relevant Final Terms, the rate of return of a daily compound interest investment during the Interest Period (with the daily Sterling, US Dollar or Euro (as the case may be) overnight reference rate as reference rate for the calculation of interest) as calculated by the Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the VFNs), as the case may be (or other party responsible for calculating the Rate of Interest as set out in the relevant Final Terms) as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{Rate_i \times n_i}{D}\right)-1\right]\times\frac{D}{d}$$

(b) where "Index Determination" is specified as "Applicable" in the relevant Final Terms the rate calculated by the Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the VFNs) as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\left(\frac{Index_{END}}{Index_{START}}-1\right)\times\frac{D}{d}$$

provided, however, that if the Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the VFNs) is unable for any reason to determine either or both of $Index_{END}$ and $Index_{START}$ in relation to any Interest Period, then the Compounded Daily Interest Rate shall be calculated for such Interest Period as if "Index Determination" had been specified as being "Not Applicable" in the relevant Final Terms (and paragraph (a) of this definition shall be applied accordingly),

where:

"**Banking Day**" or "**BD**" is:

(a) if the relevant reference rate is SONIA, a London Banking Day;

(b) if the relevant reference rate is SOFR, a US Government Securities Business Day; and

(c) if the relevant reference rate is €STR, a TARGET Business Day;

"**D**" is:

(a) if the relevant reference rate is SONIA, 365;

(b) if the relevant reference rate is SOFR, 360; and

(c) if the relevant reference rate is €STR, 360;

"**d**" is:

(a) where "Index Determination" is specified as "Applicable" in the relevant Final Terms, the number of calendar days from (and including) the day in relation to which $Index_{START}$ is determined to (but excluding) the day in relation to which $Index_{END}$ is determined; and

(b) where "Index Determination" is specified as "Not Applicable" in the relevant Final Terms:

(i) where "Lag" or "Lock-out" is specified in the relevant Final Terms as the Observation Method, the number of calendar days in the relevant Interest Period, and

(ii) where "Shift" is specified in the relevant Final Terms as the Observation Method, the number of calendar days in the relevant Observation Period;

"$\mathbf{d_o}$" is:

(a) if the relevant reference rate is SONIA: (i) where "Lag" or "Lock-out" is specified in the relevant Final Terms as the Observation Method, the number of London Banking Days in the relevant Interest Period, and (ii) where "Shift" is specified in the relevant Final Terms as the Observation Method, for any SONIA Observation Period, the number of London Banking Days in the relevant SONIA Observation Period;

(b) if the relevant reference rate is SOFR: (i) where "Lag" or "Lock-out" is specified in the relevant Final Terms as the Observation Method, the number of US Government Securities Business Days in the relevant Interest Period, and (ii) where "Shift" is specified in the relevant Final Terms as the Observation Method, for any SOFR Observation Period, the number of US Government Securities Business Days in the relevant SOFR Observation Period; and

(c) if the relevant reference rate is €STR: (i) where "Lag" or "Lock-out" is specified in the relevant Final Terms as the Observation Method, the number of TARGET Business Days in the relevant Interest Period, and (ii) where "Shift" is specified in the relevant Final Terms as the Observation Method, for any €STR Observation Period, the number of TARGET Business Days in the relevant €STR Observation Period;

"**€STR**" means Euro short-term rate;

"**€STR Observation Period**" is, in respect of an Interest Period, the period from, and including *p* TARGET Business Days prior to the relevant Interest Period (and the first Interest Period will begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling *p* TARGET Business Days prior to the Note Payment Date for such Interest Period (or the date falling *p* TARGET Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"**FOMC Target Rate**" means the short-term interest rate target set by the Federal Open Market Committee and published on the Federal Reserve's website, or if the Federal Open Market Committee does not target a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee and published on the Federal

Reserve's website (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range);

"**i**" is:

(a) if the relevant reference rate is SONIA, 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 (i) where "Lag" or "Lock-out" is specified in the relevant Final Terms as the SONIA Observation Method, Interest Period, and (ii) where "Shift" is specified in the relevant Final Terms as the Observation Method, SONIA Observation Period;

(b) if the relevant reference rate is SOFR, a series of whole numbers from one to d_o, each representing the relevant US Government Securities Business Day in chronological order from, and including, the first US Government Securities Business Day in the relevant (i) where "Lag" or "Lock-out" is specified in the relevant Final Terms as the Observation Method, Interest Period, and (ii) where "Shift" is specified in the relevant Final Terms as the Observation Method, SOFR Observation Period; and

(c) if the relevant reference rate is €STR, a series of whole numbers from one to d_o, each representing the relevant TARGET Business Days in chronological order from, and including, the first TARGET Business Days in the relevant (i) where "Lag" or "Lock-out" is specified in the relevant Final Terms as the Observation Method, Interest Period, and (ii) where "Shift" is specified in the relevant Final Terms as the Observation Method, SOFR Observation Period;

"**$Index_{END}$**" means, in relation to any Interest Period, the Index Value on the day which is "p" Banking Days prior to the Note Payment Date for such Interest Period (and in respect of the final Interest Period for any relevant Series of Notes, the relevant Final Maturity Date);

"**$Index_{START}$**" means, in relation to any Interest Period, the Index Value on the day which is "p" Banking Days prior to the first day of such Interest Period (and in respect of the first Interest Period for any relevant Series of Notes, the relevant Closing Date);

"**Index Value**" means:

(a) where "SONIA" is specified as the Reference Rate in the relevant Final Terms, in relation to any Banking Day, the value of the SONIA Index as published by authorised redistributors on the Relevant Screen Page on the immediately following London Banking Day provided, however, that in the event that the value originally published is subsequently corrected and such corrected value is published by authorised re-distributors or the Bank of England, as the administrator of SONIA (or any successor administrator of SONIA)) on the original date of publication, then such corrected value, instead of the value that was originally published, shall be deemed the Index Value in relation to such London Banking Day; and

(b) where "SOFR" is specified as the Reference Rate in the relevant Final Terms, in relation to any Banking Day, the value of the SOFR Index as published by the SOFR Administrator as such index appears on the Federal Reserve's website at or around 3.00 p.m. (New York time) on such Banking Day;

"**Interest Determination Date**" is the day defined as such in the Final Terms;

"**London Banking Day**" or "**LBD**" is any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"***n***" is:

(a) if the reference rate is SONIA, for any London Banking Day, means the number of calendar days from (and including) such day *i* up to but excluding the following London Banking Day;

(b) if the reference rate is SOFR, for any US Government Securities Business Day, means the number of calendar days from and including such US Government Securities Business Day up to but excluding the following US Government Securities Business Day; and

(c) if the reference rate is €STR, for any TARGET Business Day, means the number of calendar days from and including such TARGET Business Day up to but excluding the following TARGET Business Day;

"**OBFR**" means on a Note Payment Date, the Overnight Bank Funding Rate that appears on the Federal Reserve's website at 5:00 p.m. (New York time) for trades made on the related Interest Determination Date;

"**OBFR Index Cessation Effective Date**" means, following the occurrence of an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Overnight Bank Funding Rate), ceases to publish the Overnight Bank Funding Rate, or the date as of which the Overnight Bank Funding Rate may no longer be used, in each case as certified in writing by the Issuer to the Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the Class Z VFNs and the Seller's Note), as the case may be (or such other party responsible for the calculation of the rate of interest, as specified in the applicable Final Terms);

"**OBFR Index Cessation Event**" means the occurrence of one or more of the following events:

(a) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the Overnight Bank Funding Rate) announcing that it has ceased or will cease to publish or provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Overnight Bank Funding Rate;

(b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the Overnight Bank Funding Rate) has ceased or will cease to provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Overnight Bank Funding Rate; or

(c) a public statement by a regulator or other official sector entity prohibiting the use of the Overnight Bank Funding Rate that applies to, but need not be limited to, fixed income securities and derivatives, to the extent that such public statement has been acknowledged in writing by ISDA as an "OBFR index cessation event" under the 2021 ISDA Definitions as published by ISDA;

"***p***" means:

(a) if the reference rate is SONIA, the number of London Banking Days as they may be specified in the applicable Final Terms or, if no such number is specified, five London Banking Days;

(b) if the reference rate is SOFR, the number of US Government Securities Business Days as they may be specified in the applicable Final Terms or, if no such number is specified, five US Government Securities Business Days; and

(c) if the reference rate is €STR, the number of TARGET Business Days as they may be specified in the applicable Final Terms or, if no such number is specified, five TARGET Business Days;

"**Rate$_i$**" is the relevant reference rate (being the SONIA reference rate, SOFR or €STR) for the Banking Day (being a Banking Day falling in the relevant Observation Period) falling "*p*" Banking Days prior to the relevant Banking Day "i". For (a) any Business Day i that is a Reset Date, the relevant reference rate in respect of the Business Day immediately preceding such Reset Date, and for (b) any Business Day i that is not a Reset Date (i.e., a Business Day in the Cut-off Period), the relevant reference rate in respect of the Business Day immediately preceding the last Reset Date of the relevant Interest Period (such last Reset Date coinciding with the Interest Determination Date);

"**Reset Date**" is each Business Day in the relevant Interest Period, other than any Business Day in the period from, and including, the day following the Interest Determination Date to, but excluding, the corresponding Note Payment Date (such period, the "**Cut-off Period**"). For any Business Day in the Cut-off Period, the relevant reference rate in respect of the Business Day immediately preceding the last Reset Date in the relevant Interest Period (such last Reset Date coinciding with the Interest Determination Date) will apply;

"**SIFMA**" means the Securities Industry and Financial Markets Association (or any successor entity);

"**SOFR**" means:

(a) the daily secured overnight financing rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Fed's Website on or about 5:00 p.m. (New York City time) on each US Government Securities Business Day in respect of the US Government Securities Business Day immediately preceding such day;

(b) if the daily secured overnight financing rate does not appear on a US Government Securities Business Day as specified in paragraph (1), unless both a SOFR Index Cessation Event and a SOFR Index Cessation Effective Date (each, as defined below) have occurred, the daily secured overnight financing rate in respect of the last US Government Securities Business Day for which such rate was published on the New York Fed's Website; or

(c) if the daily secured overnight financing rate does not appear on a US Government Securities Business Day as specified in paragraph (1), and both a SOFR Index Cessation Event and a SOFR Index Cessation Effective Date have occurred, the rate (inclusive of any spreads or adjustments) that was recommended as the replacement for the daily secured overnight financing rate by the Federal Reserve Board and/or the Federal Reserve Bank of New York or by a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve

Bank of New York for the purpose of recommending a replacement for the daily secured overnight financing rate (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator), **provided that**, if no such rate has been recommended within one US Government Securities Business Day of the SOFR Index Cessation Event, then the Interest Rate reference rate will be determined as if, for each US Government Securities Business Day occurring on or after the SOFR Index Cessation Effective Date, (i) references to the Secured Overnight Financing Rate were references to OBFR, (ii) references to US Government Securities Business Day were references to New York City Banking Day, (iii) references to SOFR Index Cessation Event were references to OBFR Index Cessation Event and (iv) references to SOFR Index Cessation Effective Date were references to OBFR Index Cessation Effective Date; and **provided further that**, if no such rate has been recommended within one US Government Securities Business Day of the SOFR Index Cessation Event and an OBFR Index Cessation Event has occurred, then the Interest Rate reference rate will be determined as if, for each US Government Securities Business Day occurring on or after the later of the SOFR Index Cessation Effective Date and the OBFR Index Cessation Effective Date, (x) references to the Secured Overnight Financing Rate were references to FOMC Target Rate, (y) references to US Government Securities Business Day were references to New York City Banking Day and (z) references to the New York Fed's Website were references to the Federal Reserve's Website;

"**SOFR Administrator**" means the Federal Reserve Bank of New York or any successor administrator of the Index Value in respect to SOFR, and Secured Overnight Financing Rate;

"**SOFR Administrator's Website**" means the website of the SOFR Administrator;

"**SOFR Index**" means the index known as the "SOFR Index" administered by the SOFR Administrator (or any successor administrator thereof);

"**SOFR Index Cessation Effective Date**" means, following the occurrence of a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Secured Overnight Financing Rate), ceases to publish the Secured Overnight Financing Rate, or the date as of which the Secured Overnight Financing Rate may no longer be used, in each case as certified in writing by the Issuer to the Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the Class Z VFNs and the Seller's Note), as the case may be (or such other party responsible for the calculation of the rate of interest, as specified in the applicable Final Terms);

"**SOFR Index Cessation Event**" means the occurrence of one or more of the following events:

(a) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) announcing that it has ceased or will cease to publish or provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Secured Overnight Financing Rate;

(b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) has ceased or will cease to provide the Secured

Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Secured Overnight Financing Rate; or

(c) a public statement by a regulator or other official sector entity prohibiting the use of the Secured Overnight Financing Rate that applies to, but need not be limited to, fixed income securities and derivatives, to the extent that such public statement has been acknowledged in writing by ISDA as a "SOFR index cessation event" under the 2021 ISDA Definitions as published by ISDA;

"**SOFR Observation Period**" means in respect of each Interest Period, the period from, and including, the date falling "p" US Government Securities Business Days preceding the first date in such Interest Period to, but excluding, the date "p" US Government Securities Business Days preceding the Note Payment Date for such Interest Period;

"**SONIA**" means the Sterling Overnight Index Average;

"**SONIA Index**" means the index known as the "SONIA Index" administered by the Bank of England (or any successor administrator thereof);

"**SONIA Observation Period**" means the period from and including the date falling *p* London Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period will begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling *p* London Banking Days prior to the Note Payment Date for such Interest Period (or the date falling *p* London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

"**SONIA Reference Rate**", in respect of any London Banking Day ("**LBD_x**"), is a reference rate equal to the daily SONIA rate for such LBD_x as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Banking Day immediately following LBD_x;

"**TARGET Business Day**" means a day on which the TARGET System is open;

"**TARGET System**" means the Trans-European Automated Real-time Gross settlement Express Transfer (known as TARGET2) system which was launched on 19 November 2007 or any successor thereto; and

"**US Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which SIFMA recommends that the fixed income departments of its members be closed for the entire day for the purposes of trading in US government securities.

If, in respect of any London Banking Day in the relevant Observation Period, the Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the VFNs), as the case may be or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate will be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one

only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA Reference Rate is to be determined; or (ii) any rate that is to replace the SONIA Reference Rate, the Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the VFNs), as the case may be (or such other party responsible for the calculation of the Rate of Interest, as specified in the Final Terms) will, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA for the purpose of the relevant Series and Class of Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the VFNs), as the case may be (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms), the Rate of Interest will be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or maximum Rate of Interest or minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or maximum Rate of Interest or minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or maximum Rate of Interest or minimum Rate of Interest 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 such Series and Class of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any maximum Rate of Interest or minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series and Class of Notes become due and payable in accordance with Conditions 9 (*Events of Default*) or 10 (*Enforcement*), the final Interest Determination Date will, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes will, for so long as any such Note remains outstanding, be as determined on such date.

Unless otherwise stated in the Final Terms, the Minimum Interest Rate in respect of the Floating Rate Notes determined as the sum of the relevant floating rate and Margin (if any) (each as specified in the Final Terms in respect of the applicable Series and Class of Notes) will be deemed to be zero.

(vi) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for a Floating Rate Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Note for such Floating Interest Period will be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for such Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is

greater than such Maximum Rate of Interest, the Rate of Interest for such Note for such Interest Period will be such Maximum Rate of Interest.

(vii) *Determination of Rate of Interest and calculation of Floating Interest Amounts*

The Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the VFNs), as the case may be, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the VFNs), as the case may be, will calculate the amount of interest payable on the Floating Rate Notes in respect of each Specified Denomination (each a "**Floating Interest Amount**") for the relevant Interest Period. Each Floating Interest Amount will be calculated by applying the Rate of Interest to the Principal Amount Outstanding of each Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4 (*Interest*):

(A) if "**Actual/Actual - ISDA**" or "**Actual/Actual**" or "**Actual/365**" is specified in the relevant Final Terms, the actual number of days in the relevant period from (and including) the most recent Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant Payment Date (the "**Accrual Period**") divided by 365 (or, if any portion of that Accrual Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Accrual Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Accrual Period falling in a non-leap year divided by 365);

(B) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Accrual Period divided by 365;

(C) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Accrual Period divided by 360;

(D) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Accrual Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Accrual Period, unless such number would be 31, in which case D1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Accrual Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(E) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Accrual Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Accrual Period, unless such number would be 31, in which case D1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Accrual Period, unless such number would be 31, in which case D2 will be 30;

(F) if "**Sterling/FRN**" is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of a Payment Date falling in a leap year, 366; and

(G) if "**Actual/Actual - ICMA**" is specified in the relevant Final Terms:

(1) if the Accrual Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Periods normally ending in any year; and

(2) if the Accrual Period is longer than one Determination Period, the sum of:

(x) the number of days in such Accrual Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2)

the number of Determination Periods normally ending in one year; and

(y) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in one year,

where "**Determination Period**" means each period from (and including) an Interest Determination Date to (but excluding) the next Interest Determination Date (including, where either the Interest Commencement Date or the final Payment Date is not an Interest Determination Date, the period commencing on the first Interest Determination Date prior to, and ending on the first Interest Determination Date falling after, such date);

(viii) *Notification of Rate of Interest and Floating Interest Amounts*

The Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the VFNs), as the case may be, will cause the Rate of Interest and each Floating Interest Amount for each Interest Period and the relevant Note Payment Date to be notified to the Note Trustee, the Security Trustee, the Cash Manager, the Paying Agents, the Registrar, the VFN Registrar and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Notes are for the time being listed, quoted and/or traded or by which they have been admitted to listing and to be published in accordance with Condition 14 (*Notice to Noteholders*) as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Floating Interest Amount and Note Payment Date so notified 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. Any such amendment or alternative arrangements will be promptly notified to the Note Trustee and the London Stock Exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and to Noteholders in accordance with Condition 14 (*Notice to Noteholders*).

(ix) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b) (*Interest on Floating Rate Notes*), whether by the Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the VFNs), as the case may be, will (in the absence of wilful default, gross negligence, fraud or manifest error) be binding on the Issuer, the Cash Manager, the Principal Paying Agent, the other Paying Agents, the VFN Registrar, the Note Trustee and all Noteholders and (in the absence of wilful default, gross negligence or fraud) no liability to the Issuer or the Noteholders will attach to the Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the VFNs), as the case may be, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) ***Accrual of interest***

Interest (if any) will cease to accrue on each Note (or in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused in which event, interest will continue to accrue as provided in the Trust Deed.

(d) ***Deferred interest***

To the extent that, subject to and in accordance with the relevant Priority of Payments, the funds available to the Issuer to pay interest on any Series and Class of Notes (other than the Class A Notes) on a Note Payment Date (after discharging the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant Priority of Payments) are insufficient to pay the full amount of such interest, payment of the shortfall attributable to such Series and Class of Notes ("**Deferred Interest**") will not then fall due but will instead be deferred until the first Note Payment Date for such Notes thereafter on which sufficient funds are available (after allowing for the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant Priority of Payments) to fund the payment of such Deferred Interest to the extent of such funds.

Such Deferred Interest will accrue interest ("**Additional Interest**") at the Rate of Interest applicable from time to time to the applicable Series and Class of Notes and payment of any Additional Interest will also be deferred until the first Note Payment Date for such Notes thereafter on which funds are available (after allowing for the Issuer's liabilities of a higher priority subject to and in accordance with the relevant Priority of Payments) to the Issuer to pay such Additional Interest to the extent of such funds.

Amounts of Deferred Interest and Additional Interest will not be deferred beyond the Final Maturity Date of the applicable Series and Class of Notes, when such amounts will become due and payable.

Payments of interest due on a Note Payment Date in respect of the Class A Notes of any Series will not be deferred. In the event of the delivery of an Enforcement Notice (as described in Condition 9 (*Events of Default*)), the amount of interest in respect of such Notes that was due but not paid on such Note Payment Date will itself bear interest at the Rate of Interest applicable from time to time to such Notes until both the unpaid interest and the interest on that interest are paid as provided in the Trust Deed.

5. **Redemption, Purchase and Cancellation**

(a) ***Final redemption***

Unless previously redeemed in full as provided in this Condition 5 (*Redemption, Purchase and Cancellation*), the Issuer will redeem a Series and Class of Notes at their then Principal Amount Outstanding together with all accrued interest on the Final Maturity Date in respect of such Notes.

The Issuer may not redeem such Notes in whole or in part prior to their Final Maturity Date except as provided in Conditions 5(b), (e), (f) or (g) below, but without prejudice to Condition 10 (*Enforcement*).

(b) ***Mandatory redemption of the Notes in Part***

On each Note Payment Date, other than a Note Payment Date on which a Series and Class of Notes are to be redeemed under Conditions 5(a), (d), (e) or (g), the Issuer will repay principal in respect

of such Notes in an amount determined in accordance with the mechanics, rules and priorities as set out in the applicable Priority of Payments and the Principal Repayment Rules.

(c) ***Termination of the applicable Original Currency Swap Agreement***

If the Original Currency Swap Agreement relating to any Series and Class of Non-Sterling Notes has been terminated, then, on each Note Payment Date for such Series and Class prior to the delivery of an Enforcement Notice:

(i) if, on such Note Payment Date, the *pro rata* share of the Available Principal Receipts available under the relevant Pre-Enforcement Principal Priority of Payments to repay principal in respect of such Series in accordance with Condition 5(b) (*Mandatory redemption of the Notes in part*), following conversion into the relevant Specified Currency at:

(A) if no replacement Currency Swap Agreement is in force, the Spot Rate (by the Cash Manager); or

(B) if a replacement Currency Swap Agreement is in force, the Replacement Exchange Rate,

is less than the amount that would have been payable (in the relevant Specified Currency) by the Original Currency Swap Counterparty in respect of principal if the Original Currency Swap Agreement had not been terminated, the shortfall amounts (such amounts being "**Principal Shortfall Amounts**") will only be payable and paid from any Principal Excess Amounts (as defined below), and to the extent any amounts of such shortfall remain unpaid, such non-payment will not trigger an Event of Default and/or a Trigger Event;

(ii) if, on such Payment Date, the *pro rata* share of the Available Principal Receipts available under the relevant Pre-Enforcement Principal Priority of Payments to pay principal of the Non-Sterling Notes in accordance with Condition 5(c) (*Termination of the applicable Original Currency Swap Agreement*) following conversion into Specified Currency at:

(A) if no replacement Currency Swap Agreement is in force, the Spot Rate (by the Cash Manager); or

(B) if a replacement Currency Swap Agreement is in force, the Replacement Exchange Rate,

is greater than the amount that would have been payable in the Specified Currency by the original Currency Swap Counterparty in respect of principal if the original Currency Swap Agreement had not been terminated, then:

(A) if no replacement Currency Swap Agreement is in force, excess amounts (such amounts being "**Principal Excess Amounts**") will be used to pay any Principal Shortfall Amounts, with any excess being transferred to the Swap Excess Reserve Account for application (subject to the terms of the Transaction Documents) on subsequent Payment Dates to pay any future Principal Shortfall Amounts; and

(B) if a replacement Currency Swap Agreement is in force, Principal Excess Amounts will be used to pay any Principal Shortfall Amounts, but any excess shall be released (and for the avoidance of doubt any amounts of such excess already held in the Swap Excess Reserve Account will also be released) and will be transferred to a Transaction Account (after conversion into Sterling at the applicable Spot

Rate) and credited to the Revenue Ledger for application in accordance with the Pre-Enforcement Revenue Priority of Payments; and

(iii) if that Note Payment Date falls on or following the Sterling Equivalent Redemption Date:

(A) if the relevant Series of Non-Sterling Notes have not been redeemed in full, following application of any amounts held in the Swap Excess Reserve Account towards the redemption of the relevant Series, any Principal Amount Outstanding of such Series will only be payable and paid subject to and in accordance with item (iv) of the Pre-Enforcement Pre-Trigger Principal Priority of Payments (in respect of the application of the Funding Note Principal Portion); or

(B) if the relevant Series of Non-Sterling Notes have been redeemed in full, any amounts held in the Swap Excess Reserve Account will be transferred to the Transaction Accounts (after conversion into Sterling by the Cash Manager at the applicable Spot Rate) and credited to the Revenue Ledger for application in accordance with the Pre-Enforcement Revenue Priority of Payments.

(iv) if that Note Payment Date is the Final Maturity Date of such Series and Class, to the extent that, subject to and in accordance with the relevant Priority of Payments, the funds available to the Issuer to redeem principal on such Series and Class (after discharging the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant Priority of Payments) are insufficient to pay the full amount of such principal solely as a result of the termination of the Original Currency Swap Agreement, payment of the shortfall attributable to such Series and Class of Notes ("**Deferred Principal**") will not then fall due and be payable but will instead be deferred and will not be payable until the first Payment Date thereafter on which sufficient funds are available (after allowing for the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant Priority of Payments) to fund the payment of such Deferred Principal to the extent of such funds.

On or after the delivery of an Enforcement Notice, any amounts held in the Swap Excess Reserve Account will be transferred to a Transaction Account (after conversion into Sterling by the Cash Manager at the applicable Spot Rate) and applied in accordance with the Post-Enforcement Priority of Payments.

(d) ***Note Principal Payments and Principal Amount Outstanding***

The principal amount redeemable (the "**Note Principal Payment**") in respect of each Note of a particular Series and Class of Notes on any Note Payment Date under Condition 5(b) (*Mandatory redemption of the Notes in part*) above will be a proportion of the amount required as at that Note Payment Date to be applied in redemption of such Series and Class of Notes on such date equal to the proportion that the Principal Amount Outstanding of the relevant Note bears to the aggregate Principal Amount Outstanding of such Series and Class of Notes rounded down to the nearest sub-unit of the Specified Currency, **provided always that** no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

On each Interest Determination Date, the Issuer will determine (or cause the Cash Manager to determine) (i) the amount of any Note Principal Payment payable in respect of each Note of the relevant Series and Class of Notes on the immediately following Note Payment Date and (ii) the Principal Amount Outstanding of each such Note which will be the Specified Denomination less the aggregate amount of all Note Principal Payments in respect of such Note that have been paid since the Closing Date for such Series and Class of Notes and on or prior to that Interest Determination Date (the "**Principal Amount Outstanding**") and (iii) the fraction expressed as a

decimal to the fifth decimal point (the "**Pool Factor**"), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in (ii) above) and the denominator is the Specified Denomination. Each determination by or on behalf of the Issuer of any Note Principal Payment of a Note, the Principal Amount Outstanding of a Note and the Pool Factor will in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer will cause each determination of the Note Principal Payment, the Principal Amount Outstanding and the Pool Factor in respect of a series of Class of Notes to be notified forthwith, and in any event not later than 1.00 p.m. (London time) on the Business Day immediately succeeding the Interest Determination Date, to the Note Trustee, the Security Trustee, the Paying Agents, the Registrar, the VFN Registrar, the Agent Bank and (for so long as such Notes are listed on the London Stock Exchange) the relevant stock exchange, and will cause notice of each determination of the Note Principal Payment and the Principal Amount Outstanding to be given to Noteholders in accordance with Condition 14 (*Notice to Noteholders*) by no later than the Business Day after the relevant Note Payment Date.

(e) ***Optional redemption in full or in part***

Subject to the provisos below, upon giving not more than 60 nor less than 30 days' prior notice to the Note Trustee, the Noteholders and the relevant Currency Swap Counterparty (if any) in accordance with Condition 14 (*Notice to Noteholders*), the Issuer may redeem a Series of Class A Notes (in whole or, other than in respect of paragraphs (i) to (iii) below, where specified in the applicable Final Terms, in part (in such case to be reflected in the records of ICSDs as either a pool factor or reduction in nominal amount, at their discretion) at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof on the following dates:

(i) the date specified as the Step-Up Date for such Class A Notes in the applicable Final Terms and on any Note Payment Date for such Notes thereafter; or

(ii) in respect of any Series of Class A Notes, on such Note Payment Date on which the aggregate Sterling Equivalent Principal Amount Outstanding of such Series of Class A Notes is less than 10 per cent. of the aggregate Sterling Equivalent Principal Amount Outstanding of such Series of Class A Notes as at the Closing Date for such Series of Class A Notes; or

(iii) in respect of any Class A Notes that satisfy the UK STS Criteria Requirements as of the date on which the Revolving Period End Trigger Event first occurred, on the immediately succeeding Note Payment Date for such Notes following the occurrence of a Revolving Period End Trigger Event; or

(iv) on any date **provided that** all the Noteholders of the Class A Notes which are to be subject to such redemption have given prior written consent to such redemption,

provided that (in any of the cases above), the Issuer will have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (a) it will have the funds, not subject to any interest of any other person, required to redeem such Class A Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Class A Notes (in the case of a redemption of Class A Notes in accordance with (iii) above, where the date of redemption of the Class A Notes is not a Note Payment Date, on the proposed date of redemption of such Class A Notes and on the Note Payment Date immediately following such date (in the case of the relevant Note Payment Date, on the assumption that such Class A Notes are redeemed on such Note Payment Date)) pursuant to the terms of the Deed of Charge and the Cash Management Agreement, and (b) the Principal Repayment Rules will not be broken by the making of such redemptions (in the case of a redemption of Class A Notes in accordance with (iii) above, where the date of

redemption of the Class A Notes is not a Note Payment Date, on the proposed date of redemption of such Class A Notes and on the Note Payment Date immediately following such date (in the case of the relevant Note Payment Date, on the assumption that such Class A Notes are redeemed on such Note Payment Date)).

(f) ***Optional redemption for tax and other reasons***

If, at any time, the Issuer satisfies the Note Trustee immediately prior to the giving of the notice referred to below that, on the next Note Payment Date for a Series and Class of Notes the Issuer would be required to deduct or withhold from any payment of principal or interest or any other amount under such Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature and such obligation of the Issuer cannot be avoided taking reasonable measures available to it, then the Issuer will use its reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved by the Note Trustee as principal debtor under such Notes, subject to the Note Trustee being satisfied that such substitution will not be materially prejudicial to the Noteholders, and subject to the Security Trustee being satisfied that (1) the position of the Secured Creditors will not thereby be adversely affected, and (2) such substitution would not require registration of any new security under US securities laws or would materially increase the disclosure requirements under US law or the costs of issuance. Only if the Issuer is unable to arrange such a substitution will the Issuer be entitled to redeem the Notes as described in this Condition 5(f) (*Optional redemption for tax and other reasons*).

Subject to the proviso and the further condition below, if the Issuer is unable to arrange a substitution as described above and the obligation to make a withholding or deduction for or account of taxes is continuing, then the Issuer may, having given not more than 60 nor less than 30 days' notice to the Note Trustee, the relevant Currency Swap Counterparty (if any) and the Noteholders in accordance with Condition 14 (*Notice to Noteholders*), redeem all (but not some only) of such Notes on the immediately succeeding Note Payment Date for such Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof **provided that** (in either case), prior to giving any such notice, the Issuer will have provided to the Note Trustee:

(i) a certificate signed by two directors of the Issuer stating the circumstances referred to above prevail and setting out details of such circumstances; and

(ii) an opinion in form and substance satisfactory to the Note Trustee of independent legal advisors of recognised standing to the effect that the Issuer has or will become obliged to make such withholding or deduction.

The Note Trustee will be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstance set out above, in which event they will be conclusive and binding on the Noteholders.

Further, the Issuer may only redeem such Notes as aforesaid, if the Issuer has also provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (a) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes pursuant to the terms of the Deed of Charge and the Cash Management Agreement, and (b) the Principal Repayment Rules will be satisfied following the making of such redemptions.

(g) ***Mandatory redemption of the Class Z(S) VFN and the Seller's Note in part***

In accordance with the Principal Repayment Rules, where the Issuer draws down on:

(i) the Class Z(S) VFN for the purpose of redemption of the Seller's Note (subject to maintaining the Minimum Seller's Note Amount); or

(ii) the Seller's Note for the purpose of redemption of the Class Z(S) VFN (subject to maintaining the Required Subordination Amount),

the Issuer shall apply the amounts of such drawings directly to redeem the Seller's Note or the Class Z(S) VFN (as the case may be) on the date of such drawdown in accordance with the Principal Repayment Rules.

(h) ***Money Market Note Mandatory Transfer Arrangements***

(i) Where the Money Market Note Mandatory Transfer Arrangements are specified in the applicable Final Terms as being applicable to a Series and Class of Money Market Notes, such Notes will be transferred in accordance with sub-paragraphs (ii) to (iv) below on any Money Market Note Mandatory Transfer Date for such Notes in exchange for payment of the Money Market Note Mandatory Transfer Price for such Notes, **provided that** the Issuer will not be liable for the failure to make payment of such Money Market Note Mandatory Transfer Price to the extent that such failure is a result of the failure of the applicable Remarketing Agent or the applicable Conditional Note Purchaser to perform their respective obligations under the applicable Remarketing Agreement, the applicable Conditional Note Purchase Agreement or the Trust Deed.

(ii) There will be no mandatory transfer of a Series and Class of Money Market Notes on a Money Market Note Mandatory Transfer Date for such Notes if:

(A) such Notes are fully redeemed or a notice has been given to the holders of such Notes accordance with Condition 5(e) (*Optional redemption in full or in part*) or Condition 5(f) (*Optional redemption for tax and other reasons*) on or prior to such Money Market Note Mandatory Transfer Date; or

(B) an Automatic Remarketing Termination Event in relation to such Notes has occurred prior to such Money Market Note Mandatory Transfer Date.

(iii) In the event of the occurrence of any of the events in sub-paragraphs (ii)(A) or (ii)(B) above, the Issuer will not be obliged to procure any subsequent purchase of such Notes, the applicable Remarketing Agent will not be obliged to remarket any of such Notes and the applicable Conditional Note Purchaser will not be obliged to purchase any of such Notes.

(iv) For the avoidance of doubt, following occurrence of any of the events in sub-paragraphs (ii)(A) or (ii)(B) above, the Margin payable on such Notes will be the then current Money Market Note Reset Margin for such Notes.

(v) Following the occurrence of an optional remarketing termination event in relation to a Series and Class of Money Market Notes, the applicable Remarketing Agent will have the option to terminate its remarketing obligations under the applicable Remarketing Agreement. Following termination of its remarketing obligations, in the absence of an Automatic Remarketing Termination Event referred to in sub-paragraph (ii) above in relation to such Notes, the Remarketing Agent will still be obliged under the applicable Remarketing Agreement, if required by the Issuer, to facilitate the transfer and settlement of such Notes.

(vi) For the avoidance of doubt, the obligations of the applicable Conditional Note Purchaser, under the applicable Conditional Note Purchase Agreement to purchase the unplaced

Notes (of a Series and Class of Money Market Notes) on a Money Market Note Mandatory Transfer Date for such Notes will not be affected by the occurrence of an optional remarketing termination event in relation to such Notes, and the Maximum Reset Margin for such Notes will be applicable to such Notes from and including the applicable Money Market Note Mandatory Transfer Date.

(vii) Subject to sub-paragraphs (i), (ii) and (iii) above, all of the applicable Noteholders' interests in a Series and Class of Money Market Notes will be transferred on the applicable Money Market Note Mandatory Transfer Date for such Notes either as directed by the applicable Remarketing Agent and/or to the applicable Conditional Note Purchaser, or, if Individual Note Certificates are then issued, such Notes will be registered by the Registrar as notified by or on behalf of the applicable Remarketing Agent and the Register will be amended accordingly with effect from the applicable Money Market Note Mandatory Transfer Date.

(i) ***Redemption Amounts***

For the purposes of this Condition 5 (*Redemption, Purchase and Cancellation*), "**Redemption Amount**" means, in respect of any Series and Class of Notes, the amount specified in relation to such Notes in the applicable Final Terms or, if not so specified, and in respect of any note, the Principal Amount Outstanding of such Note. Where the applicable Final Terms specify that such Series and Class of Notes may be redeemed in part in accordance with Condition 5(e) (*Optional redemption in full or in part*), the "**Redemption Amount**" (where such Series and Class of Notes is to be redeemed in part) will be the amount determined in accordance with the provisions set out in the applicable Final Terms.

6. **Payments**

(a) ***Payment of interest and principal***

Payments of principal will be made, upon application by a holder of the relevant Note to the specified office of the Principal Paying Agent (or, in the case of a VFN, the VFN Registrar) not later than the fifth Business Day before the Record Date, by transfer to a designated account maintained by the payee with a designated bank and (in the case of final redemption) upon (other than in the case of a VFN) surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the specified office of any Paying Agent.

Payments of interest will be made, upon application by a holder of the relevant Note to the specified office of the Principal Paying Agent (or, in the case of a VFN, the VFN Registrar) not later than the fifth Business Day before the Record Date, by transfer to a designated account maintained by the payee with a designated bank and (in the case of interest payable on final redemption) upon (other than in the case of a VFN or the Seller's Note) surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the specified office of any Paying Agent.

(b) ***Laws and regulations***

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto. Noteholders will not be charged commissions or expenses on payments.

(c) ***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 4(d) (*Deferred interest*) will be paid in accordance with this Condition 6 (*Payments*).

(d) ***Change of agents***

The initial Principal Paying Agent each other initial Paying Agent, the Registrar, the VFN Registrar and the Exchange and Transfer Agent and their respective initial specified offices are listed at the end of these Conditions. 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, the US Paying Agent, any other Paying Agent, the Registrar, the Exchange and Transfer Agent and/or the VFN Registrar and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Paying Agent with a specified office in London, a US Paying Agent, a Registrar and a VFN Registrar. Except where otherwise provided in the Trust Deed, the Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents, the Exchange and Transfer Agent, the Registrar or the VFN Registrar or their specified offices to be given in accordance with Condition 14 (*Notice to Noteholders*) and will notify the Rating Agencies of such change or addition.

(e) ***No payment on non-Business Day***

Where payment is to be made by transfer to a designated account, payment instructions (for value the due date or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note is surrendered (or, in the case of part payment only, endorsed) at the specified office of a Paying Agent (in respect of Class A Notes only) or of the VFN Registrar (in respect of the VFNs), as the case may be and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A holder of a Note will not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Business Day.

(f) ***Partial payment***

If a Paying Agent makes a partial payment in respect of any Class A Note, the Issuer will procure and the Registrar will ensure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and date of such payment is endorsed on the relevant Note Certificate and, in the case of a global note held in the NSS, the Registrar or Principal Paying Agent, as the case may be, will instruct the ICSDs to make appropriate entries in their records to reflect the amount of such payment and, in the case of a payment of principal, the remaining Principal Amount Outstanding of such Class A Note.

If the VFN Registrar (in respect of a VFN) makes a partial payment in respect of a VFN, the VFN Registrar will, in respect of such VFN, annotate the VFN Register, indicating the amount and date of such payment.

(g) ***Record date***

Each payment in respect of a Note will be made to the persons shown as the holder in the Register (or, in the case of a VFN, the VFN Register) (i) where the note is in global form, at the close of the Business Day (being for this purpose a day on which Euroclear and Clearstream Luxembourg are open for business) before the due date for such payment or (ii) where the note is in definitive form, at the opening of business in the place of the Registrar's (in respect of the Class A Notes) or in the case of a VFN, the VFN Registrar's specified office on the fifteenth day before the due date for such payment (the "**Record Date**").

(h) ***Payment of interest***

Subject as provided otherwise in these Conditions, 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 Business Day) or by reason of non-compliance with Condition 6(a) (*Payment of interest and principal*), then such unpaid interest will 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 14 (*Notice to Noteholders*).

7. **Prescription**

Claims against the Issuer for payment of interest and principal on redemption will be prescribed and become void if the relevant Note Certificates are not surrendered for payment within a period of 10 years from the relevant date in respect thereof. After the date on which a payment under a Note becomes void in its entirety, no claim may be made in respect thereof. In this Condition 6 (*Prescription*), the "**relevant date**", in respect of a payment under a Note, is the date on which the payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of those payments under all the Notes due on or before that date has not been duly received by the Principal Paying Agent, the US Paying Agent or the Note Trustee on or prior to such date) the date on which the full amount of such monies having been so received or notice to that effect is duly given to Noteholders in accordance with Condition 14 (*Notice to Noteholders*).

8. **Taxation**

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any relevant Paying Agent or the VFN Registrar is required by applicable law (including the rules commonly referred to as FATCA) to make any payment in respect of the Notes subject to any such withholding or deduction. In that event, the Issuer or such Paying Agent or the VFN Registrar will make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any other person will be obliged to make any additional payments to Noteholders in respect of any such withholding or deduction.

The occurrence of the Issuer or any Paying Agent or the VFN Registrar being required to make a withholding or deduction in the circumstances outlined in the previous paragraph will not constitute an Event of Default.

The Issuer will treat the Class A Notes as indebtedness for US federal income tax purposes. Each holder of a Class A Note, by the acceptance thereof, agrees to treat such Class A Note as indebtedness for US federal income tax purposes.

9. **Events of Default**

(a) ***Class A Noteholders***

The Note Trustee, in its absolute discretion, may (and if so requested in writing by the holders of not less than 25 per cent. in aggregate Sterling Equivalent Principal Amount Outstanding of the Class A Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this Condition 9(a) (*Class A Noteholders*) means the Class A Notes of all Series of Notes constituted by the Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the holders of the Class A Notes, will), subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction, deliver notice (a "**Class A Enforcement Notice**") to the Issuer and the Security Trustee, with a copy to the holder of the Seller's Note, of an Event of Default (as defined below) declaring (in writing) the Class A Notes

and all other Notes to be due and repayable (and they will forthwith become due and repayable) at any time after the happening of any of the following events, which is continuing or unwaived:

(i) default being made for a period of seven Business Days in the payment of any amount of principal of the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of five Business Days in the payment of any amount of interest on the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or

(ii) the Issuer failing duly to perform or observe, in any material respect, any other obligation binding upon it under the Class A Notes of any Series, the Trust Deed, the Deed of Charge or any other Transaction Document and, in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of remedy, in which case no notice will be required), such failure is continuing unremedied for a period of 30 days following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied and the Note Trustee has certified that the failure to perform or observe is materially prejudicial to the interests of the holders of the Class A Notes of such series; or

(iii) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction or merger as is referred to in sub-paragraph (iv) below, ceases or threatens to cease to carry on its business or, in the opinion of the Note Trustee, a substantial part of its business or the Issuer is deemed unable to pay its debts within the meaning of section 123(1)(a), (b), (c) or (d) or section 123(2) of the Insolvency Act 1986 (as that section may be amended, modified or re-enacted); or

(iv) an order being made or an effective resolution being passed for the winding-up of the Issuer, except a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the holders of the Class A Notes; or

(v) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition or the making of an application for administration or the filing of documents with the court for an administration) and (except in the case of presentation of a petition for an administration order) such proceedings are not, in the opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, a formal notice is given of intention to appoint an administrator in relation to the Issuer or an administration order being granted or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to judicial proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally or a composition or similar arrangement with the creditors or takes steps with a view to obtaining a moratorium in respect of its indebtedness, including without limitation, the filing of documents with the court,

provided that, for the avoidance of doubt, a failure to make or produce any payment required by Condition 5(g) (*Money Market Note Mandatory Transfer Arrangements*) by reason of any failure on the part of any Remarketing Agent or any Conditional Note Purchaser to perform its respective obligations under the Programme Documents will not constitute an Event of Default.

(b) ***The holder of the Seller's Note***

This Condition 9(b) (*The holder of the Seller's Note*) will have no effect if, and for as long as, any Class A Notes of any Series are outstanding. Subject thereto, for so long as the Seller's Note is outstanding, the Note Trustee in its absolute discretion, may (and if so requested in writing by the holder of the Seller's Note or if so directed by or pursuant to an Extraordinary Resolution passed by the holder of the Seller's Note, will), subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction, deliver notice (a "**Seller's Note Enforcement Notice**") to the Issuer and the Security Trustee, with a copy to the holder of the Seller's Note, of an Event of Default (as defined below) declaring (in writing) the Seller's Note and the Class Z VFNs to be due and repayable (and they will forthwith become due and repayable) at any time after the happening of any of the following events, which is continuing or unwaived:

(i) default being made for a period of seven Business Days in the payment of any amount of principal of the Seller's Note when and as the same ought to be paid in accordance with these Conditions or default being made for a period of five Business Days in the payment of any amount of interest on the Seller's Note when and as the same ought to be paid in accordance with these Conditions (provided that failure to pay interest on the Seller's Note where such payment has been deferred by the Issuer will not constitute an Event of Default); or

(ii) the occurrence of any of the events in Condition 9(a)(ii), (iii), (iv) or (v) above **provided that** the references in Condition 9(a)(ii) and Condition 9(a)(iv) to Class A Notes will be read as references to the Seller's Note.

(c) ***Class Z VFN Holder***

Prior to the occurrence of an Asset Trigger Event and for so long as no Non-Asset Trigger is continuing, this Condition 9(c) (*Class Z VFN Holder*) will have no effect if, and for as long as, any Class A Notes of any Series or the Seller's Note is outstanding. Following the occurrence of an Asset Trigger Event and/or for so long as a Non-Asset Trigger is continuing, this Condition 9(c) (*Class Z VFN Holder*) will have no effect if, and for as long as, any Class A Notes of any Series are outstanding. Subject thereto, for so long as any Class Z VFNs are outstanding, the Note Trustee in its absolute discretion, may (and if so requested in writing by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class Z VFNs or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the holders of the Class Z VFNs, will), subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction, deliver notice (a "**VFN Enforcement Notice**") to the Issuer and the Security Trustee of an Event of Default (as defined below) declaring (in writing) the Class Z VFNs to be due and repayable (and they will forthwith become due and repayable) at any time after the happening of any of the following events, which is continuing or unwaived:

(i) default being made for a period of seven Business Days in the payment of any amount of principal of the Class Z VFNs when and as the same ought to be paid in accordance with these Conditions or default being made for a period of five Business Days in the payment of any amount of interest on the Class Z VFNs when and as the same ought to be paid in accordance with these Conditions (provided that failure to pay interest on the Class Z VFNs where such payment has been deferred by the Issuer will not constitute an Event of Default); or

(ii) the occurrence of any of the events in Condition 9(a)(ii), (iii), (iv) or (v) (*Class A Noteholders*) above **provided that** the references in Condition 9(a)(ii), and Condition 9(a)(iv) (*Class A Noteholders*) to Class A Notes will be read as references to the Class Z VFNs.

(d) ***Following service of an Enforcement Notice***

For the avoidance of doubt, upon any Enforcement Notice being given by the Note Trustee in accordance with Condition 9(a), (b) and (c), all Notes then outstanding will immediately become due, without further action or formality at their Principal Amount Outstanding together with accrued interest (or, in the case of a zero coupon note, at its Redemption Amount, calculated in accordance with Condition 5(g) (*Money Market Note Mandatory Transfer Arrangements*)).

10. **Enforcement**

(a) ***Enforcement***

The Note Trustee may, at its discretion and without notice at any time and from time to time, take such steps and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes, the Trust Deed (including these Conditions) or any of the other Transaction Documents to which it is a party and may, at its discretion and without notice, at any time after the Security has become enforceable (including after the service of an Enforcement Notice in accordance with Condition 9 (*Events of Default*)), instruct the Security Trustee to take such steps as it may think fit to enforce the Security. The Note Trustee will not be bound to take such steps or institute such proceedings unless:

(i) (subject in all cases to restrictions contained in the Trust Deed to protect the interests of any higher-ranking Class of Noteholders) it will have been so directed by an Extraordinary Resolution of the Most Senior Class or so requested in writing by the holders of not less than 25 per cent. of the Principal Amount Outstanding of the Most Senior Class across all Series; and

(ii) it will have been indemnified and/or secured and/or prefunded to its satisfaction.

The Security Trustee will not be bound to take such steps or take any such other action unless it is so directed by the Note Trustee and indemnified and/or secured and/or prefunded to its satisfaction.

Amounts available for distribution after enforcement of the Security will be distributed in accordance with the terms of the Cash Management Agreement.

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes, the Trust Deed, the Deed of Charge or any other Transaction Document unless (1) the Note Trustee or the Security Trustee, as applicable, has become bound to institute proceedings and has failed to do so within 30 days of becoming so bound and (2) such failure is continuing; **provided that**, the holder of the Seller's Note or the VFN Holders (as relevant) will not be entitled to commence proceedings for the winding up or administration of the Issuer unless the Seller's Note or the Class Z VFNs (as the case may be) is the Most Senior Class of Notes or there is consent of Noteholders of not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes. Notwithstanding the foregoing and notwithstanding any other provision of the Trust Deed, the right of any Noteholder to receive payment of principal and interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Noteholder.

(b) ***Limited Recourse***

If at any time following:

(i) the occurrence of either:

(A) the Final Maturity Date or any earlier date upon which all of the Notes of each Class are due and payable; or

(B) the delivery by the Note Trustee of an Enforcement Notice; and

(ii) Realisation of the Charged Property and application in full of any amounts available to pay amounts due and payable under the Notes in accordance with the applicable Priority of Payments,

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable Priority of Payments, to pay in full all amounts then due and payable in respect of any Class of Notes then the amount remaining to be paid (after such application in full of the amounts first referred to in paragraph (ii) above) in respect of such Class of Notes (and any Class of Notes junior to that Class of Notes) will, on the day following such application in full of the amounts referred to in paragraph (ii) above, cease to be due and payable by the Issuer. "**Realisation**" means in relation to any Charged Property, the deriving to the fullest extent practicable, of proceeds from or in respect of such Charged Property including (without limitation) through sale or through performance by an obligor.

None of the Noteholders, the Note Trustee, the Security Trustee or any other Secured Creditor (nor any other person acting on behalf of any of them) will be entitled at any time to institute against the Issuer or its directors, officers, successors or assigns, or join in any institution against the Issuer of, any bankruptcy, examinership, reorganisation, arrangement, insolvency, winding up or liquidation proceedings or for the appointment of a liquidator, administrator, receiver or any other insolvency official in relation to the Issuer or in relation to the whole or any substantial part of the undertakings of the Issuer.

11. **Meetings of Noteholders, modifications and waiver**

(a) ***Meetings of Noteholders***

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including provisions as to the Ordinary Resolution and the sanctioning by Extraordinary Resolution of a modification of any provision of these Conditions or the provisions of any of the Transaction Documents.

(i) *Class A Notes*

In respect of the Class A Notes, the Trust Deed provides that, subject to Condition 11(a)(ii) (*Meetings of Noteholders*) and Condition 10(b) (*Limited Recourse*):

(A) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the holders of the Class A Notes of one Series only will be deemed to have been duly passed if passed at a meeting of the holders of the Class A Notes of that Series;

(B) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the holders of the Class A Notes of any two or more Series but does not give rise to a conflict of interest between the holders of such two or more Series of Class

A Notes, will be deemed to have been duly passed if passed at a single meeting of the holders of such two or more Series of Class A Notes;

(C) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the holders of the Class A Notes of any two or more Series and gives or may give rise to a conflict of interest between the holders of such two or more Series of Class A Notes, will be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Series of Class A Notes, it will be passed at separate meetings of the holders of such two or more Series of Class A Notes; and

(D) if, in the sole opinion of the Note Trustee, there is a conflict of interest between the interests of the holders of the Class A Notes of one Series and the holders of the Class A Notes of another Series or group of series, then a resolution directing the Note Trustee to take any action will be deemed to have been duly passed only if passed at separate meetings of the holders of each Series of Class A Notes subject to the conflict.

(ii) *Sub-Classes of Class A Notes and Class Z VFNs*

In respect of any Series of Class A Notes constituting two or more Sub-Classes, and in respect of the Class Z VFNs, the Trust Deed provides that subject to Condition 11(b) (*Programme Resolution*):

(A) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the holders of Notes of one Sub-Class only will be deemed to have been duly passed if passed at a meeting of the holders of the Notes of such Sub-Class;

(B) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the holders of more than one Sub-Class but does not give rise to a conflict of interest between the holders of such Sub-Classes will be deemed to have been duly passed if passed at a single meeting of the holders of all such Sub-Classes;

(C) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the holders more than one Sub-Class of Notes and gives or may give rise to a conflict of interest between the holders of such Sub-Classes will be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such Sub-Classes, it will be passed at separate meetings of the holders of such Sub-Classes; and

(D) if, in the sole opinion of the Note Trustee, there is a conflict of interest between the interests of the Noteholders of one or more Sub-Classes of Notes of a Series and the Noteholders of another Sub-Class of Notes of the same Class and Series, then a resolution directing the Note Trustee to take any action will be deemed to have been duly passed only if passed at separate meetings of the holders of such Sub-Classes of Notes.

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 the Notes of the relevant Series and Class or of the relevant one or more Series of Notes of the same Class or, at any adjourned meeting, one or more persons holding or representing the Notes of the relevant Series and Class of Notes or of the relevant one or more Series of Notes of the same Class whatever the aggregate Principal Amount Outstanding of the Notes so held or represented by them.

Subject as provided in the following paragraph, the quorum at any meeting of the Noteholders of any Series and Class of Notes or any one or more Series of Notes of the same Class convened to consider an Extraordinary Resolution which does not include the sanctioning of a Basic Terms Modification will be one or more persons holding or representing more than 50 per cent. of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such one or more Series of Notes of the same Class or, at any adjourned meeting, one or more persons holding or representing Notes of the relevant Series and Class of Notes or of the relevant one or more Series of Notes of the same Class whatever the aggregate Principal Amount Outstanding of the Notes so held or represented by them.

The quorum at any meeting of the Noteholders for passing an Extraordinary Resolution which includes the sanctioning of a Basic Terms Modification will be one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the relevant one or more Series of Notes of the same Class or, at any adjourned and reconvened meeting, one or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the relevant one or more Series of Notes of the same Class.

An Ordinary Resolution or an Extraordinary Resolution passed at any meeting of Noteholders will be binding on all of the Noteholders of the relevant Series and Class or of the relevant one or more Series of Notes of the same Class whether or not they are present at the meeting.

In connection with any meeting of the Noteholders where the relevant Notes (or any of them) are not denominated in Sterling, the Principal Amount Outstanding of any note not denominated in Sterling will be converted into Sterling at the relevant Specified Currency exchange rate.

A resolution signed by or on behalf of 75 per cent. of the Noteholders of the relevant Series and Class who for the time being are entitled to receive notice of a meeting under the Trust Deed will for all purposes be as valid and effective as an Ordinary Resolution or an Extraordinary Resolution passed at a meeting of such Series and Class of Noteholders.

Other than in respect of any matter requiring an Extraordinary Resolution, Noteholders are required to vote by way of an Ordinary Resolution.

(b) ***Programme Resolution***

Notwithstanding the provisions of Condition 11(a) (*Meetings of Noteholders*), any Extraordinary Resolution of the Noteholders of any Class of Notes to direct the Note Trustee to deliver an Enforcement Notice to the Issuer and the Security Trustee pursuant to Condition 9 (*Events of Default*) or to take any enforcement action or to instruct the Security Trustee to enforce the Security pursuant to Condition 10 (*Enforcement*) (a "**Programme Resolution**") will only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes. The quorum at any such meeting for passing a Programme Resolution will be one or more persons holding or representing not less than 75 per cent. of the aggregate Sterling Equivalent Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate Sterling Equivalent Principal Amount Outstanding of such Class of Notes so held or represented by them.

A Programme Resolution passed at any meeting of all Series of any Class of Notes will be binding on all Noteholders of all series of that Class of Notes, whether or not they are present or represented at the meeting.

(c) ***Limitations on Noteholders***

Subject as provided in Condition 11(e) (*Modifications and determinations by Note Trustee and Security Trustee*):

(i) an Ordinary Resolution of the Class A Noteholders of any Series will be binding on the holder of the Seller's Note and the Class Z VFN Holder;

(ii) an Extraordinary Resolution of the Class A Noteholders of any Series will be binding on the holder of the Seller's Note and the Class Z VFN Holder; and

(iii) an Ordinary Resolution of the holder of the Seller's Note will be binding on the Class Z VFN Holder;

(iv) an Extraordinary Resolution of the holder of the Seller's Note will be binding on the Class Z VFN Holder;

(v) no Extraordinary Resolution of the holder of the Seller's Note or of the Class Z VFN Holder will take effect for any purpose while any Class A Notes (of any Series) remain outstanding unless it will have been sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series (**provided that** no such sanction by an Extraordinary Resolution of the Class A Noteholders of a particular Series will be required where the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of such Class A Noteholders); and

(vi) no Extraordinary Resolution of the Class Z VFN Holder will take effect for any purpose while any Class A Notes (of any Series) or the Seller's Note remains outstanding unless it will have been sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series and the holder of the Seller's Note (**provided that** no such sanction by an Extraordinary Resolution of the Class A Noteholders of a particular Series and the holder of the Seller's Note will be required where the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of such Class A Noteholders and the holder of the Seller's Note).

(d) ***Approval of modifications and waivers by Noteholders***

(i) For so long as any Series of Class A Notes remains outstanding, no Extraordinary Resolution of the Noteholders of any one or more Series of Class A Notes to sanction a modification (including a Basic Terms Modification) of, or any waiver or authorisation of any breach of, or proposed breach of, any of the provisions of the Programme or the Conditions of such Notes will take effect unless it has been sanctioned by an Extraordinary Resolution of the holder of the Seller's Note and the Class Z VFN Holder (**provided that** no such sanction by an Extraordinary Resolution of the holder of the Seller's Note and the Class Z VFN Holder will be required where the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holder of the Seller's Note and the Class Z VFN Holder).

(ii) For so long as no Series of Class A Notes remains outstanding, no Extraordinary Resolution of the holder of the Seller's Note to sanction a modification (including a Basic Terms Modification) of, or any waiver or authorisation of any breach of, or proposed breach of, any of the provisions of the Programme or the Conditions of such Notes will take effect unless it has been sanctioned by an Extraordinary Resolution of the Class Z VFN Holder (provided that no such sanction by an Extraordinary Resolution of the Class Z VFN Holder will be required where the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class Z VFN Holder).

(e) ***Modifications and determinations by Note Trustee and Security Trustee***

(i) The Note Trustee, the Security Trustee and the Issuer, may from time to time, without the consent or sanction of the Noteholders of any Series or any other Secured Creditor (other than any Secured Creditor who is party to the relevant Transaction Document) (i) concur with the Issuer or any other person or (ii) direct the Security Trustee to concur with the Issuer or any other person:

(A) in making any modification of the Notes of one or more Series (including the conditions applicable thereto) or of any Transaction Document (except for a Basic Terms Modification) **provided that** the Note Trustee is of the opinion that such modification will not be materially prejudicial to the interests of any of the Noteholders of any Series; or

(B) in making any modification of the Notes of one or more Series (including the Conditions applicable thereto), or of any Transaction Document, which in the opinion of the Note Trustee (i) is made to correct a manifest error or (ii) is of a formal, minor or technical nature.

(ii) The Note Trustee and the Issuer may from time to time and at any time without the consent or sanction of the Noteholders of any Series and without the consent of the other Secured Creditors at any time and from time to time and without prejudice to its rights in respect of any subsequent breach, (a) waive or authorise any breach or proposed breach by the Issuer or any other party of any of the covenants or provisions contained in any Transaction Document if, in the opinion of the Note Trustee, such waiver or authorisation will not be materially prejudicial to the interests of any of the Noteholders of any Series, as applicable or (b) in relation to the Note Trustee only, determine that any Event of Default in respect of any of the Noteholders of any Series will not be treated as such if in the opinion of the Note Trustee, such waiver or authorisation will not be materially prejudicial to the Noteholders of any Series **provided always that** the Note Trustee will not exercise any powers conferred on it in contravention of any express direction given by an Extraordinary Resolution, or of a request in writing made by the holders of not less than 25 per cent. of the aggregate Principal Amount Outstanding of the relevant Class of Notes, in accordance with these Conditions (but so that no such direction or request will affect any waiver, authorisation or determination previously given or made). Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Note Trustee may determine.

(iii) Any such modification, waiver, authorisation or determination will be binding on the Noteholders and Secured Creditors and, unless the Note Trustee agrees otherwise, any such modification will be notified to the Noteholders and the Rating Agencies in accordance with Condition 14 (*Notice to Noteholders*) as soon as practicable thereafter.

(f) ***Additional rights of modification***

(1) Notwithstanding the provisions of Condition 11(d) (*Approval of modifications and waivers by Noteholders*), the Note Trustee will be obliged, without any consent or sanction of the Noteholders, to concur with the Issuer in making and/or approving any modification (other than in respect of a Basic Terms Modification to the Notes) of one or more Series (including the conditions applicable thereto) or of any Transaction Document to which it is a party or in respect of which it holds security or enter into any new, supplemental or additional documents, in each case that the Issuer (or the Cash Manager on its behalf) considers necessary:

(i) 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 published from time to time, **provided that**:

(a) the Issuer (or the Cash Manager on its behalf) 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

(b) in the case of any modification to the Notes of one or more Series or of any Transaction Document proposed by any of the relevant Swap Counterparties, an Account Bank, the Custodian, the Cash Manager, the Servicer, the Collection Account Bank or the Seller in order for such relevant entity (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, obtaining a guarantee or advancing funds):

(A) the relevant Swap Counterparty, an Account Bank, the Custodian, the Cash Manager, the Servicer, the Collection Account Bank or the Seller, as the case may be, certifies in writing to the Issuer, the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in paragraph (i)(b)(x) and/or (y) above (and in the case of a certification provided to the Issuer, the Issuer will certify to the Note Trustee and the Security Trustee that is has received the same from the relevant transaction party); and

(B) either:

(I) the relevant Swap Counterparty, an Account Bank, the Custodian, the Cash Manager, the Servicer, the Collection Account Bank or the Seller, as the case may be, obtains from each of the Rating Agencies written confirmation (or certifies in writing to the Issuer, the Note Trustee and the Security Trustee that it has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies) that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency and would not result in any Rating Agency placing any Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer, the Note Trustee and the Security Trustee; or

(II) the Issuer (or the Cash Manager on its behalf) certifies in writing to the Note Trustee that each relevant Rating Agency has been informed in writing of the proposed modification and such Rating Agency has indicated that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent); and

(ii) in order to meet the eligibility criteria for any funding or liquidity scheme provided by a central bank **provided that** the Issuer (or the Cash Manager on its behalf) 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;

(iii) in order to enable the Issuer and/or the relevant Swap Counterparty to comply (or continue to comply) with:

(a) any obligation which applies to it under Articles 9, 10 and 11 of Regulation (EU) 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012, as amended, (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators) ("**EU EMIR**") and/or EU EMIR as it forms part of the domestic law of the UK by virtue of the Withdrawal Act ("**UK EMIR**", and together with EU EMIR, "**EMIR**"); or

(b) any other obligation which applies to it under EMIR,

provided that the Issuer (or the Cash Manager on its behalf) or the relevant Swap Counterparty, as appropriate, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for the purpose of enabling it to satisfy such obligation and has been drafted solely to such effect;

(iv) for the purpose of complying (or continuing to comply) with any changes in the requirements of the EU Securitisation Regulation (including the EU Risk Retention Requirements), the Recast UK Securitisation Regime (including the UK Risk Retention Requirements), the EU CRR Amending Regulation, the UK CRR Amending Regulation or the US Credit Risk Retention Requirements or any other risk retention legislation or regulations or official guidance in relation thereto, **provided that** the Issuer (or the Cash Manager on its behalf) 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;

(v) for the purpose of enabling the Notes to be (or to remain) listed on the London Stock Exchange, **provided that** the Issuer (or the Cash Manager on its behalf) 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;

(vi) for the purposes of enabling the Issuer to comply (or continue to comply) with the provisions of Rule 17g-5 of the Securities Exchange Act 1934, **provided that** the Issuer (or the Cash Manager on its behalf) certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purposes and has been drafted solely to such effect;

(vii) for the purpose of complying (or continuing to comply) with any changes in either or both of the requirements of the EU CRA Regulation or the UK CRA Regulation after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the EU CRA Regulation or the UK CRA Regulation or regulations or official guidance in relation thereto, **provided that** the Issuer (or the Cash Manager on its behalf) 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;

(viii) for the purposes of enabling any Class of Notes to comply with the criteria for Level 2B securitisations set out in Article 13 of the LCR Regulation or Article 13 of the UK LCR Regulation (as amended, replaced and/or supplemented from time to time and to the extent

permitted by applicable law) (the "**Liquidity Coverage Ratio**"), **provided that** the Issuer (or the Cash Manager on its behalf) 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;

(ix) to enable the Issuer, the Seller or the Servicer to comply with any obligation which applies to it under the EU Securitisation Regulation and the Recast UK Securitisation Regime, including as a result of the adoption of the relevant technical standards in relation to the EU Securitisation Regulation, the Recast UK Securitisation Regime or any other legislation or regulations or official guidance in relation thereto and including for the purposes of enabling any Series of Class of Notes to comply with the criteria for simple, transparent and standardised securitisations set out in the EU Securitisation Regulation, and/or, the Recast UK Securitisation Regime or any other legislation or regulations or official guidance in relation thereto, **provided that** the Issuer, the Seller or the Servicer 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;

(x) for the purposes of complying (or continuing to comply) with the applicable requirements of the UK CRR Regulation, the EU CRR Regulation, UK Solvency II or EU Solvency II after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the UK CRR Regulation, the EU CRR Regulation, UK Solvency II or EU Solvency II or regulations or official guidance in relation thereto, **provided that** the Issuer (or the Cash Manager on its behalf) 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;

(xi) for the purposes of amending the Eligibility Criteria or the Portfolio Criteria solely for the purpose of the addition of a New Mortgage Product to the Mortgage Portfolio **provided that** the Issuer (or the Cash Manager on its behalf) 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;

(xii) in connection with the transfer of any Swap Agreement to a replacement Swap Counterparty, to enable such modifications to the original Swap Agreement as may be agreed with the replacement Swap Counterparty **provided that** the Servicer or the replacement Swap Counterparty certifies to the Note Trustee and the Security Trustee that, following any such modifications, the relevant Swap Agreement will satisfy the rating criteria of the Relevant Rating Agencies;

(xiii) in connection with the transfer of any Account Bank Agreement to a replacement Account Bank, to enable such modifications to the original Account Bank Agreement as may be agreed with the replacement Account Bank **provided that** the Issuer (or the Cash Manager on its behalf) certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely to reflect prevailing market conditions at the relevant time;

(xiv) in connection with the transfer of the Custody Agreement to a replacement Custodian, to enable such modifications to the original Custody Agreement as may be agreed with the replacement Custodian **provided that** the Issuer (or the Cash Manager on its behalf) certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely to reflect prevailing market conditions at the relevant time;

(xv) for the purposes of appointing any number of additional Rating Agencies to rate any Series of Notes (each, an "**Additional Rating Agency**") where such Additional Rating Agency is not an Initial Rating Agency, **provided that** the Issuer (or the Cash Manager on its

behalf) 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; or

(xvi) in order to enable the Issuer to issue Notes in the future that are subordinated to the Class A Notes, but are senior to Class Z VFNs and the Seller's Note **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,

the certificate to be provided by the Issuer or the Cash Manager on behalf of the Issuer, the relevant Swap Counterparty or any other relevant transaction party, as the case may be, pursuant to paragraphs (i) to (xvi) above being a "**Modification Certificate**" (upon which the Note Trustee and the Security Trustee will each be able to rely conclusively and without liability), **provided that**:

(A) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Note Trustee and the Security Trustee;

(B) the Modification Certificate in relation to such modification will be provided to the Note Trustee and the Security Trustee (and in respect of paragraph (i)(a) and/or (i)(b)(A) to the Issuer) 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;

(C) the consent of each Secured Creditor (x) who is a party to the relevant Transaction Document and which has a right to consent to such modification pursuant to the provisions of such Transaction Document and/or Deed of Charge or (y) whose ranking in any Priority of Payment is affected by the proposed modification has been obtained; and

(D) the Issuer pays all costs and expenses (including legal fees) incurred by the Note Trustee and the Security Trustee in connection with such modification,

and **provided further that**:

(1) other than in the case of a modification pursuant to Condition 11(f)(1)(i)(b), Condition 11(f)(1)(iii) or Condition 11(f)(1)(xvi) (*Additional rights of modification*), either:

(x) the Issuer obtains from each of the Rating Agencies written confirmation (or certifies in the Modification Certificate that it has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies) that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent); or

(y) the Issuer certifies in the Modification Certificate that it has informed each Rating Agency then rating any Notes of the proposed modification and each such Rating Agency has indicated that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings

assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent); and

(2)

(x) the Issuer has provided at least 30 calendar days' notice of the proposed modification to the Noteholders of each relevant Class in accordance with Condition 14 (*Notice to Noteholders*) and by publication on Bloomberg on the "Company News" screen relating to the Notes; and

(y) Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes of any affected Series of Notes then outstanding have not contacted the Note Trustee and/or the Principal Paying Agent 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 Note Trustee that such Noteholders object to the modification.

If Noteholders representing at least 10 per cent. of the aggregate Sterling Equivalent Principal Amount Outstanding of the Most Senior Class of Notes have notified the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such Notes may be held) within the notification period referred to above that they object to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes of each affected Series of Notes then outstanding notified pursuant to Condition 11(f)(2) above is passed in favour of such modification in accordance with Condition 11(a) (*Meetings of Noteholders*).

Objections made in writing other than through the applicable Clearing System must be accompanied by evidence to the Note Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

(2) Notwithstanding the provisions of Condition 11(d) (*Approval of modifications and waivers by Noteholders*), the Note Trustee and the Security Trustee will be obliged, without any consent or sanction of the Noteholders or, subject to paragraph (4) below, any of the other Secured Creditors, to concur with the Issuer in making any modification (other than a Basic Terms Modification, **provided that** neither a Benchmark Rate Modification nor a Swap Rate Modification (each as defined below) will constitute a Basic Terms Modification) to the Trust Deed, the Conditions and/or any other Transaction Document to which it is a party or in relation to which it holds security to or enter into any new, supplemental or additional documents that the Issuer considers necessary in order to:

(i) change the Screen Rate or the benchmark rate that then applies in respect of the Notes to an alternative benchmark rate (such replacement rate, an "**Alternative Benchmark Rate**") and make 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 which, for the avoidance of doubt, may include modifications to when the Floating Rate of Interest applicable to any Class of Notes is calculated and/or notified to Noteholders (a "**Benchmark Rate Modification**") **provided that** the Servicer (on behalf of the Issuer, as applicable) certifies to the Note Trustee in writing (such certificate, a "**Benchmark Rate Modification Certificate**") that:

(A) such Benchmark Rate Modification is being undertaken as a result of a Benchmark Rate Disruption;

(B) such Alternative Benchmark Rate satisfies the Benchmark Rate Eligibility Requirement; and

(C) the modifications proposed in the context of the Benchmark Rate Modification are required solely for the purpose of applying the Alternative Benchmark Rate and making consequential modifications to the Conditions or any Transaction Document which are, as determined by the Issuer (or the Servicer on behalf of the Issuer) in its commercially reasonably judgement, necessary or advisable, and the modifications have been drafted solely to such effect; or

(ii) change the benchmark rate that then applies in respect of the fixed-floating rate swap under any Swap Agreement to an Alternative Benchmark Rate solely as a consequence of a Benchmark Rate Modification and solely for the purpose of aligning the benchmark rate of the fixed-floating rate swap under such Swap Agreement to the benchmark rate of the Notes following such Benchmark Rate Modification (a "**Swap Rate Modification**") **provided that**:

(A) the relevant Swap Counterparty provides its prior written consent to such Swap Rate Modification; and

(B) the Servicer (on behalf of the Issuer, as applicable) certifies to the Note 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 a Benchmark Rate Modification and/or a Swap Rate Modification above (as applicable):

(1) at least 30 days' prior written notice of any such proposed modification has been given to the Note Trustee **provided that** this notice must be delivered prior to publication of any Benchmark Rate Modification Noteholder Notice;

(2) the details of and the rationale for any Note Rate Maintenance Adjustment proposed in accordance with Condition 11(f)(ii)(7)(d) are as set out in the Benchmark Rate Modification Noteholder Notice published in accordance with Condition 11(f)(ii)(7) below; and

(3) the relevant Benchmark Rate Modification Certificate or, as applicable, a Swap Rate Modification Certificate in relation to such modification is provided to the Note Trustee both at the time the Note Trustee is notified of the proposed modification, five Business Days prior to the publication of the Benchmark Rate Modification Noteholder Notice and on the date that such modification takes effect;

(4) the consent of each Secured Creditor (including the Agents and the Cash Manager) which is a party to any relevant Transaction Document being amended has been obtained;

(5) with respect to each Rating Agency, either:

(a) the Issuer (or the Servicer on its behalf) obtains from such Rating Agency written confirmation that such modification would not 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 delivers a copy of each such confirmation to the Note Trustee; or

(b) the Issuer certifies in writing to the Note Trustee that it (or the Servicer on its behalf) has notified such Rating Agency of the proposed modification and that it has been unable to obtain such written confirmation but that such Rating Agency has not indicated that the implementation of such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes or by such Rating Agency or (y) such Rating Agency placing the Class A Notes on rating watch negative (or equivalent);

(6) in respect of a Benchmark Rate Modification only, by no later than the date on which the proposed Benchmark Rate Modification becomes effective, the Issuer has agreed the corresponding Swap Rate Modification, other than if the Rating Agency provides written confirmation to the Issuer that the Benchmark Rate Modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency if there is no corresponding Swap Rate Modification;

(7) the Issuer has provided at least 30 days' notice to the Noteholders of the proposed modification in accordance with Condition 14 (*Notice to Noteholders*) and by publication on Bloomberg on the "Company News" screen relating to the Notes, (such notice, the "**Benchmark Rate Modification Noteholder Notice**") notifying the following:

(a) the period during which Class A Noteholders may object to the proposed Benchmark Rate Modification and the method by which they may object;

(b) the Benchmark Rate Disruption on the basis of which the Benchmark Rate Modification and/or Swap Rate Modification is being proposed;

(c) the Benchmark Rate Eligibility Requirement satisfied by the Alternative Benchmark Rate and, if paragraph (d) of the definition of Benchmark Rate Eligibility Requirement is being applied, the Issuer's rationale for choosing the Alternative Benchmark Rate;

(d) details of the adjustment which the Issuer proposes to make (if any) to the Margin payable on each Class of Notes which are the subject of the Benchmark Rate Modification in order to, so far as reasonably and commercially practicable, preserve what would have been the expected Floating Rate of Interest

applicable to each such Class of Notes had no such Benchmark Rate Modification been effected which, for the avoidance of doubt, may effect an increase or a decrease to the Margin or may be set at zero (the "**Note Rate Maintenance Adjustment**"), **provided that**:

(i) in the event that (in the case of Notes with an original Reference Rate of EURIBOR) the European Money Markets Institute or, in each case, any relevant committee or other body established, sponsored or approved by any of the foregoing, has published, endorsed, approved or recognised a note rate maintenance adjustment mechanism which could be used in the context of a transition from EURIBOR to the Alternative Benchmark Rate, then the Issuer will propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer will set out in the Benchmark Rate Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Benchmark Rate Modification;

(ii) in the event that it has become generally accepted market practice in the publicly listed asset backed floating rate notes to use a particular note rate maintenance adjustment mechanism in the context of a transition from EURIBOR (as the case may be) to the Alternative Benchmark Rate, then the Issuer will propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer will set out in the Benchmark Rate Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Benchmark Rate Modification; and

(iii) in the event that neither (i) nor (ii) above apply, the Issuer will use reasonable endeavours to propose an alternative Note Rate Maintenance Adjustment as reasonably determined by the Issuer (or the Servicer on behalf of the Issuer) and will set out the rationale for the proposal or otherwise the Issuer will set out in the Benchmark Rate Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Benchmark Rate Modification; and

(8) details of (i) other amendments which the Issuer proposes to make (if any) to these Note Conditions or any other Transaction Document and (ii) any new, supplemental or additional documents into which the Issuer proposes to enter to facilitate the changes envisaged pursuant to Benchmark Rate Modification and/or Swap Rate Modification;

(9) Noteholders representing at least 10 per cent. of the Sterling Equivalent Principal Amount Outstanding of the Most Senior Class then outstanding have not contacted the Note Trustee 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 relevant notification period notifying the Note Trustee that such Noteholders do not consent to the Benchmark Rate Modification and/or Swap Rate Modification; and

(10) the Issuer pays all costs and expenses (including legal fees) incurred by the Issuer, the Note Trustee and the Servicer in connection with such modification.

If Noteholders representing at least 10 per cent. of the Sterling Equivalent Principal Amount Outstanding of the Most Senior Class then outstanding have notified the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such Notes may be held) within such notification period that such Noteholders do not consent to the modification, then any subsequent proposal by the Issuer in respect of a Benchmark Rate Modification or a Swap Rate Modification (as the case may be) must be sanctioned by an Extraordinary Resolution of the Noteholders of the Most Senior Class then outstanding passed in favour of such modification in accordance with Condition 11 (*Meetings of Noteholders, modifications and waiver*).

Objections made in writing other than through the applicable Clearing System must be accompanied by evidence to the Note Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

(3) The Note Trustee will concur with the Issuer in effecting any Ratings Modification Event (as defined below), subject to receipt by the Note Trustee and the Security Trustee of a certificate (upon which the Note Trustee and the Security Trustee will be able to rely conclusively and without liability) of the Issuer signed by two directors of the Issuer certifying that the requested modifications to the Conditions applying to such Notes and/or any Transaction Documents are to be made solely for the purposes of enabling the Issuer:

(i) to remove any one of the Rating Agencies (a "**Removed Rating Agency**") from rating any Series of Notes together with the related ratings criteria, rating tests, rating triggers and any and all requirements specified by and/or relating to such Removed Rating Agency (an "**Existing Rating Agency Removal**") in so far as these relate solely to such Series of Notes (a "**Ratings Modification Event**"); and/or

(ii) subsequently to reappoint any such Removed Rating Agency or to substitute any such Removed Rating Agency for one of the Rating Agencies then rating such Series of Notes ("**Existing Rating Agency Reappointment**") and to implement all then current relevant ratings criteria, rating tests, rating triggers and any and all relevant requirements specified by and/or relating to such reappointed Rating Agency,

provided that, in each case and at all times, such Series of Notes continues to be rated by at least two of the four Rating Agencies, and further **provided that** the Issuer has given at least 15 Business Days' prior notice to the holders of each relevant Series and Class of Notes of such Ratings Modification Event.

(4) Notwithstanding Condition 11(f) (*Additional rights of modification*) or any Transaction Document:

(i) when implementing any modification pursuant to this Condition 11(f) (*Additional rights of modification*) (save to the extent the Note Trustee and the Security Trustee considers

that the proposed modification would constitute a Basic Terms Modification (**provided that** neither a Benchmark Rate Modification nor a Swap Rate Modification (each as defined herein) will constitute a Basic Terms Modification)), the Note Trustee and the Security Trustee will not consider the interests of the Noteholders, any other Secured Creditor or any other person and will act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or the relevant transaction party, as the case may be, pursuant to this Condition 11(f) (*Additional rights of modification*) and will 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; and

(ii) neither the Note Trustee nor the Security Trustee will 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 pre-funded to its satisfaction or (B) increasing the obligations, liabilities or duties, or decreasing the rights or protection, of the Note Trustee and/or the Security Trustee in the Transaction Documents and/or these Conditions.

(5) Any such modification will be binding on all Noteholders and will be notified by the Issuer as soon as reasonably practicable to:

(i) so long as any of the Notes rated by the Rating Agencies remains outstanding, each Rating Agency;

(ii) the Secured Creditors; and

(iii) the Noteholders in accordance with Condition 14 (*Notice to Noteholders*).

(g) ***Exercise of Note Trustee's functions***

Where the Note Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions under these Conditions or any other Issuer transaction document, to have regard to the interests of the Noteholders (of a Class, Series or Series and Sub-Class thereof), it will have regard to the interests of such Noteholders as a Class and, in particular but without prejudice to the generality of the foregoing, the Note Trustee will not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Note Trustee will not be entitled to require, and no Noteholder will be entitled to claim, from the Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

12. **Indemnification of the Note Trustee and the Security Trustee**

The Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee and providing for their indemnification in certain circumstances, including, among others, provisions relieving the Security Trustee from taking enforcement proceedings or enforcing the Security unless indemnified and/or secured and/or prefunded to its satisfaction. The Note Trustee and the Security Trustee are also entitled to be paid their costs and expenses in priority to any interest payments to Noteholders.

The Note Trustee and the Security Trustee and their related companies are entitled to enter into business transactions with the Issuer, the Cash Manager, the Seller and/or the related companies of any of them and to act as Note Trustee or Security Trustee for the holders of any new Notes and/or

any other person who is a party to any Transaction Document or whose obligations are comprised in the Security and/or any of its Subsidiary or associated companies without accounting for any profit resulting therefrom.

Neither the Note Trustee nor the Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Note Trustee or the Security Trustee, as applicable.

Furthermore, the Note Trustee and the Security Trustee will be relieved of liability for making searches or other inquiries in relation to the assets comprising the Security. Neither the Note Trustee nor the Security Trustee has any responsibility in relation to the legality and the enforceability of the trust arrangements and the related Security. Neither the Note Trustee nor the Security Trustee will be obliged to take any action which might result in its incurring personal liabilities. Neither the Note Trustee nor the Security Trustee is obliged to monitor or investigate the performance of any other person under the Transaction Documents and is entitled to assume, until it has actual knowledge to the contrary, that all such persons are properly performing their duties, unless it receives express notice to the contrary.

Neither the Note Trustee nor the Security Trustee will be responsible for any deficiency which may arise because it is liable to tax in respect of the proceeds of any Security.

13. **Replacement of Notes**

If Individual Note Certificates are lost, stolen, mutilated, defaced or destroyed, the Noteholder can replace them at the specified office of any Paying Agent subject to all applicable laws and stock exchange requirements. The Noteholder will be required both to pay the expenses of producing a replacement and to comply with the Issuer's, the Registrar's and the Paying Agent's reasonable requests for evidence and indemnity.

If a Global Note Certificate is lost, stolen, mutilated, defaced or destroyed, the Issuer will procure the delivery of a replacement Global Note Certificate to the registered holder upon receipt of satisfactory evidence and surrender of any defaced or mutilated Global Note Certificate. A replacement will only be made upon payment of the expenses for a replacement and compliance with the Issuer's, Registrar's and Paying Agents' reasonable requests as to evidence and indemnity.

Defaced or mutilated Note Certificates must be surrendered before replacements will be issued.

14. **Notice to Noteholders**

(a) ***Publication of notice***

Any notice to Noteholders will be validly given if such notice is:

(i) (a) sent to them by first class mail (or its equivalent) or (if posted to a non-UK address) by airmail at the respective addresses on the Register (or, in the case of the VFNs, the VFN Registrar), and (b) published in The Financial Times and for so long as amounts are outstanding on the Rule 144A Notes, published in a daily newspaper of general circulation in New York (which is expected to be *The New York Times*); or

(ii) published in accordance with the rules of the London Stock Exchange;

or, if any of such newspapers set out above will cease to be published or timely publication therein will not be practicable, in a leading English language daily newspaper having general circulation in the UK or the US (as applicable) **provided that** if, at any time, the Issuer procures that the

information concerned in such notice will be published on the relevant screen, publication in the newspapers set out above or such other newspaper or newspapers will not be required with respect to such information.

(b) ***Date of publication***

Any notices so published will be deemed to have been given on the fourth day after the date of posting, or as the case may be, on the date of such publication or, if published more than once on different dates, on the first date on which publication will have been made in the newspaper or newspapers in which (or on the relevant screen on which) publication is required.

(c) ***Global Note Certificates***

While the Class A Note are represented by Global Note Certificates, any notice to the Class A Noteholders will be validly given if such notice is provided in accordance with Condition 14(a) (*Publication of notice*) or (at the option of the Issuer) if delivered to DTC (in the case of the Rule 144A Notes) or Euroclear and/or Clearstream, Luxembourg (in the case of the Regulation S Notes) or (in relation to a Series and Class of Notes, if specified for such Notes in the applicable Final Terms) if delivered to any alternative Clearing System. Any notice delivered to the DTC and/or Euroclear and/or Clearstream, Luxembourg and/or such alternative Clearing System will be deemed to be given on the day of delivery.

(d) ***Note Trustee's discretion to select alternative method***

The Note Trustee will be at liberty to sanction some other method of giving notice to the Noteholders or any Series or class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the London Stock Exchange on which the Notes are then admitted for trading and **provided that** notice of such other method is given to the Noteholders in such manner as the Note Trustee will require.

15. **Further issues**

The Issuer will, subject to the terms of the Trust Deed, be at liberty from time to time, without the consent of the Noteholders, subject to the Issuance Tests, to create and issue further Class A Notes having terms and conditions the same as the Class A Notes of any Series then in existence or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same will be consolidated and form a single Series and Class with the outstanding Notes of such Series. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to these Conditions (including, as the case may be, any Sub-Series of the Class A Notes) and forming a single Series with the Notes. The Trust Deed contains provisions for convening a single meeting of noteholders and the holders of notes of other Series in certain circumstances where the Trustee has so decided.

16. **Governing law and jurisdiction**

The Transaction Documents and all non-contractual obligations arising out of or in connection with them are and the Notes are governed by English law unless specifically stated to the contrary. The Scottish Declarations of Trust, each Scottish Supplemental Charge and certain provisions in the Transaction Documents relating to property situated in Scotland and all non-contractual obligations arising out of or in connection with them are governed by Scots law. Unless specifically stated to the contrary:

(i) the courts of England are to have non-exclusive jurisdiction to settle any disputes (including any disputes relating to non-contractual obligations arising out of or in

connection with these conditions) which may arise out of or in connection with the Notes and the Transaction Documents; and

(ii) the Issuer and the other parties to the Transaction Documents irrevocably submit to the non-exclusive jurisdiction of the courts of England.

17. **Contracts (Rights of Third Parties) Act 1999**

No person will have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this will not affect any right or remedy of a third party which exists or is available apart from that Act.

18. **Increasing the Principal Amount Outstanding of the VFNs**

(a) ***Notice of Increase***

If the Cash Manager (on behalf of the Issuer) determines that a further drawdown on a Class Z VFN and/or the Seller's Note should be made (the "**Further VFN Drawdown**"), the Cash Manager (on behalf of the Issuer) will serve a notice of the Further VFN Drawdown on the holder of the related Class Z VFN or the Seller's Note requiring or requesting, as appropriate, that the Class Z VFN Holder or the holder of the Seller's Note, as the case may be, makes such Further VFN Drawdown available in respect of the relevant Class Z VFN or the Seller's Note on the date specified in such notice of increase in the amount specified therein. Any notice of increase given by the Cash Manager (on behalf of the Issuer) shall be irrevocable.

The Class Z VFN Holder and/or the holder of the Seller's Note, as the case may be, upon receipt of a notice of increase from the Issuer (or the Cash Manager on behalf of the Issuer):

(i) where the funding of the Further VFN Drawdown is mandatory, shall advance the amount equal to such Further VFN Drawdown to the VFN Holder and/or the holder of the Seller's Note, as the case may be, on the date and in accordance with the instructions specified in the notice of such Further VFN Drawdown; and

(ii) where the funding of the Further VFN Drawdown is at the sole discretion of the Class Z VFN Holder and/or the holder of the Seller's Note, will notify the Issuer and the Cash Manager if the Class Z VFN Holder and/or the holder of the Seller's Note, as the case may be, is prepared to advance the amount equal to such Further VFN Drawdown (the "**Further VFN Drawdown**"),

provided that (i) where the Class Z VFN Holder and/or the holder of the Seller's Note, as the case may be, has sole discretion over advancing such Further VFN Drawdown, it is recognised by the Issuer that any such advance of further monies is at all times at the sole discretion of the Class Z VFN Holder and/or the holder of the Seller's Note, as the case may be, and on an uncommitted basis until such time as the Class Z VFN Holder and/or the holder of the Seller's Note, as the case may be, informs the Issuer in writing that it will make such advance of further monies and (ii) in any event such Class Z VFN Holder and/or the holder of the Seller's Note, as the case may be, will not be obliged to advance such Further VFN Drawdown available unless and until such time as the Issuer has complied with the requirements of Condition 18(b) (*Conditions to Further VFN Drawdown*) below.

(b) ***Conditions to Further VFN Drawdown***

The Class Z VFN Holder and/or the holder of the Seller's Note will advance the amount of such Further VFN Drawdown to the Issuer for value on the Business Day specified in the notice of increase if the following conditions are satisfied:

(i) the relevant notice of increase is given not later than one Business Day prior to the proposed date for the advancing such Further VFN Drawdown (unless agreed otherwise by the Class Z VFN Holder and/or the holder of the Seller's Note);

(ii) either:

(A) the Issuer confirms in the notice of increase that no Event of Default has occurred or will occur as a result of advancing such Further VFN Drawdown; or

(B) in circumstances where the relevant advance is to be made at the sole discretion of the Class Z VFN Holder and/or the holder of the Seller' Note, the Class Z VFN Holder and/or the holder of the Seller's Note agrees in writing (notwithstanding any matter referred to at (A) above) to advance such Further VFN Drawdown in accordance with the notice of increase;

(iii) the proposed date of such Further VFN Drawdown falls on a Business Day prior to the Final Maturity Date of the relevant Class Z VFN and/or the Seller's Note; and

(iv) the advance of such Further VFN Drawdown will not cause a breach of the US Credit Risk Retention Requirements, the EU Risk Retention Requirements or the UK Risk Retention Requirements.

UK TAX CONSEQUENCES

*The following is a summary of the UK withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of His Majesty's Revenue and Customs ("**HMRC**"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other UK tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective Noteholders should be aware that the particular terms of issue of any Series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other Series of Notes. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the UK in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain UK taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the UK.*

UK Withholding Tax

The Notes issued by the Issuer which carry a right to interest will constitute "quoted Eurobonds" provided they 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). Whilst the Notes are and continue to be quoted Eurobonds, payments of interest on the Notes may be made without withholding or deduction for or on account of UK income tax.

Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the UK Official List (within the meaning of Part VI of the FSMA) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the UK in which there is a recognised stock exchange.

The London Stock Exchange is a recognised stock exchange, and accordingly the Notes will constitute quoted Eurobonds provided they are and continue to be included in the UK Official List and admitted to trading on the regulated market of that Exchange.

In all other cases interest on the Notes may fall to be paid under deduction of UK income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply. However, this withholding will not apply if the relevant interest is paid on Notes with a maturity date of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more.

Other Rules Relating to UK Withholding Tax

Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will not generally be subject to any UK withholding tax pursuant to the provisions mentioned in "*UK Withholding Tax*" above.

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to UK withholding tax as outlined above.

Where interest has been paid under deduction of UK income tax, Noteholders who are not resident in the UK may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "**interest**" above mean "interest" as understood in UK tax law. The statements in above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation. Noteholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes which does not constitute "interest" or "principal" as those terms are understood in UK tax law.

The above description of the UK withholding tax position assumes that there will be no substitution of an Issuer and does not consider the tax consequences of any such substitution.

MATERIAL US TAX CONSIDERATIONS

The following section is a discussion of the anticipated material US federal income tax consequences of the purchase, ownership and disposition of the Class A Notes that may be relevant to a US holder (as defined later in this section).

In general, the discussion assumes that a holder acquires a Class A Note at original issuance at its issue price (generally the first price at which a substantial amount of substantially similar Class A Notes are sold for money, excluding sales to bond houses, brokers, or similar persons or organisations acting in the capacity of managers, placement agents or wholesalers) and holds such note as a capital asset. It does not purport to be a comprehensive description of all the US tax considerations that may be relevant to a decision to purchase the Class A Notes. In particular, it does not discuss special tax considerations that may apply to certain types of taxpayers, including dealers in stocks, securities or notional principal contracts; traders in securities electing to mark to market; insurance companies; regulated investment companies; real estate investment trusts; tax exempt organisations; banks, savings and loan associations and similar financial institutions; certain former citizens and residents of the United States, tax consequences attributable to persons required to accelerate the recognition of any item of gross income with respect to the Class A Notes as a result of such income being recognised on an applicable financial statement; taxpayers whose functional currency is other than the US Dollar; taxpayers that hold a Class A Note as part of a hedge or straddle or synthetic security or a conversion transaction, within the meaning of section 1258 of the Code; and subsequent purchasers of Class A Notes. Further, this discussion does not address alternative minimum tax consequences, the Medicare tax on net investment income or any tax considerations to holders of interests in a US holder. In addition, this discussion does not describe any tax consequences arising under the laws of any taxing jurisdiction other than the US federal government. This discussion also does not address the characterisation of Class A Notes for US federal income tax purposes that are held by members of the expanded (or modified expanded) group under Treasury Regulations under Section 385 of the Code (or any successor regulations). In addition, please consult the applicable Final Terms for a discussion of additional US federal income tax consequences in the event the Money Market Notes that are subject to remarketing arrangements. This discussion is based on the US federal income tax laws, regulations, rulings and decisions in effect or available as of the date of this Base Prospectus. All of the foregoing are subject to change, and any change may apply retroactively and could affect the continued validity of this discussion. Further, the following discussion assumes that the Issuer will conduct its affairs as described in this Base Prospectus and in accordance with assumptions made by, and representations made to, counsel.

There are no authorities directly addressing transactions substantially identical to this transaction and no ruling on any of the consequences or issues discussed below will be sought from the Internal Revenue Service (the "**IRS**") in connection with this transaction. As a result, the IRS or a court may disagree with all or part of the discussion herein. **Accordingly, the Issuer encourages persons considering the purchase of Class A Notes to consult their own tax advisors as to the personal US tax consequences of the purchase, ownership and disposition of the Class A Notes, including the possible application of state, local, non US or other tax laws, and other US federal income tax issues affecting the transaction.**

As used in this section the term "**US holder**" means a beneficial owner of Class A Notes that is, for US federal income tax purposes (a) an individual who is a citizen or resident of the US, (b) an entity treated as a corporation for US federal income tax purposes that is organised or created under the law of the US, a State thereof, or the District of Columbia, (c) any estate the income of which is subject to taxation in the US regardless of source, or (d) any trust if a court within the US is able to exercise primary supervision over its administration and one or more "United States persons" (as such term is defined in the Code) have the authority to control all substantial decisions of the trust.

If an entity or arrangement that is treated as a partnership for US federal income tax purposes holds Class A Notes, the US federal income tax treatment generally will depend upon the activities of the partnership and the status of the partners. Such an entity or arrangement should consult its own tax adviser as to the US

federal income tax consequences to itself and its partners of acquiring, holding and disposing of the Class A Notes.

Tax status of the Issuer

The Issuer intends to operate so as not to be subject to U.S. federal income tax on its net income. In that regard, under the Programme Documents, the Issuer covenants not to engage in any activities in the US (directly or through agents), not to derive any income from sources within the US as determined under US federal income tax principles, and not to hold any property if doing so would cause it to be engaged or deemed to be engaged in a trade or business within the US as determined under US federal income tax principles.

Characterisation of the Class A Notes

Unless indicated otherwise in an applicable drawdown prospectus, US federal income tax counsel to the Seller (the "**US Federal Income Tax Counsel**") will provide the Issuer with an opinion to the effect that, although there is no authority regarding the treatment of instruments that are substantially similar to the Class A Notes, and while the issue is not free from doubt, the Class A Notes will be treated as debt for US federal income tax purposes. The opinion of US Federal Income Tax Counsel is not binding on the IRS, and no assurance can be given that the characterisation of the Class A Notes as debt would prevail if the issue were challenged by the IRS. The Issuer will treat the Class A Notes as debt of the Issuer for all purposes, including US federal income tax purposes. By acceptance of a Class A Note, each holder will agree, and by acceptance of a beneficial interest in a Class A Note, each beneficial owner will be deemed to agree to treat the Class A Notes as debt for US federal income tax purposes.

Taxation of US holders of the Class A Notes

*Stated Interest and Original Issue Discount ("**OID**")*

Unless indicated otherwise in an applicable drawdown prospectus, US holders of Class A Notes that have a stated maturity of more than one year (i.e., other than short term obligations, discussed below) generally will be required to include in gross income the stated interest accrued or received on their Class A Notes as foreign source interest income in accordance with their usual method of tax accounting, as ordinary income. If a Class A Note is issued at a discount that is less than a statutorily defined *de minimis* amount (generally equal to or less than 0.25 per cent. of a note's stated redemption price at maturity multiplied by the number of complete years to its maturity or, if any amount included in the stated redemption price at maturity is payable before maturity, the weighted average maturity as determined for these purposes), such discount will be treated as *de minimis* OID and generally will be included in income on a *pro rata* basis as capital gain as principal payments are made on the Class A Notes.

If a Class A Note with a stated maturity of more than one year is issued with OID that is equal to or more than a statutorily defined *de minimis* amount, the US holder of such Class A Note must include the OID as foreign source income over the term of the Class A Note under a constant yield method that takes into account the compounding of interest. While not entirely clear, the Issuer intends to take the position that the Class A Notes are subject to the OID rules applicable to debt instruments that may have accelerated payments by reason of prepayments of other obligations securing such debt instruments. Although the relevant regulations do not provide the specific manner in which OID is calculated for such instruments, legislative history provides, and the Issuer intends to take the position, that OID must be calculated using the same prepayment assumptions that are used in pricing the original offering of the Class A Notes. No representation is made that the Mortgage Loans will pay on the basis of such prepayment assumption or in accordance with any other prepayment scenario.

With respect to Class A Notes that have a stated maturity of not greater than one year ("**Short Term Obligations**"), US holders that report income for US federal income tax purposes under the accrual method are required to accrue OID on short term obligations on a straight line basis unless an election is made to

accrue the OID under a constant yield method (based on daily compounding). A US holder who is an individual or other cash method holder is not required to accrue OID on a short term obligation unless such holder elects to do so. If such an election is not made, any gain recognised by such holder on the sale, exchange or maturity of such short term obligation will be ordinary income to the extent of the holder's rateable share of OID accrued on a straight line basis, or upon election under the constant yield method (based on daily compounding), through the date of the sale, exchange or maturity. Once made, such an election cannot be revoked without consent from the IRS.

As an alternative to the above treatments, US holders may elect to include in gross income all interest with respect to the Class A Notes, including stated interest, acquisition discount, OID, *de minimis* OID, market discount, *de minimis* market discount, and unstated interest, as adjusted by any amortisable bond premium or acquisition premium, using the constant yield method described above.

Sales, Retirement or Other Taxable Disposition

In general, a US holder of a Class A Note will have a basis in such note equal to the cost of the Class A Note to such holder, increased by accruals of original issue discount and reduced by any payments thereon other than payments of qualified stated interest. Upon a sale or exchange of the Class A Note, a US holder will generally recognise US source gain or loss equal to the difference between the amount realised (less any accrued but unpaid qualified stated interest, which would be taxable like a payment of interest) and the holder's tax basis in the Class A Note. Such gain or loss will be long term capital gain or loss if the US holder has held the Class A Note for more than one year at the time of disposition. In certain circumstances, US holders that are individuals may be entitled to preferential treatment for net long term capital gains. The ability of US holders to offset capital losses against ordinary income is limited.

Foreign Currency Gain or Loss with respect to Interest on Class A Foreign Currency Notes

The following discussion applies to US holders of the Class A Notes that are denominated in a currency other than US Dollars ("**Class A Foreign Currency Notes**").

A US holder that uses the cash method of accounting for US federal income tax purposes and that receives a payment of stated interest on a Class A Foreign Currency Note will be required to include in income the US Dollar value of the payment in the foreign currency (determined by reference to the spot rate in effect on the date such payment is received) regardless of whether the payment is in fact converted to US Dollars at that time, and such US Dollar value will be the US holder's tax basis in the foreign currency amount.

A US holder that uses the accrual method of accounting for US federal income tax purposes, generally will be required to include in income the US Dollar value of the amount of interest income that has accrued and is otherwise required to be taken into account with respect to a Class A Foreign Currency Note during the relevant accrual period. The US Dollar value of such accrued income will be determined by translating such income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. A US holder will recognise exchange gain or loss (which will be treated as ordinary income or loss) equal to the difference, if any, between the US Dollar value of the payment of foreign currency received (determined on the date such payment is received) and the US Dollar value of interest income that has accrued during such accrual period (as determined above). Such US holder may elect to determine the US Dollar value of the interest by reference to the spot rate in effect on the last day of the interest accrual period (and in the case of a partial accrual period, the spot rate on the last day of the taxable year). If the last day of the interest accrual period is within five business days of the receipt of the payment, the electing US holder may translate interest at the spot rate on the date of the receipt. This election will apply to all debt instruments held by a US holder at the beginning of the first taxable year to which the election applies and to all debt instruments thereafter acquired by the US holder and will be irrevocable without the consent of the IRS.

Any exchange gain or loss resulting from the disposition of the foreign currency amount subsequent to the receipt of such amount by the US holder will be treated as ordinary income or loss. Any exchange gain or loss generally will be treated as US source income or loss for foreign tax credit purposes.

To the extent that a Class A Note is issued with OID, US holders that use the cash method or accrual method of accounting must accrue OID generally in the same manner as an accrual method US holder with respect to stated interest above.

US holders should consult their own tax advisers regarding how to account for payments made or received in foreign currency.

Foreign Currency Gain or Loss on Sale, Retirement or Other Taxable Disposition of the Class A Foreign Currency Notes

The following discussion applies to US holders of the Class A Foreign Currency Notes.

Generally, a US Holder will recognise gain or loss based on the difference between the US Dollar value of the amount realised upon the sale, retirement or other taxable disposition of a Class A Foreign Currency Note and the US Holder's US Dollar basis in the Note. The amount realised does not include amounts received with respect to accrued but unpaid stated interest on the Note, which will be taxable like a payment of interest on the Note, as described above. US Holders should consult their own tax advisors with respect to determining the US Dollar amount realised on the sale, retirement or other taxable disposition of a Class A Foreign Currency Note as well as their US Dollar basis in the Note.

A portion of this gain or loss will be US source ordinary income or loss in an amount equal to the difference between the US Dollar value of the amount of units of foreign currency for which the Note was originally purchased, determined on the date the Note is disposed of (in the case of a sale or other taxable disposition) or such payment is received (in the case of retirement of the Notes), and the US Dollar value of that amount of foreign currency, determined on the date the US holder purchased the Class A Foreign Currency Notes. Any such exchange gain or loss in connection with the sale, retirement or other taxable disposition of a Class A Foreign Currency Note (including for this purpose exchange gain or loss with respect to accrued but unpaid interest) will be realised only to the extent of total gain or loss realised on the sale, retirement or disposition of the Class A Foreign Currency Note (including, with respect to accrued but unpaid interest). Gain or loss in excess of the exchange gain or loss generally will be recognised as US source capital gain or loss, subject to the rules discussed above regarding capital gain or loss.

US holders should consult their tax advisers with respect to the tax consequences of making or receiving payments in a currency different from the currency in which payments with respect to Class A Foreign Currency Notes are made or accrue and with respect to the payment and receipt of amounts in a currency other than US Dollars.

Potential Consequences of a Deemed Exchange

Under certain circumstances certain terms of the Class A Notes may result in a deemed exchange of "old" Class A Notes for "new" Class A Notes for US federal income tax purposes (including in certain circumstance a substitution of the Issuer by the Note Trustee, a Basic Terms Modification or a Benchmark Rate Modification). As a result of the occurrence of a deemed exchange, a US holder may recognise gain or loss, treated in the manner described above, and "new" Class A Notes deemed received in a deemed exchange may be treated as issued with OID. Prospective US Holders should consult their own tax advisors regarding the application of these rules in their particular circumstances.

Information Reporting and Backup Withholding

A US holder may be subject to information reporting on amounts received by such US holder from a distribution on, or disposition of, Class A Notes, unless such US holder establishes that it is exempt from

these rules. If a US holder does not establish that it is exempt from these rules, it may be subject to backup withholding on the amounts received unless it provides a taxpayer identification number and otherwise complies with the requirements of the backup withholding rules. Backup withholding is not an additional tax and the amount of any backup withholding from a payment that is received will be allowed as a credit against a US holder's US federal income tax liability and may entitle such US holder to a refund, **provided that** the required information is timely furnished to the IRS.

In addition, US holder should consult their tax advisors about any reporting obligations that may apply as a result of the purchase, ownership or disposition of the Class A Notes. Failure to comply with certain reporting obligations could result in the imposition of substantial penalties.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the Code, 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 UK) have entered into, or have agreed in substance to, intergovernmental agreements with the US 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 a relevant IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, 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, under US Treasury regulations and IRS guidance, FATCA withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" in the Federal Register and Notes that are issued on or prior to the date that is six months after the date on which final US Treasury regulations defining the term foreign passthru payment are filed with the Federal Register generally would be "grandfathered" for the purposes of FATCA withholding unless materially modified after such date (including by reason of substitution of the Issuer). Potential investors should consult their own tax advisors regarding how these rules may apply to any investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts to a holder of Notes as a result of the withholding.

CERTAIN ERISA AND RELATED CONSIDERATIONS

Unless otherwise specified in the applicable Final Terms, the Rule 144A Notes will be eligible for purchase by employee benefit plans and other plans subject to the US Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and/or the provisions of Section 4975 of the Code and by governmental, church plans or non-US plans that are subject to state, local or other federal law of the US or non-US law that is substantially similar to Title I of ERISA or Section 4975 of the Code ("**Similar Law**"), subject to consideration of the issues described in this section. ERISA imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "**ERISA Plans**") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirements of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed under "*Risk factors*" and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of the Notes.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as so-called Keogh plans and individual retirement accounts (together with ERISA Plans, the "**Plans**")) and certain persons (referred to as "**parties in interest**" or "**disqualified persons**") having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

Any of the Seller, the Issuer, the Joint Arrangers, the Dealers, the Servicer or their respective affiliates (the "**Transaction Parties**") may be a party in interest or a disqualified person with respect to many Plans. Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if any of the Rule 144A Notes is acquired or held by a Plan with respect to which the Issuer, the Seller, the Servicer, or any other party to such transactions, is a party in interest or a disqualified person. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire any such Notes and the circumstances under which such decision is made. Included among these exemptions are Prohibited Transaction Class Exemption ("**PTCE**") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) PTCE 96-23 (relating to transactions determined by in-house asset managers) and the service provider exemption under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to purchase and sale of securities and related lending transactions, **provided that** neither the issuer of the securities nor its affiliate has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any Plan involved in the transaction (in other words, not a fiduciary) and **provided further that** the Plan pays no more than, and receives no less than, adequate consideration in connection with the transaction). There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving the Notes.

In addition, a regulation promulgated by the US Department of Labor at 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA (the "**Plan Asset Regulation**"), describe what constitutes the assets of a Plan with respect to the Plan's investment in an entity for the purposes of certain provisions of ERISA, including the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and Section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests in an "equity interest" of an entity that

is neither a "publicly-offered security" nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless one of the exceptions to such treatment described in the Plan Asset Regulation applies. Under the Plan Asset Regulation, a security which is in debt form may be considered an "equity interest" if it has "substantial equity features". If the Issuer were deemed under the Plan Asset Regulation to hold assets of a Plan by reason of the Plan's investment in any of the Rule 144A Notes, such assets of the Plan would include an undivided interest in the assets held by the Issuer and transactions by the Issuer would be subject to the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and/or Section 4975 of the Code.

Unless otherwise specified in the applicable Final Terms, each purchaser and subsequent transferee of any Rule 144A Note will be deemed by such purchase or acquisition of any such Note to have represented and warranted, on each day from the date on which the purchaser or transferee acquires such Note (or any interest therein) through and including the date on which the purchaser or transferee disposes of such Note, either that (A) it is not a Plan or any person or entity whose underlying assets include, or are deemed under the Plan Asset Regulation or otherwise for the purposes of Title I of ERISA or Section 4975 of the Code to include, the assets of such Plan by reason of the Plan's investment in the person or entity (each of the foregoing a "**Benefit Plan Investor**"), or a governmental, church or non-US plan which is subject to any Similar Law; or (B) its purchase, holding and disposition of such Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any applicable Similar Law.

In addition, each purchaser and subsequent transferee of any Rule 144A Note that is a Benefit Plan Investor will be deemed to have represented by its purchase of such Notes that: (1) none of the Transaction Parties: has provided or will provide any investment recommendation or investment advice to the Benefit Plan Investor, or any fiduciary or other person investing on behalf of the Benefit Plan Investor or who otherwise has discretion or authority over the investment and management of "plan assets" (a "**Plan Fiduciary**"), on which either the Benefit Plan Investor or a Plan Fiduciary has relied in connection with the decision to acquire any interest in such Notes, and (2) the Plan Fiduciary is acting as a "fiduciary" within the meaning of Section 3(21) of ERISA or Section 4975(e)(3) of the Code with respect to the Benefit Plan Investor in connection with the Benefit Plan Investor's acquisition of any interest in such Notes; and (3) the Plan Fiduciary making the decision to acquire any interest in such Notes by or on behalf of such Benefit Plan Investor is exercising its own independent judgment in evaluating the transaction.

Any insurance company proposing to purchase any of the Rule 144A Notes using the assets of its general account should consider the extent to which such investment would be subject to the requirements of ERISA in light of the US Supreme Court's decision in John Hancock Mutual Life Insurance Co. v. Harris Trust and Savings Bank and under any subsequent guidance that may become available relating to that decision. In particular, such an insurance company should consider the retroactive and prospective exemptive relief granted by the US Department of Labor for transactions involving insurance company general accounts in PTCE 95-60, 60 Fed. Reg. 35925 (12 July 1995), the enactment of Section 401(c) of ERISA by the Small Business Job Protection Act of 1996 (including, without limitation, the expiration of any relief granted thereunder) and the regulations thereunder.

Each Plan Fiduciary who is responsible for making the investment decisions whether to purchase or commit to purchase and to hold any of the Rule 144A Notes should determine whether, under the documents and instruments governing the Plan, an investment in the Notes is appropriate for the Plan, taking into account the overall investment policy of the Plan and the composition of the Plan's investment Mortgage Portfolio. This Base Prospectus is not directed to any particular investor, nor does it address the needs of any particular investor. None of the Transaction Parties will provide any advice or recommendation with respect to the management of any Notes held by an investor in the Notes or the advisability of acquiring, holding, disposing or exchanging of any such interest. Any Plan proposing to invest in such Notes (including any governmental plan) should consult with its counsel to confirm, among other things, that such investment

will not result in a non-exempt prohibited transaction or a violation of any applicable Similar Law and will satisfy the other requirements of ERISA, the Code or any applicable Similar Law.

The sale of any Notes to a Plan is in no respect a representation by the Transaction Parties that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

US LEGAL INVESTMENT CONSIDERATIONS

None of the Notes is a "mortgage related security" under the US Secondary Mortgage Market Enhancement Act of 1984, as amended.

The appropriate characterisation of the Notes under various legal investment restrictions and, consequently, the ability of investors subject to these restrictions to purchase such Notes, is subject to significant interpretative uncertainties. These uncertainties may adversely affect the liquidity of, and the creation of any secondary market for, the Notes. Accordingly, investors should consult their own legal advisors in determining whether and the extent to which the Notes constitute legal investments or are subject to investment, capital or other restrictions.

ENFORCEMENT OF FOREIGN JUDGMENTS IN ENGLAND AND WALES

The Issuer is a UK public company incorporated with limited liability in England and Wales.

Any final and conclusive judgment of any New York State or US Federal Court sitting in the Borough of Manhattan in the City of New York having jurisdiction recognised by England or Wales in respect of an obligation of the Issuer in respect of the Notes for a fixed sum of money and which has not been stayed or satisfied in full, would be enforceable by action against the Issuer in the courts of England and Wales without a re-examination of the merits of the issues determined by the proceedings in the New York State or US Federal Court.

This will be the case unless the following occurs:

- the proceedings in the New York State or the US Federal Court in which the judgment was obtained were contrary to the principles of natural or substantive justice;
- enforcement of the judgment is contrary to the public policy of England or Wales;
- the judgment was obtained by fraud or duress or was based on a clear mistake of fact;
- the judgment is of a public nature (for example, a penal or revenue judgment);
- there has been a prior judgment in another court concerning the same issues between the same parties as are dealt with in the judgment of the New York State or the US Federal Court;
- the enforcement would contravene section 5 of the Protection of Trading Interests Act 1980; or
- the enforcement proceedings are not instituted within six years after the date of the judgment.

The Issuer expressly submits to the non-exclusive jurisdiction of the courts of England for the purpose of any suit, action or proceedings arising out of this offering. A judgment by a court may be given in some cases only in Sterling.

All of the directors of the Issuer reside outside the US. Substantially all of the assets of all or many of such persons are located outside the US. As a result, it may not be possible for the Noteholders to effect service of process within the US upon such persons with respect to matters arising under the federal securities laws of the US or to enforce against them judgments obtained in US courts predicated upon the civil liability provisions of such laws.

The Issuer has been advised by Dentons UK and Middle East LLP, English counsel to the Seller, that there is doubt as to the enforceability in England and Wales, in original actions or in actions for enforcement of judgments of US courts, of civil liabilities predicated upon the Federal securities laws of the US based on the restrictions referred to above.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealer(s) have, in the Programme Agreement agreed with the Issuer a basis upon which such Dealer(s) or any of them may from time to time agree to purchase Notes. Any such agreement for any particular purchase by a Dealer will extend to those matters stated under "*Terms and Conditions of the Notes*" above. The Issuer may pay the Dealer(s) commission from time to time in connection with the sale of any Notes. The Dealer(s) are entitled to be released and discharged from their obligations in relation to any agreement to issue and purchase Notes under the Programme Agreement in certain circumstances prior to payment to the Issuer.

One or more Dealer(s) may purchase Notes from the Issuer, as principal, from time to time for resale to investors and other purchasers at a fixed offering price or in individually negotiated transactions at negotiated prices which may vary among different purchasers and may be greater than the initial issue price of the relevant Notes.

A Dealer may sell Notes it has purchased from the Issuer as principal to certain other dealers less a concession equal to all or any portion of the discount received in connection with such purchase. The Dealer may allow, and such dealers may re-allow, a discount to certain other dealers. After the initial offering of Notes, the offering price (in the case of Notes to be resold at a fixed offering price), the concession and the reallowance may be changed.

The Issuer may withdraw, cancel or modify the offering contemplated hereby without notice and may reject offers to purchase Notes in whole or in part.

In connection with the issue of any Series or Class of Notes, or any Sub-Series of the Class A Notes of a Series, the Dealer(s) (if any) named as the stabilising manager(s) (or persons acting on behalf of any stabilising manager) in the applicable Final Terms may over-allot such Notes (**provided that**, in the case of any Series or Class of Notes or any Sub-Series of the Class A Notes of the relevant Series to be admitted to trading on the regulated market of the London Stock Exchange or any other regulated market (within the meaning of MiFID II) in the European Economic Area or in the UK, the aggregate principal amount of a Series or Class of Notes or any Sub-Series of the Class A Notes of the relevant Series allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Series and Class of Notes or any Sub-Series of the Class A Notes of the relevant Series) or effect transactions with a view to supporting the market price of that Series and Class of Notes or any Sub-Series of the Class A Notes of the relevant Series at a level higher than that which might otherwise prevail. However, there is no assurance that the stabilising manager(s) (or persons acting on behalf of a stabilising manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series and Class of Notes or any Sub-Series of the Class A Notes of the relevant Series is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series and Class of Notes or any Sub-Series of the Class A Notes of the relevant Series and 60 days after the date of the allotment of the relevant Series and Class of Notes or any Sub-Series of the Class A Notes of the relevant Series. Any stabilisation action or over-allotment must be conducted by the relevant stabilising manager(s) (or person acting on behalf of any stabilising manager(s)) in accordance with all applicable laws and rules.

These transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the Notes. If the Dealer creates or the Dealers create, as the case may be, a short position in the Notes, that is, if it sells or they sell Notes in an aggregate principal amount exceeding that set forth in the applicable Final Terms, such Dealer(s) may reduce that short position by purchasing Notes in the open market. In general, purchase of Notes for the purpose of stabilisation or to reduce a short position could cause the price of the Notes to be higher than it might be in the absence of such purchases.

Neither the Issuer nor any of the Dealer(s) makes any representation or prediction as to the direction or magnitude of any effect that the transactions described in the immediately preceding paragraph may have

on the price of Notes. In addition, neither the Issuer nor any of the Dealer(s) makes any representation that the Dealer(s) will engage in any such transactions or that such transactions, once commenced, will not be discontinued without notice.

Under the Programme Agreement, the Issuer has agreed to indemnify the Dealer(s) against certain liabilities (including liabilities under the Securities Act) or to contribute to payments the Dealer(s) may be required to make in respect thereof in connection with the establishment and any future updates of the Programme and the issue of Notes under the Programme. The Issuer has also agreed to reimburse the Dealer(s) for certain other expenses in connection with the establishment and any future updates of the Programme and the issue of Notes under the Programme.

The Dealer(s) may, from time to time, purchase and sell Notes in the secondary market, but they are not obligated to do so, and there can be no assurance that there will be a secondary market for the Notes or liquidity in the secondary market if one develops. From time to time, the Dealer(s) may make a market in the Notes.

The Dealers and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer and the Dealers have not provided any legal, accounting, regulatory or tax advice with respect to the offering contemplated hereby and the Issuer has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate. Certain of the Dealers and their respective affiliates have, directly or indirectly, performed investment and commercial banking or financial advisory services for the Issuer for which they have received customary fees and commissions, and they expect to provide these services to the Issuer and its affiliates in the future, for which they also expected to receive customary fees and commissions.

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Notes or person wishing to transfer an interest from one Global Note to another or from global to definitive form or *vice versa*, will be deemed to or will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(i) that either:

  (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware and each beneficial owner of such Notes has been advised, that any sale to it is being made in reliance on Rule 144A; or

  (b) it is outside the US and is not a US person and it is not purchasing (or holding) the Notes for the account or benefit of a US person;

(ii) that the Notes are being offered and sold in a transaction not involving a public offering in the US within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any applicable US state securities laws and may not be offered or sold within the US or to, or for the account or benefit of, US persons except as set forth in this section;

(iii) it agrees that the Issuer has no obligation to register the Notes under the Securities Act;

(iv) that, unless it holds an interest in a Regulation S Note, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is one year after the later of the last Closing Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (a) to the Issuer or any

affiliate thereof, (b) inside the US to a person whom the Seller reasonably believes is a QIB purchasing the Notes for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the US in compliance with Rule 903 or Rule 904 under the Securities Act or (e) pursuant to an effective US Registration Statement, in each case in accordance with all applicable US state securities laws;

(v) that, unless otherwise specified in the applicable Final Terms, either (A) it is not and for so long as it holds a Note (or any interest therein) will not be (i) a Benefit Plan Investor or (ii) a governmental, church or non-US plan which is subject to any Similar Law or (B) its acquisition, holding and disposition of the Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any applicable Similar Law;

(vi) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the transfer and resale restrictions referred to in paragraph (iv) above, if then applicable;

(vii) that Notes initially offered in the US to QIBs will be represented by one or more Rule 144A Global Note Certificates, and that Notes initially offered outside the US in reliance on Regulation S will be represented by one or more Regulation S Global Note Certificates;

(viii) that the Notes represented by a Rule 144A Global Note Certificate and Definitive Rule 144A Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"NEITHER THIS NOTE NOR BENEFICIAL INTERESTS HEREIN HAVE BEEN OR ARE EXPECTED TO BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THE ISSUER HAS NOT BEEN REGISTERED AND DOES NOT INTEND TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

BY PURCHASING OR OTHERWISE ACQUIRING A BENEFICIAL INTEREST IN THIS GLOBAL NOTE CERTIFICATE, EACH OWNER OF SUCH BENEFICIAL INTEREST WILL BE DEEMED TO HAVE REPRESENTED FOR THE BENEFIT OF THE ISSUER AND FOR ANY AGENT OR SELLER WITH RESPECT TO THE NOTES THAT IT (I)(A) IS A "**QUALIFIED INSTITUTIONAL BUYER**" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) WILL HOLD AT LEAST THE MINIMUM DENOMINATION OF $100,000 (OR ITS EQUIVALENT IN ANOTHER CURRENCY), (C) WILL PROVIDE NOTICE OF APPLICABLE TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREE, (D) IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNTS OF ONE OR MORE OTHER PERSONS EACH OF WHOM MEETS ALL THE PRECEDING REQUIREMENTS AND (E) AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THE NOTES OR ANY BENEFICIAL INTEREST HEREIN TO ANY PERSON EXCEPT TO A PERSON THAT MEETS ALL THE PRECEDING REQUIREMENTS AND AGREES NOT TO SUBSEQUENTLY TRANSFER THE NOTES OR ANY BENEFICIAL INTEREST HEREIN EXCEPT IN ACCORDANCE WITH THIS CLAUSE (E) OR (II) IS A NON- US PERSON AND IS ACQUIRING THE NOTES IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF REGULATION S OF THE SECURITIES ACT. IN THE CASE OF ANY SUCH TRANSFER PURSUANT TO CLAUSE (II), (1) THE TRANSFEREE WILL BE REQUIRED TO HAVE THE NOTES SO TRANSFERRED TO BE REPRESENTED BY AN INTEREST IN THE REGULATION S GLOBAL NOTE CERTIFICATES (AS DEFINED IN THE TRUST DEED) AND (2) THE TRANSFEROR WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE (THE

FORM OF WHICH IS ATTACHED TO THE TRUST DEED AND IS AVAILABLE FROM THE REGISTRAR).

UNLESS SPECIFIED IN THE APPLICABLE FINAL TERMS, BY ITS ACQUISITION AND HOLDING OF THIS NOTE, EACH HOLDER OF THIS NOTE WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (I) IT IS NOT AND IS NOT DEEMED FOR PURPOSES OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") TO BE (A) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN ERISA AND SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (B) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE CODE, OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA OR THE CODE TO INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY (ANY OF THE FOREGOING, A "BENEFIT PLAN INVESTOR") OR ANY EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO ANY US FEDERAL, STATE, OR LOCAL LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), OR, (II) IF AT ANY TIME THE PURCHASER OR TRANSFEREE WILL BE AN EMPLOYEE BENEFIT PLAN THAT IS NOT A BENEFIT PLAN INVESTOR AND THAT IS SUBJECT TO ANY SIMILAR LAW, THE PURCHASE AND HOLDING OF THIS NOTE DOES NOT AND WILL NOT VIOLATE ANY SIMILAR LAW. ANY PURPORTED TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THESE REQUIREMENTS WILL BE NULL AND VOID AB INITIO.

THE PURCHASER OR ACQUIRER ACKNOWLEDGES THAT THE ISSUER RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. TERMS USED IN THIS LEGEND HAVE THE MEANINGS GIVEN TO THEM UNDER SUCH RULE.";

(ix) if it is outside the US and is not a US person, that if it should resell or otherwise transfer the Notes prior to the expiration of the Distribution Compliance Period, it will do so only (a)(i) outside the US in compliance with Rule 903 or 904 of Regulation S under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable US State securities laws; and it acknowledges that the Notes represented by a Regulation S Global Note Certificate and Definitive Regulation S Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"NEITHER THIS NOTE NOR BENEFICIAL INTERESTS HEREIN HAVE BEEN OR ARE EXPECTED TO BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THE ISSUER HAS NOT BEEN REGISTERED AND DOES NOT INTEND TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

BY PURCHASING OR OTHERWISE ACQUIRING A BENEFICIAL INTEREST IN THIS GLOBAL NOTE CERTIFICATE, EACH OWNER OF SUCH BENEFICIAL INTEREST WILL BE DEEMED TO HAVE REPRESENTED FOR THE BENEFIT OF THE ISSUER THAT IF IT

SHOULD DECIDE TO DISPOSE OF ITS BENEFICIAL INTERESTS REPRESENTED BY THIS GLOBAL NOTE CERTIFICATE, SUCH INTERESTS MAY BE OFFERED, RESOLD OR OTHERWISE TRANSFERRED ONLY PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE LAWS OF ANY STATE OF THE UNITED STATES. ACCORDINGLY, ANY TRANSFER OF THE NOTES PRIOR TO THE TERMINATION OF THE DISTRIBUTION COMPLIANCE PERIOD MAY ONLY BE MADE: (A) TO A NON US PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF REGULATION S OF THE SECURITIES ACT OR (B) TO OR FOR THE ACCOUNT OR BENEFIT OF PERSONS WHO ARE QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT). IN THE CASE OF ANY SUCH TRANSFER PURSUANT TO CLAUSE (B), (1) THE TRANSFEREE WILL BE REQUIRED TO HAVE THE NOTES SO TRANSFERRED BE REPRESENTED BY AN INTEREST IN THE RULE 144A GLOBAL NOTE CERTIFICATES (AS DEFINED IN THE TRUST DEED) AND (2) THE TRANSFEROR WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE (THE FORM OF WHICH IS ATTACHED TO THE TRUST DEED AND IS AVAILABLE FROM THE REGISTRAR).

UNLESS SPECIFIED IN THE APPLICABLE FINAL TERMS, BY ITS ACQUISITION AND HOLDING OF THIS NOTE, EACH HOLDER OF THIS NOTE WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (I) IT IS NOT AND IS NOT DEEMED FOR PURPOSES OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") TO BE (A) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN ERISA AND SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (B) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE CODE, OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA OR THE CODE TO INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY (ANY OF THE FOREGOING, A "BENEFIT PLAN INVESTOR") OR ANY EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO ANY US FEDERAL, STATE, OR LOCAL LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), OR, (II) IF AT ANY TIME THE PURCHASER OR TRANSFEREE WILL BE AN EMPLOYEE BENEFIT PLAN THAT IS NOT A BENEFIT PLAN INVESTOR AND THAT IS SUBJECT TO ANY SIMILAR LAW, THE PURCHASE AND HOLDING OF THIS NOTE DOES NOT AND WILL NOT VIOLATE ANY SIMILAR LAW. ANY PURPORTED TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THESE REQUIREMENTS WILL BE NULL AND VOID AB INITIO.

THIS NOTE IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN AND IN THE TRUST DEED. ANY SALE OR TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE NOTE TRUSTEE OR ANY INTERMEDIARY. EACH TRANSFEROR OF THIS NOTE AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO THE TRANSFEREE."; and

(x) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it will promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole

investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Rule 144A Notes in the US to any one purchaser will be for less than US$200,000 (or the approximate equivalent in another Specified Currency) principal amount and no Rule 144A Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least US$200,000 (or the approximate equivalent in another Specified Currency) principal amount of Notes.

Relevant Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the relevant Dealer(s) may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is US$200,000 (or the approximate equivalent in another Specified Currency). To the extent that the Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

Selling Restrictions

US

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the US or other relevant jurisdictions and Notes may not be offered, sold, resold or delivered directly or indirectly within the US or to, or for the account or benefit of, US persons except in certain transactions exempt from, or in transactions not subject to, the registration requirements of the Securities Act and any applicable local, State or Federal securities laws. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In connection with any Regulation S Note, each Dealer has represented and agreed that it will not offer, sell or deliver any such Regulations S Note within the US or to, or for the account or benefit of, US persons (i) as part of its distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes (including any Sub-Series of Class A Notes), as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Dealer, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Note during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of such Regulation S Note within the US or to, or for the account or benefit of, US persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the completion of the offering of any Notes (including any Sub-Series of the Class A Notes of the relevant Series), an offer or sale of any Regulation S Note within the US by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

The Programme Agreement provides that selected relevant Dealer(s), through their selling agents which are registered broker-dealers in the US, may resell Notes in the US to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the relevant Dealer(s) may be relying on the exemption from the Securities Act provided by Rule 144A.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms or, as applicable, the Pricing Term Sheet in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Distribution Directive where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and

(b) 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

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms or, as applicable, the Pricing Term Sheet in relation thereto to any retail investor in the UK. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(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 by virtue of the Withdrawal Act; 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 UK MiFIR.

(b) 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.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer or the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus, any drawdown prospectus or any Final Terms and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Issuer, the Note Trustee, the Security Trustee nor any of the other Dealers will have any responsibility therefor. Furthermore, they will not directly or indirectly offer, sell or deliver any Notes or distribute or publish any form of application, base prospectus/ prospectus, advertisement or other offering material except under circumstances that will, to the best of their knowledge and belief, result in compliance with any applicable laws and regulations, and all offers, sales and deliveries of Notes by them will be made on the same terms.

None of the Issuer, the Seller, the Note Trustee, the Security Trustee or any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Series of Notes and each Sub-Series of Class A Notes, the relevant Dealer(s) will be required to comply with such other additional or modified restrictions (if any) as the Issuer and the relevant Dealer(s) will agree as a term of issue and purchase as indicated in the applicable Final Terms.

Each Dealer will, unless prohibited by applicable law, furnish to each person to whom they offer or sell Notes a copy of the Base Prospectus as then amended or supplemented or, unless delivery of the Base Prospectus is required by applicable law, inform each such person that a copy will be made available upon request. The Dealers are not authorised to give any information or to make any representation not contained in the Base Prospectus in connection with the offer and sale of Notes to which the Base Prospectus relates.

This Base Prospectus may be used by the Dealers for offers and sales related to market-making transactions in the Notes. Any or each of the Dealers may act as principal or agent in these transactions. These sales will be made at prices relating to prevailing market prices at the time of sale. None of the Dealers has any obligation to make a market in the Notes, and any market-making may be discontinued at any time without notice. The Dealers are participating in the initial distribution of the Notes.

GENERAL INFORMATION

Authorisation

The issue of each Series of Notes from time to time has been authorised by resolution of the board of directors of the Issuer passed on 23 July 2020. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Clearing and settlement

The Rule 144A Notes denominated in US Dollars are expected to be accepted for clearance through DTC. The Rule 144A Notes denominated a currency other than US Dollars and the Regulation S Notes (other than the Class Z VFNs) are expected to be accepted for clearance through Clearstream, Luxembourg and Euroclear. The appropriate CUSIP numbers, Common Codes, International Securities Identification Numbers ("**ISINs**") Financial Instrument Short Name ("**FISN**") and Classification of Financial Instruments ("**CFI**") code (as applicable) for each Series and Class of Notes will be specified in the applicable Final Terms.

Transactions in respect of the Rule 144A Notes accepted for clearance through DTC will normally be effected for settlement in US Dollars and for delivery on the third working day after the date of the transaction. Prior to listing, however, dealings will be permitted by the London Stock Exchange in accordance with its rules.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Issuer is aware) during the 12 months preceding the date of this Base Prospectus, which may have or have had in the recent past, a significant effect on the financial position or profitability of the Issuer.

Accounts

The Issuer was incorporated on 29 November 2019. The audited annual accounts of the Issuer for the year ended 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023 have been incorporated by reference into this Base Prospectus. Please see "*Documents incorporated by reference*". So long as Notes issued under the Programme are listed on the Official List and are traded on the Market, the most recently published audited annual accounts of the Issuer from time to time will be available at the specified office of the Principal Paying Agent in London. The Issuer will not publish interim accounts.

Since the date of its incorporation, the Issuer has not entered into any contracts or arrangements not being in the ordinary course of business.

Significant or material change

Since 31 December 2023, there has been no material adverse change in the financial position or prospects and no significant change in the financial or trading position of the Issuer.

Further information available to Noteholders

From the date of this Base Prospectus and for so long as any Series and Class of Notes issued by the Issuer may be admitted to the Official List, copies of the following documents may, when published, be inspected at the registered office of the Issuer and from the specified office of the Principal Paying Agent during usual business hours, on any weekday (public holidays excepted):

(A) the Memorandum and Articles of Association of each of the Issuer and Holdings;

(B) a copy of the Base Prospectus;

(C) any future prospectuses, prospectus supplements, information memoranda and supplements (as applicable) to the Base Prospectus (including the Final Terms) and any other documents incorporated therein or therein by reference;

(D) all other reports, letters, statements prepared by an expert and included in the Base Prospectus;

(E) each of the following documents:

- each Programme Issuance Document (other than each Subscription Agreement);
- the Programme Agreement;
- the Mortgage Sale Agreement (including the form of Scottish Declaration of Trust annexed thereto);
- the Deed of Charge and each deed of accession to the Deed of Charge (including the form of Scottish Supplemental Charge annexed thereto);
- each Interest Rate Swap Agreement;
- each Currency Swap Agreement;
- the Trust Deed;
- each Supplemental Trust Deed (except in relation to the Notes issued on the First Closing Date);
- the Agency Agreement;
- the Servicing Agreement;
- the Cash Management Agreement;
- the Account Bank Agreements;
- the Swap Collateral Account Bank Agreement;
- the Custody Agreement;
- the Collection Account Declaration of Trust;
- the Incorporated Terms Memorandum;
- the Corporate Services Agreement; and
- any other deeds of accession or supplemental deeds relating to any such documents or deeds of amendment.

Under the terms of the Transaction Documents, the Programme has been structured so that the income and/or repayments in respect of the securitised assets backing the issue of Notes by the Issuer will have the characteristics that demonstrate capacity to produce funds to service, on a timely basis, any payments due and payable on the Notes.

This Base Prospectus and the Final Terms will be made available in electronic form on the website of the regulated market of the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 635400KXONN4J3OEOG29.

Validity of prospectus and prospectus supplements

For the avoidance of doubt, the Issuer will have no obligation to supplement this Base Prospectus after the end of its 12-month validity period.

GLOSSARY

Set forth below in this glossary are definitions of certain defined terms used in this Base Prospectus.

"**Account Banks**"	The First Account Bank, the Second Account Bank, the Swap Collateral Account Bank and any additional Account Banks appointed from time to time.
"**Accounts**"	Together or in combination, each Collection Account, each Bank Account and each Custody Account, and each, an "**Account**".
"**Account Bank Agreement**"	Each of the First Account Bank Agreement, the Second Account Bank Agreement, the Swap Collateral Account Bank Agreement and any additional account bank agreement entered into by, amongst others, the Issuer, the Security Trustee and an Authorised Entity pursuant to which an Additional Account is opened, as amended, restated, supplemented or otherwise modified or replaced and in effect from time to time.
"**Account Bank Minimum Required Rating**"	Has the meaning given on page 238.
"**Accrued Interest**"	In respect of any Mortgage Loan as at any date (the "**relevant date**"), the aggregate of all interest accrued but not yet due and payable on each Mortgage Loan from (and including) the Monthly Payment Date immediately preceding the relevant date until (but excluding) the relevant date.
"**Actual Ratings Confirmation**"	A written confirmation from each Relevant Rating Agency that the relevant amendment, action, determination or appointment will not result in the reduction, qualification, suspension or withdrawal of the then current ratings assigned to any outstanding Notes rated by that Rating Agency.
"**Actual Subordination Amount"**	An amount calculated, as of any date, as being equal to the then Principal Amount Outstanding of the Class Z(S) VFN less the amount then recorded as a debit to the Class Z(S) Principal Deficiency Sub-Ledger.
"**Additional Mortgage Loans**"	Mortgage Loans assigned by the Seller to the Issuer after the Programme Date pursuant to the Mortgage Sale Agreement.
"**Additional Mortgage Portfolio**"	In each case, the portfolio of Additional Mortgage Loans and their Related Security (other than any Additional Mortgage Loans and their Related Security which have been redeemed in full prior to the relevant Assignment Date or which do not otherwise comply with the terms of the Mortgage Sale Agreement as at the relevant Assignment Date), particulars of which are set out in the relevant Additional Mortgage Portfolio Sale Notice or in a document stored upon electronic media, and all right, title, interest and benefit of the Seller in and to the rights and assets set out in paragraphs (a) to (f) of the definition of "**Initial Mortgage Portfolio**" below.
"**Additional Mortgage Portfolio**	The amount payable in consideration for the assignment by the Seller to the Issuer of Mortgage Loans on an Assignment Date (other than the Programme Date) pursuant to clause 4.2 (*Agreement for Sale and Purchase of each Additional Mortgage Portfolio*) of the Mortgage Sale Agreement.

Purchase Price"	
"**Additional Mortgage Portfolio Sale Notice**"	A notice substantially in the form set out in Schedule 11 (*Form of Additional Mortgage Portfolio Sale Notice*) to the Mortgage Sale Agreement.
"**Additional Termination Event**"	Has, in relation to a Swap Agreement, the meaning given to that term in that Swap Agreement.
"**Adjusted Funding Note Percentage**"	The ratio that the aggregate of the Sterling Equivalent Principal Amounts Outstanding on the Class A Notes and the Class Z(S) VFN bears to the aggregate of the Sterling Equivalent Principal Amounts Outstanding of the Class A Notes, the Class Z(S) VFN and the Seller's Note then outstanding under the Programme, expressed as a percentage.
"**Adjusted Funding Note Revenue Percentage**"	means 1 minus the Seller's Note Revenue Percentage, expressed as a percentage.
"**Advance Date**"	The date on which a Further Advance is made by the Seller to the relevant Borrower.
"**Affiliate**"	Any corporation, firm, limited liability company, partnership or other entity that directly or indirectly controls or is controlled by or is under common control with a party.
"**Affected Investor**"	In the context of the EU Securitisation Regulation, an "institutional investor" as defined in Article 2(12) of the EU Securitisation Regulation and, prior to the Recast UK Securitisation Regime Effective Date, in the context of the UK Securitisation Regulation, an "institutional investor" as defined in Article 2(12) of the UK Securitisation Regulation, and on and from the Recast UK Securitisation Regime Effective Date, in the context of the Recast UK Securitisation Regime, an "institutional investor" as defined in Regulation 3(1) of the UK Securitisation Regulation SI (2024) and Article 1 of Chapter 2 of the PRA Securitisation Rules.
"**Affected Ledger**"	Any of the Excess Principal Ledger, the Cash Accumulation Ledger and/or the Reserve Ledger (and, where the Note Payment Dates in respect of any Class A Notes that are then outstanding are less frequent than quarterly, the Interest Provision Ledger and the Principal Provision Ledger) maintained with the First Account Bank where such First Account Bank fails to satisfy the required Account Bank Minimum Required Rating.
"**Agency Agreement**"	The agency agreement entered into on the Programme Date as amended, restated, supplemented or otherwise modified or replaced and in effect from time to time among the Issuer, the Note Trustee, the Security Trustee, the Paying Agents, the Exchange and Transfer Agent, the Registrar, the VFN Registrar and the Agent Bank.

"**Agent Bank**"	Citibank, N.A., London Branch, in its capacity as Agent Bank at its Specified Office initially appointed pursuant to the Agency Agreement, or such other person for the time being acting as Agent Bank under the Agency Agreement.
"**Agents**"	The Agent Bank, the Paying Agents, the Exchange and Transfer Agent, the VFN Registrar and/or the Registrar (or any successors duly appointed).
"**Alternative Benchmark Rate**"	Has the meaning given to that term on page 301.
"**Anticipated Cash Accumulation Period**"	See "*Credit Structure and Cashflows – Calculation of the Cash Accumulation Requirement*".
"**Appointee**"	Any delegate, agent, nominee, custodian, attorney or manager appointed by the Note Trustee or the Security Trustee pursuant to the provisions of the Trust Deed or the Deed of Charge (as the case may be).
"**Arrears of Interest**"	As at any date in respect of any Mortgage Loan, interest (other than Capitalised Interest or Accrued Interest) on that Mortgage Loan which is currently due and payable and unpaid on that date.
"**Article 7 Technical Standards**"	The Disclosure RTS and the Disclosure ITS.
"**Assignment Date**"	(i) the First Closing Date with respect to the Initial Mortgage Portfolio and (ii) each date of assignment or transfer of an Additional Mortgage Portfolio to the Issuer in accordance with the Mortgage Sale Agreement.
"**Authorised Investments**"	(a) UK Government Securities, Sterling demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper), provided that in each case such investments are scheduled to mature on or before the next Note Payment Date subject to: (i) investments with remaining maturities which are greater than or equal to three months, having at least the following ratings: (A) a short-term rating of at least two of F1+ by Fitch and/or P-1 by Moody's and/or A1+ by S&P and/or the DBRS Equivalent Rating by DBRS or a long-term rating of at least two of AA- by Fitch and/or Aa3 by Moody's and/or AA- by S&P and/or the DBRS Equivalent Rating by DBRS (or such other short-term or long-term rating which would not affect the then current rating of the Class A Notes) (provided that only the ratings assigned by the Rating Agencies then rating the relevant Series of the Class A Notes will be relevant for the determination as to whether the relevant

investments constitute Authorised Investments); and/or

(B) where, in addition to the two Rating Agencies specified in the Final Terms in respect of the relevant Series of the Class A Notes, such investments are rated by an additional Rating Agency, a short-term or a long-term rating by such additional Rating Agency at least equivalent to the ratings described in paragraph (i)(A) above (or such other short-term or long-term rating which would not affect the then current rating of the Class A Notes);

(ii) investments with remaining maturities which are greater than or equal to 30 days but less than three months, having at least the following ratings:

(A) a short-term rating of at least two of F1+ by Fitch and/or P-1 by Moody's and/or A1+ by S&P and/or the DBRS Equivalent Rating by DBRS or a long-term rating of at least two of AA- by Fitch and/or A2 by Moody's and/or AA- by S&P and/or the DBRS Equivalent Rating by DBRS (or such other short-term or long-term rating which would not affect the then current rating of the Class A Notes) (provided that only the ratings assigned by the Rating Agencies then rating the relevant Series of the Class A Notes will be relevant for the determination as to whether the relevant investments constitute Authorised Investments); and/or

(B) where, in addition to the two Rating Agencies specified in the Final Terms in respect of the relevant Series of the Class A Notes, such investments are rated by an additional Rating Agency, a short-term or a long-term rating by such additional Rating Agency at least equivalent to the ratings described in paragraph (ii)(A) above (or such other short-term or long-term rating which would not affect the then current rating of the Class A Notes); or

(iii) investments with remaining maturities which are less than 30 days, having a short-term rating of at least two of F1+ by Fitch and/or P-1 by Moody's and/or A by S&P and/or the DBRS Equivalent Rating by DBRS and a long-term rating of at least two of AA- by Fitch and/or A2 by Moody's and/or A by S&P and/or the DBRS Equivalent Rating by DBRS (or such other short-term or long-term rating which would not affect the then current rating of the Class A Notes) (provided that only the ratings assigned by the Rating Agencies then rating the relevant

Series of the Class A Notes will be relevant for the determination as to whether the relevant investments constitute Authorised Investments);

(b) Reverse Repo transactions, provided that in all cases such Reverse Repo transactions are scheduled to mature on or before the next Note Payment Date and:

(i) are entered into with a counterparty which is rated at least two of A (long-term) or F1 (short-term) by Fitch, A2 (long-term) or P-1 (short-term) by Moody's, A-1 (short-term) or A (long-term) by S&P and/or the DBRS Equivalent Rating (where the maturity of the Reverse Repo transaction is less than 30 days), or AA- (long-term) or F1+ (short-term) by Fitch, A2 (long-term) and P-1 (short-term) or Moody's, A1+ (short-term) or AA- (long-term) by S&P and/or the DBRS Equivalent Rating (where the maturity of the Reverse Repo transaction is greater than or equal to 30 days) (provided that only the ratings assigned by the Rating Agencies then rating the relevant Series of the Class A Notes will be relevant for the determination as to whether the relevant Reverse Repo transactions constitute Authorised Investments); and

(ii) relate to either:

(A) the sale and repurchase of Standard Permitted Investments; or

(B) the sale and repurchase of UK Government Securities having a long-term rating of at least the two of AA- by Fitch, Aa3 by Moody's, AA- by S&P and/or the DBRS Equivalent Rating and maturing within 10 years of the next Note Payment Date, where the Valuation Percentage is required to be equal to or less than the Maximum Valuation Percentage on each Business Day, such Valuation Percentage value to be determined and tested by the Cash Manager on each Business Day, *provided* for this paragraph (B) only: (i) the relevant repo counterparty has a minimum long-term rating of at least the two of BBB- by Fitch, Baa3 by Moody's, BBB- by S&P and/or the DBRS Equivalent Rating as at the settlement date of the relevant repo transaction, (ii) the relevant repo transaction has a maximum maturity of one month, and (iii) the underlying UK Government Securities purchased under the relevant repo transaction are required to be sold by the Issuer within one Business Day following the occurrence of an event of default by the relevant repo counterparty.

"**Automatic Remarketing** For a Series and Class of Money Market Notes, and subject to the terms of the applicable Remarketing Agreement, (a) the occurrence of an Event of Default, which has not been remedied or waived, (b) the purchase by the applicable

Termination Event" Conditional Note Purchaser of all such Notes which are outstanding and the delivery by the applicable Remarketing Agent or the Tender Agent of a notice to that effect to the Issuer and the Principal Paying Agent, or (c) the redemption in full of such Notes.

"**Available Principal Receipts**" In respect of a Payment Date, an amount equal to the sum of:

(a) Principal Receipts received in respect of the Mortgage Loans in the Mortgage Portfolio in respect of the immediately preceding Calculation Period which have been credited to the Principal Ledger by the Cash Manager;

(b) all proceeds of sale of Authorised Investments (which are of a principal nature), which will be received on or prior to the relevant Payment Date;

(c) for any Series of Bullet Redemption Notes in respect of which the Bullet Redemption Date will occur on such Payment Date, the amount standing to the credit of each Cash Accumulation Ledger in respect of the relevant Series which may only be applied for the purposes set out in item (ii)(a)(2) of Pre-Enforcement Pre-Trigger Principal Priority of Payments relating to the application of the Funding Note Principal Portion;

(d) all other principal amounts standing to the credit of the Principal Ledger on the Transaction Accounts including any Available Principal Receipts previously credited to the Principal Ledger on a Payment Date in accordance with the relevant Pre-Enforcement Principal Priority of Payments;

(e) following the occurrence of an Asset Trigger Event and for as long as a Non-Asset Trigger Event is continuing, all amounts applied as Available Principal Receipts pursuant to item (vi) of the Pre-Enforcement Revenue Priority of Payments with respect to the application of the Funding Note Principal Portion and all amounts standing to the credit of the Cash Accumulation Ledger;

(f) amounts in respect of principal to be received from Currency Swap Counterparties under the Currency Swap Agreements (excluding Swap Collateral standing to the credit of the Swap Collateral Accounts);

(g) all amounts to be credited to the Principal Deficiency Sub-Ledgers pursuant to items (iii) and (v) of the Pre-Enforcement Revenue Priority of Payments with respect to the application of the Funding Note Revenue Portion and pursuant to item (ii) of the Pre-Enforcement Revenue Priority of Payments with respect to the application of the Seller's Note Portion;

(h) amounts standing to the credit of the Reserve Fund which may be applied as described under "*Credit Structure and Cashflows – General Credit Structure – Reserve Fund*";

(i) amounts standing to the credit of the Excess Principal Fund;

(j) any amounts of a principal nature received from the Seller in respect of any redress payments in respect of any Mortgage Loans in the Mortgage Portfolio;

(k) the proceeds of any further drawdown under the Class Z(S) VFN to be applied as Available Principal Receipts for the purposes of ensuring that the Actual Subordination Amount is equal to the Required Subordination Amount;

(l) the proceeds of any further drawdown under the Class Z(S) VFN to be applied as Available Principal Receipts for the purposes of effecting the redemption of any relevant Class A Notes on the next following Payment Date in accordance with Condition 5(b) (*Mandatory Redemption of the Notes in Part*) and the applicable Priority of Payments;

(m) the proceeds of any further drawdown under the Seller's Note to be applied as Available Principal Receipts to effect the redemption of the Class A Notes on the next following Payment Date in accordance with Condition 5(b) (*Mandatory Redemption of the Notes in Part)* and the applicable Priority of Payments; and

(n) on each Note Payment Date in respect of any Notes that are not Monthly Notes, any amounts standing to the credit of the Principal Provision Fund,

less any Principal Receipts applied in respect of any Remaining Revenue Shortfall on such Payment Date.

"**Available Revenue Receipts**" In respect of a Payment Date, an amount equal to the sum of:

(a) Revenue Receipts received by the Issuer on the Mortgage Loans in the Mortgage Portfolio for the immediately preceding Calculation Period;

(b) interest payable to the Issuer on the Transaction Accounts and all income from Authorised Investments and/or proceeds of sale of Authorised Investments (which are of a revenue nature), which will be received on or prior to the relevant Payment Date;

(c) amounts received or to be received by the Issuer on or before such Payment Date under or in connection with any Swap Agreement, including any early termination amount received in connection with the relevant Swap Agreement and which is not required to fund any related Swap Replacement Premium payable by the Issuer, and any Swap Collateral Account Surplus which is to be applied as Available Revenue Receipts in accordance with the Swap Collateral Account Priority of Payments (other than any amounts which are not to be applied as Available Revenue Receipts in accordance with the Swap Collateral Account Priority of Payments, including for the avoidance of doubt, (i) Swap Collateral, (ii) any Swap Replacement Premium paid to the Issuer, and (iii) amounts in respect of Swap Tax Credits on such Payment Date);

(d) the amount required to be withdrawn from the Reserve Fund to make up any Revenue Shortfall;

(e) any Principal Receipts applied to make up any Remaining Revenue Shortfall;

(f) any amounts credited to the Revenue Ledger by the Cash Manager from any Swap Excess Reserve Account as described under "*Credit Structure and Cashflows – General Credit Structure – Principal Payments in respect of Non-Sterling Notes*";

(g) any amounts of a revenue nature received from the Seller in respect of any redress payments in respect of any Mortgage Loans in the Mortgage Portfolio;

(h) on each Note Payment Date in respect of each Series and Class of Notes that are not Monthly Notes, any amounts standing to the credit of the Interest Provision Fund in respect of such Series and Class of Notes;

(i) the proceeds of any further drawdowns under the Class Z(R) VFN which may be applied by the Issuer for the purposes of reducing any debit entries on any Principal Deficiency Sub-Ledger;

(j) any amounts in the Reserve Fund in excess of the Reserve Fund Required Amount, to the extent not applied by the Issuer directly in repayment of the Class Z(R) VFN; and

(k) any receipt not falling to be treated as an Available Principal Receipt and not falling with any of items (a) to (j) above (excluding, for the avoidance of doubt, the proceeds of an issuance of Class A Notes and drawings under the VFNs and any receipt which is specifically expressed not to be an Available Revenue Receipt and any Early Repayment Charges).

"**Bank Accounts**" The Transaction Accounts, the Swap Collateral Accounts and any other bank account opened in the name of the Issuer pursuant to any Account Bank Agreement and any additional or replacement bank accounts of the Issuer as may, from time to time, be opened in accordance with the terms of the Account Bank Agreements and maintained pursuant to the terms of the Account Bank Agreements and the Deed of Charge.

"**Base Prospectus**" The Base Prospectus dated 24 December 2024, prepared in connection with the Programme and constituting a base prospectus for the purposes of Article 8 of the UK Prospectus Regulation, as revised, supplemented or amended from time to time by the Issuer including any documents which are from time to time incorporated in the Base Prospectus by reference, and as supplemented by the Final Terms relating to each Series and Class of Notes (where such Final Terms constitute final terms of such Notes for the purpose of Article 8 of the UK Prospectus Regulation and/or are expressed to be read in conjunction with the Base Prospectus).

"**Basic Terms Modification**" In respect of any Series and Class of Notes, any modification which would have the effect of:

(a) reducing or cancelling of the amount payable or, where applicable, modifying, except where such modification is, in the opinion of the Note Trustee, bound to result in an increase, the method of calculating the amount payable or modifying the date of payment or, where applicable, altering the method of calculating the date of payment in respect of any principal or interest in respect of such Notes;

(b) altering the currency in which payments under such notes are to be made;

(c) altering the quorum or majority required to pass an Extraordinary Resolution;

(d) changing what constitutes a Basic Terms Modification; or

(e) altering the priority in which payments are made to the Noteholders of such Notes pursuant to any Priority of Payments (except in a manner determined by the Note Trustee not to be materially prejudicial to the interests of the Noteholders of such Notes).

"**Benchmark Rate Disruption**" The occurrence of any of the following:

(a) a material disruption to EURIBOR, SONIA, €STR or SOFR or any other relevant interest rate benchmark, an adverse change in the methodology of calculating such interest rate benchmark, such interest rate benchmark ceasing to exist or be published or the administrator of such interest rate benchmark having used a fall-back methodology for calculating such interest rate benchmark for a period of at least 30 days;

(b) the insolvency or cessation of business of the administrator of EURIBOR, SONIA, €STR or SOFR or any other relevant interest rate benchmark (in circumstances where no successor administrator has been appointed);

(c) a public statement by the administrator of EURIBOR, SONIA, €STR or SOFR or any other relevant interest rate benchmark that it has or will cease publishing the relevant interest rate benchmark permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such interest rate benchmark) or has changed or will change such interest rate benchmark in an adverse manner;

(d) a public statement by the supervisor of the administrator of EURIBOR, SONIA, €STR or SOFR or any other relevant interest rate benchmark that the relevant interest rate benchmark has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;

(e) a public statement by the supervisor of the administrator of EURIBOR, SONIA, €STR or SOFR or any other relevant interest rate benchmark that means the relevant interest rate benchmark may no

longer be used or that its use is or will be subject to restrictions or adverse consequences or that such interest rate benchmark is, or will no longer be representative of the underlying market it purports to measure as of a certain date, and such representativeness will not be restored;

(f) it having become unlawful and/or impossible and/or impracticable for any Paying Agent, the VFN Registrar, the Agent Bank, the Issuer or the Cash Manager (as the case may be) to calculate any payments due to be made to any Noteholder using EURIBOR, SONIA, €STR or SOFR or any other relevant interest rate benchmark;

(g) where the base rate that applies in respect of the Floating Rate Notes is Compounded Daily SONIA, an alternative manner of calculating a SONIA-based base rate is introduced and becomes a standard means of calculating interest for similar transactions;

(h) following the implementation of a Benchmark Rate Modification, it becomes generally accepted market practice in the publicly listed asset backed floating rate notes market to use a benchmark rate of interest which is different from the Alternative Benchmark Rate which had already been adopted by the Issuer in respect of any Series or Class of Notes pursuant to a Benchmark Rate Modification; or

(i) it being the reasonable expectation of the Issuer that any of the events specified in paragraphs (a) to (h) above will occur or exist within six months of the proposed effective date of a Benchmark Rate Modification, subject to certification by the Issuer that such is its reasonable expectation.

"**Benchmark Rate Eligibility Requirement**" Each of the following:

(a) a benchmark rate published, endorsed, approved or recognised by the Federal Reserve, the Bank of England, the Financial Conduct Authority, the Prudential Regulation Authority, the European Central Bank, any regulator in the US, the UK or the European Union or any stock exchange on which any Series or Class of Notes is listed or any relevant committee or other body established, sponsored or approved by any of the foregoing, including, without limitation, the Working Group on Sterling Risk-Free Reference Rates (which may be an alternative benchmark rate together with a specified adjustment factor which may increase or decrease the relevant alternative benchmark rate);

(b) a benchmark rate with an equivalent term utilised in at least five publicly listed new issues of asset backed floating rate notes prior to the effective date of a Benchmark Rate Modification;

(c) a benchmark rate utilised in a publicly listed new issue of asset backed floating rate notes where the originator of the relevant assets is the Seller or an Affiliate of the Seller; or

(d) such other reference rate as the Issuer reasonably determines, subject to certification by the Issuer:

(i) that, in its reasonable opinion, none of subparagraph (a) to (c) above are applicable and/or practicable in the context of the Programme; and

(ii) of the rationale in the Benchmark Rate Modification Certificate for choosing the proposed Alternative Benchmark Rate.

"**Borrower**" In relation to a Mortgage Loan, the individual or individuals specified as such in the relevant Mortgage Deed together with the individual or individuals (if any) from time to time assuming an obligation to repay such Mortgage Loan or any part of it.

"**broken amount**" In respect of any Series and Class of Notes, the amount (if any) specified as such in respect of such Notes in the applicable Final Terms.

"**Buildings Insurance Policies**" All buildings insurance policies relating to Mortgaged Properties taken out (a) in the name of the relevant Borrower and (b) in the name of the landlord in the case of leasehold Mortgaged Properties where the relevant landlord is responsible for insuring the Mortgaged Property and each a "**Buildings Insurance Policy**".

"**Bullet Redemption Amount**" The amount required to be repaid on the Bullet Redemption Date in respect of a Series and Class of Bullet Redemption Notes in order to reduce the Sterling Equivalent Principal Amount Outstanding of such Series and Class to zero.

"**Bullet Redemption Date**" Any Hard Bullet Redemption Date, Soft Bullet Scheduled Redemption Date or Soft Bullet Final Redemption Date, as the case may be.

"**Bullet Redemption Notes**" Any Series and Class of Notes specified in the applicable Final Terms as a Series and Class of Hard Bullet Redemption Notes or Soft Bullet Redemption Notes and which is scheduled to be repaid in full on one Note Payment Date. A Bullet Redemption Note will become a Pass-Through Redemption Note on the earliest to occur of:

(a) a date specified in relation to the same for such note in the applicable Final Terms;

(b) an Asset Trigger Event; and

(c) a Non-Asset Trigger Event (for as long as such Non-Asset Trigger Event is continuing).

"**Business Day**" A day which is (as applicable):

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and New York and any additional financial centre specified for such notes in the applicable Final Terms in respect of such Series and Class of Notes;

(b) in respect of a Series and Class of Notes denominated in Euro, a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET 2) System (the "**TARGET System**") is open; or

(c) in relation to any payments in respect of Class A Notes in definitive form, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(i) London, New York and any additional financial centre specified for such notes in the applicable Final Terms in respect of such Series of Class A Notes; and

(ii) the place of presentation of such definitive Class A Note.

"**Business Day Convention**" The business day convention as specified in the applicable Final Terms.

"**Buy-To-Let Mortgage Loans**" Mortgage loans which are intended for borrowers who wish to use the relevant mortgage loan as a means to purchase or refinance residential property which is not the borrower's main dwelling, including for the purpose of letting to third parties.

"**Calculation Date**" In respect of any Calculation Period, the 19th day of the calendar month immediately following the end of such Calculation Period (or, if that day is not a Business Day, then the immediately preceding Business Day).

"**Calculation Period**" The period from, and including, the first day of each calendar month to, and including, the last day of each calendar month.

"**Capital Balance**" For a Mortgage Loan at any date, the Current Balance of that Mortgage Loan to which the Servicer applies the relevant interest rate at which interest on that Mortgage Loan accrues.

"**Capitalised**" In respect of a fee, an interest amount or any other amount, means that amount which is added to the Current Balance of a Mortgage Loan.

"**Capitalised Interest**" For any Mortgage Loan at any date, interest which is overdue in respect of that Mortgage Loan and which as at that date has been added to the Capital Balance of that Mortgage Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower (excluding for the avoidance of doubt any Arrears of Interest which have not been so Capitalised on that date).

"**Capped (Variable Rate) Mortgage Loan**" A Variable Rate Mortgage Loan which has a rate of interest which will not increase above a specified rate for a certain period of time and which, at the end of such period, generally converts to a Variable Rate Mortgage Loan.

"**Cash Accumulation Ledger**" Each ledger to be maintained for the Issuer by the Cash Manager, which will record amounts accumulated by the Issuer to pay each outstanding Series of

	Bullet Redemption Notes or, for so long as no Series of Bullet Redemption Notes is outstanding, to apply as Available Principal Receipts.
"**Cash Accumulation Period**"	Has the meaning given to this term on page 214.
"**Cash Accumulation Requirement**"	The amount calculated for each Class of Bullet Redemption Notes in a Cash Accumulation Period as (a) the Sterling Equivalent Principal Amount Outstanding of each Series of Bullet Redemption Notes that is within a Cash Accumulation Period, less (b) the amount standing to the credit of the Cash Accumulation Ledger at the last Payment Date (which amount was not to be distributed on that Payment Date to fund the repayment of any Series of Bullet Redemption Notes).
"**Cash Accumulation Shortfall**"	Will occur at any time that the amounts standing to the credit of each Cash Accumulation Ledger is less than the Cash Accumulation Requirement.
"**Cash Accumulation Start Date**"	The date on which the Cash Accumulation Period in respect of the relevant Bullet Redemption Notes commences, as specified in the applicable Final Terms.
"**Cash Management Agreement**"	The Cash Management Agreement entered into on the Programme Date, between the Cash Manager, the Issuer, the Seller, the Rule 17g-5 Information Provider, the Servicer, the Class Z VFN Holder, the holder of the Seller's Note and the Security Trustee which provides for the management of the revenue and payment obligations and the administration of the Bank Accounts of the Issuer, as amended, restated, supplemented or otherwise modified or replaced and in effect from time to time.
"**Cash Manager**"	Coventry Building Society, and any of its successors and assigns and any replacement thereof appointed pursuant to the Cash Management Agreement.
"**CBS Flexx Rate**"	Any of the individualised variable rates set by Coventry Building Society for any Coventry Building Society variable rate residential mortgages that is not the CBS Standard Variable Rate or a discount to the CBS Standard Variable Rate.
"**CBS Standard Variable Rate**"	The variable rate set by Coventry Building Society for Coventry Building Society residential mortgages.
"**CCA**"	The Consumer Credit Act 1974.
"**Certificate of Title**"	A solicitor's, licensed conveyancer's or (in Scotland) qualified conveyancer's report or certificate of title obtained by or on behalf of the Seller in respect of each Mortgaged Property.
"**Charged Property**"	The property, assets, rights and undertakings of the Issuer which from time to time are expressed to be mortgaged, charged, assigned, pledged or otherwise encumbered to, or in favour of, the Security Trustee for itself and for the other Secured Creditors under, or pursuant to, the Deed of Charge.

"**Class**"	Will, as the context requires, be a reference to a Class of Notes being any Class A Notes and the Class Z VFNs (or any Sub-Class and, in the case of any Class A Notes, the Sub-Series thereof), or the Seller's Note.
"**Class A Note Enforcement Notice**"	An enforcement notice served under Condition 9(a) (*Class A Noteholders*).
"**Class A Noteholders**"	The holders for the time being of the Class A Notes.
"**Class A Notes**"	The mortgage-backed Notes of any Series designated as Class A Notes (including any Sub-Class and any Sub-Series of such) in the applicable Final Terms.
"**Class A Principal Deficiency Sub-Ledger**"	One of the three sub-ledgers of the Principal Deficiency Ledger, being the sub-ledger which records any principal deficiency in respect of the Class A Notes.
"**Class Z VFNs**"	The Class Z mortgage-backed variable funding notes issued by the Issuer to the Class Z VFN Holder on the First Closing Date comprising the Class Z(R) VFN and the Class Z(S) VFN.
"**Class Z VFN Holder**"	Coventry Building Society in its capacity as holder of the Class Z VFNs.
"**Class Z(R) VFN**"	The Sub-Class of Class Z VFN issued by the Issuer to the Class Z VFN Holder on the First Closing Date pursuant to the applicable Final Terms.
"**Class Z(R) Increase**"	An additional advance made by the Class Z VFN Holder to the Issuer under the Class Z(R) VFN to fund: (a) the Reserve Deficit; (b) in the case of a Principal Deficiency, the aggregate amount by which the Funding Principal Deficiency Sub-Ledgers are in debit, as relevant; and/or (c) the start-up expenses of the Issuer and other fees, costs and expenses of the Issuer incurred in connection with the issuance of each Series of Notes.
"**Class Z(S) VFN**"	The Sub-Class of Class Z VFN issued by the Issuer to the Class Z VFN Holder on the First Closing Date pursuant to the applicable Final Terms.
"**Class Z(S) Increase**"	An additional advance made by the Class Z VFN Holder to the Issuer under the Class Z(S) VFN equal to a Subordination Deficit.
"**Class Z(S) VFN Principal Deficiency Sub-Ledger**"	One of the three sub-ledgers on the Principal Deficiency Ledger, being the sub-ledger which records any principal deficiency in respect of the Class Z(S) VFN.

"**Clearing Systems**"	Each of Clearstream, Luxembourg, Euroclear and DTC (as applicable), or such other clearing system as may be applicable in respect of a Series and Class of Notes as specified in the relevant Final Terms.
"**Clearstream, Luxembourg**"	Clearstream Banking, *société anonyme*.
"**Closing Date**"	Each date on which the Issuer issues Notes (including any Sub-Series of Class A Notes) to Noteholders.
"**Code**"	The US Internal Revenue Code of 1986, as amended.
"**Collection Account**"	Each account in the name of the Seller held at the Collection Account Bank into which payments are made by Borrowers in respect of amounts due under the Mortgage Loans.
"**Collection Account Bank**"	HSBC Bank plc.
"**Collection Account Declaration of Trust**"	The deed entered into on or about the Programme Date between the Issuer, the Seller and the Security Trustee, which the Collection Account Bank has acknowledged on or about such date, whereby the Seller declared a trust over each Collection Account (including amounts standing to the credit of each Collection Account and received in respect of the Mortgage Loans) in favour of itself and the Issuer.
"**Common Depositary**"	A common depositary appointed by Euroclear and Clearstream, Luxembourg.
"**Common Safekeeper**"	A common safekeeper for Euroclear and Clearstream, Luxembourg.
"**Compounded Daily €STR**"	The rate of a daily compound interest investment (with €STR as the reference rate for the calculation of interest), calculated by the Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the VFNs) in accordance with Condition 4(b)(v) (*Compounded Daily Interest Rates*).
"**Compounded Daily SOFR**"	The rate of a daily compound interest investment (with SOFR as the reference rate for the calculation of interest), calculated by the Agent Bank (in respect of the Class A Notes) or the VFN Registrar (in respect of the VFNs) in accordance with Condition 4(b)(v) (*Compounded Daily Interest Rates*).
"**Compounded Daily SONIA**"	The compounded daily interest rate determined in accordance with Condition 4(b)(v) (*Compounded Daily Interest Rates*).
"**Conditional Note Purchase Agreement**"	For a Series and Class of Money Market Notes, an agreement to be dated on or about the Closing Date for such Notes between, among others, the applicable Conditional Note Purchaser and the Issuer under which the Conditional Note Purchaser will agree to purchase such Notes on each Money Market Note Mandatory Transfer Date for such Notes in certain circumstances.
"**Conditional Note Purchaser**"	For a Series and Class of Money Market Notes, the Conditional Note Purchaser specified for such Notes in the applicable Final Terms.

"**Conditions**" (a) in relation to Series 2020-1 Class A Notes, Class Z VFNs and the Seller's Note, the terms and conditions endorsed on such Notes in the form or substantially in the form scheduled to the Trust Deed dated 31 July 2020, as any of the same may from time to time be amended, varied or restated in accordance with the provisions of the Trust Deed; and

(b) in relation to any further Series and/or Sub-Series (as the case may be) of the Class A Notes, the terms and conditions to be endorsed on such Notes in the form or substantially in the form scheduled to the Supplemental Trust Deed relating to such Notes, as any of the same may from time to time be amended, varied or restated in accordance with the provisions of the Supplemental Trust Deed,

and any reference to a numbered Condition will be construed accordingly.

"**Contingency Insurance Policies**" All insurance policies of the Seller which are intended to cover financial losses incurred by the Seller in respect of any Mortgaged Properties for which adequate insurance has not been arranged by the relevant Borrower, and each a "**Contingency Insurance Policy**".

"**Controlled Amortisation Amount**" On any Controlled Amortisation Date prior to the occurrence of an Asset Trigger Event and for so long as no Non-Asset Trigger Event is continuing or prior to the delivery of an Enforcement Notice, for any Series and Class of Controlled Amortisation Notes, the principal amount which the Issuer would have to pay to the relevant Noteholder or Noteholders of such Notes on that Controlled Amortisation Date so that the Sterling Equivalent Principal Amount Outstanding of such Notes on that Controlled Amortisation Date (after giving effect to such payment) would be reduced to (but not less than) the amount expressed as a percentage of the aggregate Principal Amount Outstanding of such Controlled Amortisation Notes as at their issuance date, as stated in the applicable Final Terms.

"**Controlled Amortisation Dates**" In relation to a Series or Class of Notes, the Note Payment Dates specified as such for such Series or Class of Notes in the applicable Final Terms, and each, a "**Controlled Amortisation Date**".

"**Controlled Amortisation Notes**" Any Series and Class of Notes the conditions of which impose a limit on the amount of principal which may be repaid on such Notes on each Controlled Amortisation Date for such Notes. A Controlled Amortisation Note will become a Pass-Through Redemption Note on the earliest to occur of:

(a) a date specified in relation to the same for such Notes in the applicable Final Terms;

(b) an Asset Trigger Event; and

(c) a Non-Asset Trigger Event (for as long as such Non-Asset Trigger Event is continuing).

"**Corporate Services Agreement**" The corporate services agreement entered into on the Programme Date between, among others, the Corporate Services Provider, the Issuer as amended, restated, supplemented or otherwise modified or replaced and in effect from time to time.

"**Corporate Services Provider**"	CSC Capital Markets UK Limited, or any other person or persons for the time being acting as corporate services provider to the Issuer and Holdings under the Corporate Services Agreement.
"**CPR**"	Constant prepayment rate.
"**COR**"	A DBRS long-term critical obligations rating.
"**Credit Support Annex**"	The 1995 Credit Support Annex (Bilateral Form – Transfer) published by the International Swaps and Derivatives Association, Inc., entered into or to be entered into by the Issuer and a Swap Counterparty.
"**Currency Swap**"	A swap transaction evidenced by a Currency Swap Agreement.
"**Currency Swap Agreements**"	The ISDA master agreements, schedules thereto and confirmations thereunder relating to the currency and/or interest rate swaps to be entered into in connection with any Series or Class of Notes, and any Credit Support Annexes or other credit support documents entered into at any time among the Issuer and the relevant Currency Swap Counterparty and/or any credit support provider, as amended, restated, supplemented or otherwise modified or replaced and in effect from time to time.
"**Currency Swap Excluded Termination Amount**"	In relation to any Currency Swap Agreement, the amount of any Swap Termination Payment due and payable to the relevant Currency Swap Counterparty as a result of a Swap Counterparty Default or a Swap Counterparty Downgrade Event in relation to the relevant Currency Swap Counterparty less the Swap Replacement Premium (if any) received by the Issuer upon entry by the Issuer into an agreement to replace such Currency Swap Agreement which has terminated as a result of such Swap Counterparty Default or Swap Counterparty Downgrade Event.
"**Currency Swap Collateral Ledger**"	The ledger which will record as a credit (A) any Swap Collateral received from Currency Swap Counterparty (and any interest and distributions in respect thereof), (B) any Swap Replacement Premium received by the Issuer from a replacement currency swap counterparty, (C) any termination payment received by the Issuer from an outgoing Currency Swap Counterparty, and (D) Swap Tax Credits in relation to a Currency Swap Counterparty.
"**Currency Swap Counterparty**"	Each entity that enters into a Currency Swap Agreement with the Issuer.
"**Currency Swap Excluded Termination Amount**"	In relation to any Currency Swap Agreement, the amount of any Swap Termination Payment due and payable to the relevant Currency Swap Counterparty as a result of a Swap Counterparty Default or a Swap Counterparty Downgrade Event in relation to the relevant Currency Swap Counterparty less the Swap Replacement Premium (if any) received by the Issuer upon entry by the Issuer into an agreement to replace such Currency Swap Agreement which has terminated as a result of such Swap Counterparty Default.

"**Current Balance**"	In relation to any Mortgage Loan on any given date, the aggregate balance of the amounts charged to the Borrower's account in respect of a Mortgage Loan at that given date (but avoiding double counting) including: (a) the original principal amount advanced to the relevant Borrower and any further amount advanced (accounting for any Flexible Feature Payment and including any Further Advance) on or before that given date to the relevant Borrower under that Mortgage Loan secured or intended to be secured by the related Mortgage; (b) any interest, disbursement, legal expense, fee, charge, rent, service charge, premium or payment which has been properly capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent or capitalised in accordance with the Seller's normal charging practices and added to the amounts secured or intended to be secured by the related Mortgage; and (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 or in accordance with the Seller's normal charging practices but which is secured or purported to be secured by the related Mortgage, as at the end of the Business Day immediately preceding that given date, less any repayment or payment (including, if permitted, by way of set-off, withholding or counterclaim) of any of the foregoing made on or before the end of the Business Day immediately preceding that given date and excluding any retentions made but not released and any Flexible Feature Payments or any Further Advances committed to be made but not made by the end of the Business Day immediately preceding that given date.
"**Current LTV Ratio**"	Means the ratio (expressed as a percentage) of the outstanding balance of a Mortgage Loan to the indexed value of the Mortgaged Property securing that Mortgage Loan.
"**Current Valuation**"	In relation to any Mortgaged Property, the value given to that Mortgaged Property by the most recent valuation undertaken or instructed by the Seller, according to its policies.
"**Custodian**"	Citibank, N.A., London Branch, or such other person or persons for the time being acting as custodian pursuant to the terms of each of the Custody Agreement and the Swap Collateral Custody Agreement.
"**Custody Account**"	Any securities custody account held with the Custodian (or any replacement thereof or successor thereto) and opened pursuant to the Custody Agreement.
"**Custody Agreement**"	The custody agreement entered into on the Programme Date, as amended, restated, supplemented or otherwise modified or replaced and in effect from time to time, between, among others, the Issuer, the Custodian and the Security Trustee which provides for the operation of the securities and/or cash account(s) named therein.

"**Cut-Off Date**" The cut-off date in relation to the sale of Mortgage Loans by the Seller to the Issuer pursuant to the terms of the Mortgage Sale Agreement (which will be specified in each Final Terms).

"**Cut-Off Date Mortgage Portfolio**" At any Cut-Off Date, the Mortgage Loans in the Mortgage Portfolio, their Related Security, Accrued Interest and other amounts derived from such Mortgage Loans (taking account of, among other things, amortisation of Mortgage Loans in the Mortgage Portfolio and the addition and/or removal of any Mortgage Loans to or from the Mortgage Portfolio since the Programme Date) combined with any Mortgage Loans, their Related Security, Accrued Interest and other amounts derived from such Mortgage Loans that the Seller, as at any Cut-Off Date, anticipates assigning or transferring to, or repurchasing from, the Issuer pursuant to the terms of the Mortgage Sale Agreement.

"**Daily Loan Amounts**" On each day from (and including) the relevant Cut-Off Date, the aggregate of amounts credited to each Collection Account that relates to the Mortgage Loans and their Related Security, which aggregate amount shall be identified by the Servicer on a daily basis (or, if such day is not a Business Day, the next following Business Day) and transferred to any Transaction Account on the next Business Day after such amounts have been identified as received in the relevant Collection Account.

"**Day Count Fraction**" Has the meaning given to that term in Condition 4(b)(vii) (*Determination of Rate of Interest and calculation of Floating Interest Amounts*).

"**DBRS**" DBRS Ratings Limited and includes any successor to its rating business.

"**DBRS Equivalent Chart**"

DBRS	S&P	Fitch	Moody's
AAA	AAA	AAA	Aaa
AA(high)	AA+	AA+	Aa1
AA	AA	AA	Aa2
AA(low)	AA-	AA-	Aa3
A(high)	A+	A+	A1
A	A	A	A2
A(low)	A-	A-	A3
BBB(high)	BBB+	BBB+	Baa1
BBB	BBB	BBB	Baa2
BBB(low)	BBB-	BBB-	Baa3
BB(high)	BB+	BB+	Ba1
BB	BB	BB	Ba2
BB(low)	BB-	BB-	Ba3
B(high)	B+	B+	B1
B	B	B	B2
B(low)	B-	B-	B3
CCC(high)	CCC+		Caa1
CCC	CCC	CCC	Caa2
CCC(low)	CCC-		Caa3
CC	CC		Ca
C	C		
D	D	D	D

"**DBRS Equivalent Rating**"

(a) if a Fitch public rating, a Moody's public rating and an S&P public rating in respect of the senior unsecured debt of a certain entity (each, a "**Public Long Term Rating**") are all available at such date, the corresponding DBRS rating as shown in the DBRS Equivalent Chart of such Public Long Term Rating remaining after disregarding the

highest and lowest of such Public Long Term Ratings from such rating agencies (**provided that** if a Public Long Term Rating is under credit watch negative, or any equivalent, then, for the purpose of determining the DBRS Equivalent Rating, such Public Long Term Rating will be deemed to be one notch below its current notch). For this purpose, if more than one Public Long Term Rating has the same highest or same lowest DBRS rating as shown in the DBRS Equivalent Chart, then in each case only one of such Public Long Term Ratings will be so disregarded in accordance with requirements of the previous sentence and the DBRS Equivalent Rating will be the remaining rating;

(b) if the DBRS Equivalent Rating cannot be determined under (a) above, but Public Long Term Ratings of a certain entity by any two of Fitch, Moody's and S&P are available at such date, the corresponding DBRS rating as shown in the DBRS Equivalent Chart of the lower of such Public Long Term Rating (**provided that** if a Public Long Term Rating is under credit watch negative, or any equivalent, then, for the purpose of determining the DBRS Equivalent Rating, such Public Long Term Rating will be deemed to be one notch below its current notch); and

(c) if the DBRS Equivalent Rating cannot be determined under (a) and (b) above, but a Public Long Term Rating by any one of Fitch, Moody's and S&P is available at such date, then the DBRS rating as shown in the DBRS Equivalent Chart will be such Public Long Term Rating (**provided that** if a Public Long Term Rating is under credit watch negative, or any equivalent, then, for the purpose of determining the DBRS Equivalent Rating, such Public Long Term Rating will be deemed to be one notch below its current notch),

provided that, if at any time the DBRS Equivalent Rating cannot be determined under subparagraphs (a) to (c) above, then the relevant entity will be deemed to have a DBRS rating of "C" at such time.

"**DTC Custodian**" Citibank, N.A, London Branch, as custodian for Cede & Co., as nominee of DTC.

"**Dealers**" One or more dealers appointed under the Programme from time to time by the Issuer (including HSBC Bank plc, HSBC Securities Inc. and Lloyds Bank Corporate Markets plc acting through their investment banks or their affiliates) or, in respect of any Series and Class of Notes, the institutions identified as the Dealers for such Notes in the applicable Final Terms.

"**Deed of Charge**" The deed of charge entered into on the Programme Date between the Issuer and the Security Trustee, as amended, restated, supplemented or otherwise modified or replaced and in effect from time to time and each deed of accession or supplement entered into in connection therewith.

"**Deemed Principal Amount Outstanding**" On any day, in respect of any Non-Sterling Note, the Sterling Equivalent (calculated by the Cash Manager using the Original Exchange Rate and rounded to the nearest whole penny) of an amount equal to:

(a) the Principal Amount Outstanding of that Non-Sterling Note on the Closing Date; *less*

(b) the aggregate of all Note Principal Payments that would have been paid in respect of that Non-Sterling Note in accordance with Condition 5(b) (*Mandatory redemption of the Notes in part*) up to (and including) that day if the Original Currency Swap Agreement had still been in force, **provided that** for the purposes of calculating any Controlled Amortisation Amount in relation to a Payment Date only, the amount of any Note Principal Payment which would have been paid on the Non-Sterling Note on such Payment Date in accordance with Condition 5(b) (*Mandatory redemption of the Notes in part*) will not be taken into account.

"**Deemed Ratings Confirmation**" A certification in writing by an authorised signatory of the Issuer (or the Cash Manager on its behalf) to the Security Trustee and the Note Trustee stating that the Issuer has sent a written request for an Actual Ratings Confirmation to each Rating Agency and each of the following events has occurred:

(i)

(A) a Non-Responsive Rating Agency has, in response to the request for an Actual Ratings Confirmation, indicated that it does not consider such Actual Ratings Confirmation or response necessary in the circumstances or that it does not, as a matter of practice or policy, provide such Actual Ratings Confirmation or response; or

(B) within 30 days of delivery of such request, no Actual Ratings Confirmation or response is received and/or such request elicits no statement by such Rating Agency that such Actual Ratings Confirmation or response could not be given; and

(ii) one Rating Agency has given such Actual Ratings Confirmation or response based on the same facts.

"**Deferred Consideration**" That portion of the consideration for Mortgage Loans assigned to the Issuer which was not paid to the Seller on the Assignment Date in respect of any such Mortgage Loans and which is to be paid by the Issuer from time to time to the Seller in accordance with the applicable Priority of Payments.

"**Definitive Regulation S Note**" A Regulation S Note in definitive form.

"**Definitive Rule 144A Note**" A Rule 144A Note in definitive form.

"**Deposit Set-Off Protection Excess Amount**"	The aggregate of the Mortgage Loan Deposit Excess Amount with respect to all Borrowers under the Mortgage Loans in the Mortgage Portfolio as calculated on 31 March, 30 June, 30 September and 31 December (or, in each case, the nearest following business day) each calendar year.
"**Disclosure ITS**	Commission Implementing Regulation (EU) 2020/1225 of 29 October 2019 laying down implementing technical standards with regard to the format and standardised templates for making available the information and details of a securitisation by the originator, sponsor and SSPE (the "**2020/1225 ITS**"), including any relevant standstill decisions, guidance and policy statements relating to the application of the 2020/1225 ITS published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission and/or (prior to the Recast UK Securitisation Regime Effective Date, in relation to the UK Securitisation Regulation, and on and from the Recast UK Securitisation Regime Effective Date, in relation to the Recast UK Securitisation Regime) any applicable standstill decisions, laws, regulations, rules, guidance or other implementing measures of the FCA, PRA or other relevant UK regulator (or their successor) relating to the application of the 2020/1225 ITS in the UK including Annex B of the Technical Standards (Specifying the Information and the details of a Securitisation to be made available by the Originator, Sponsor and SPPE) (EU Exit) Instrument 2020 (FCA 2020/80) and the applicable successor laws, regulations, rules and other relevant measures (including any transitional directions), in each case, as amended, supplemented, superseded or modified from time to time.
"**Disclosure RTS**"	Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information and the details of a securitisation to be made available by the originator, sponsor and SSPE (the "**2020/1224 RTS**") including any relevant standstill decisions, guidance and policy statements relating to the application of the 2020/1224 RTS published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission and/or (prior to the Recast UK Securitisation Regime Effective Date, in relation to the UK Securitisation Regulation, and on and from the Recast UK Securitisation Regime Effective Date, in relation to the Recast UK Securitisation Regime) any applicable standstill decisions, laws, regulations, rules, guidance or other implementing measures of the FCA, PRA or other relevant UK regulator (or their successor) relating to the application of the 2020/1224 RTS in the UK including Annex A of the Technical Standards (Specifying the Information and the details of a Securitisation to be made available by the Originator, Sponsor and SPPE) (EU Exit) Instrument 2020 (FCA 2020/80) and the applicable successor laws, regulations, rules and other relevant measures (including any transitional directions), in each case, as amended, supplemented, superseded or modified from time to time.
"**Discount Variable Rate Mortgage Loan**"	A Mortgage Loan which allows the Borrower, for a set period of time or for the life of the Mortgage Loan, to pay interest at a specified discount to the CBS Standard Variable Rate or the Issuer Standard Variable Rate, as the case may be, and which, at the end of the discounted period, generally converts to a Variable Rate Mortgage Loan.

"**Distribution Compliance Period**"	The period that ends 40 calendar days after the completion of the distribution of the relevant Series and Class of Notes or a Sub-Series of Class A Notes of the relevant Series.
"**DTC**"	Depository Trust Company.
"**Early Repayment Charge**"	Any charge or fee which a Borrower is required to pay in accordance with the Mortgage Conditions applicable to a Mortgage Loan in the event that such Borrower repays all or part of the relevant Mortgage Loan before a specified date (other than, for the avoidance of doubt, any redemption fees).
"**EBA**"	European Banking Authority.
"**ECB**"	European Central Bank.
"**EIPOA**"	European Insurance and Occupational Pensions Authority.
"**Enforced Mortgage Loan**"	A Mortgage Loan in respect of which the Related Security has been enforced and the related Mortgaged Property has been sold.
"**Enforcement Notice**"	For as long as any Class A Notes of any Series are outstanding, a Class A Enforcement Notice and, where no Class A Notes of any Series are outstanding, a VFN Enforcement Notice.
"**English Mortgage**"	A first ranking legal mortgage over a residential property in England or Wales.
"**English Mortgage Loan**"	A Mortgage Loan secured by an English Mortgage.
"**€STR**"	Euro short-term rate.
"**EU CRA Regulation**"	Regulation (EC) No 1060/2009, as amended.
"**EU CRR Amending Regulation**"	Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms.
"**EU CRR Regulation**"	Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms, as amended by the EU CRR Amending Regulation.
"**EU Loan Level Report**"	A report containing certain loan-by-loan information in relation to the Mortgage Portfolio delivered simultaneously with the EU Investor Report each month as required by Article 7(1)(a) of the EU Securitisation Regulation.
"**EU Investor Report**"	The monthly investor report or reports delivered within one month of each Payment Date containing information required by Article 7(1)(e) of the EU Securitisation Regulation.
"**EU Reporting Requirements**"	means (i) Article 7(1) of the EU Securitisation Regulation, (ii) Commission Implementing Regulation (EU) 2020/1225 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; and (iii)

	Commission Delegated Regulation (EU) 2020/1224 including any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission.
"**EU Risk Retention Requirements**"	The requirements, set out in Article 6 of the EU Securitisation Regulation, for the originator of a securitisation to retain, on an ongoing basis, a material net economic interest in the securitisation of not less than five per cent.
"**EU Securitisation Regulation**"	Regulation (EU) 2017/2402.
"**EU Securitisation Repository Website**"	Being editor.eurodw.eu, securitisation repository registered under Article 10 of the EU Securitisation Regulation as appointed by the Issuer in relation to the Notes.
"**EU Solvency II**"	Any relevant national implementation of Directive 2009/138/EC and Delegated Regulation (EU) 2015/35 in the EU.
"**Euroclear**"	Euroclear Bank S.A./N.V., as operator of the Euroclear System;
"**EURIBOR**"	The Euro-zone inter-bank offered rate.
"**Event of Default**"	Any of the events listed in Condition 9 (*Events of Default*).
"**Excess Principal Fund**"	The amount reserved from time to time in the Transaction Accounts and credited to the Excess Principal Ledger in accordance with the Cash Management Agreement.
"**Excess Principal Fund Threshold Amount**"	On each Calculation Date, an amount equal to the Excess Principal Fund Threshold Percentage multiplied by the aggregate of the Principal Amount Outstanding of the Class A Notes and the Class Z(S) VFN.
"Excess Principal Fund Threshold Event"	The occurrence of any of the following: (a) the amount standing to the credit of the Excess Principal Fund exceeds the Excess Principal Fund Threshold Amount; or (b) any amounts would, on the next succeeding Payment Date, have remained recorded on the Excess Principal Ledger, on a first in first out basis, for a period of 18 months or more, where that period starts on the date on which such amounts were first so recorded.
"**Excess Principal Fund Threshold Percentage**"	The percentage specified as such in the most recent Final Terms.
"**Excess Principal Ledger**"	The ledger maintained by the Cash Manager which will record amounts standing to the credit of the Excess Principal Fund at any time.

"**Exchange Act**"	The United States Securities Exchange Act of 1934, as amended.
"**Exchange and Transfer Agent**"	Citibank, N.A., London Branch, and any of its successors and assigns and any replacement thereof appointed pursuant to the Agency Agreement.
"**Excluded Loan**"	A right to buy, help to buy, tenant purchase, buy to let, consent to let, commercial loan, a mortgage loan that has the benefit of the UK Government's Mortgage Guarantee Scheme, a staff loan or a mortgage loan to a self-certified Borrower.
"**Excluded Swap Termination Amounts**"	Interest Rate Swap Excluded Termination Amounts and Currency Swap Excluded Termination Amounts.
"**Extraordinary Resolution**"	A resolution of the holders of the Notes passed as such under the terms of the Trust Deed.
"**Fast-Track Loan**"	A Mortgage Loan which is approved by a lender without proof of income of the Borrower at the time of the making of such Mortgage Loan.
"**FATCA**"	(a) sections 1471 to 1474 of the Code or any associated regulations; (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.
"**FCA**"	The Financial Conduct Authority as successor to the FSA, or any successor regulatory body or authority.
"**FCA Securitisation Rules** " or "**SECN**"	The securitisation sourcebook of the handbook of rules and guidance adopted by the FCA.
"**Final Maturity Date**"	In respect of any Series and Class of Notes, the date specified as such for such Series and Class of Notes in the applicable Final Terms.
"**Final Terms**"	The final terms of any Series of Notes (including any Sub-Series of Class A Notes) as described under "*Terms and Conditions of the Notes*" and which will be delivered to the Listing Authority and the London Stock Exchange on or before the date of issue of the applicable Series of Notes (including any Sub-Series of Class A Notes).
"**First Account Bank**"	Coventry Building Society, and any of its successors and assigns and any replacement thereof appointed pursuant to the First Account Bank Agreement.

"**First Account Bank Agreement**"	The first account bank agreement entered into on or about the Programme Date between the Issuer, the First Account Bank, the Cash Manager and the Security Trustee which provides for the operation of the Bank Accounts named therein.
"**First Closing Date**"	The Closing Date for the first issuance of Notes under the Programme.
"**First Transaction Account**"	The account in the name of the Issuer held at the First Account Bank maintained pursuant to the terms of the First Account Bank Agreement, and such additional or replacement bank account of the Issuer as may, from time to time, be in place pursuant to the terms of the First Account Bank Agreement.
"**Fitch**"	Fitch Ratings Limited and includes any successor to its ratings business.
"**Fixed Coupon Amount**"	Except as provided in the applicable Final Terms, the amount of interest payable on each Note Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the fixed coupon amount specified in the Final Terms.
"**Fixed Interest Period**"	In respect of a Series and Class of Fixed Rate Notes, the period from (and including) a Note Payment Date for such Notes (or the Interest Commencement Date for such Notes) to (but excluding) the next (or first) Note Payment Date for such Notes.
"**Fixed Rate Mortgage Loan**"	A Mortgage Loan which is subject to a fixed interest rate for a specified period of time and which, at the expiration of that period, generally converts to a Variable Rate Mortgage Loan.
"**Fixed Rate Note**"	Notes paying a fixed rate of interest on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).
"**Fixed Rate Payer Payment Date**"	Means the date determined in accordance with the confirmation under the relevant Interest Rate Swap Agreement.
"**Fixed Rate Period**"	In relation to any Fixed Rate Mortgage Loan or other Mortgage Loan offered with a fixed rate, the period agreed between the Borrower and the Seller as set out under the terms and conditions of such Mortgage Loan during which the interest rate applicable to such Mortgage Loan will remain fixed.
"**Flexible Feature Notice**"	A notice substantially in the form set out in Schedule 12 (*Form of Flexible Feature Notice*) to the Mortgage Sale Agreement.
"**Flexible Feature Payment**"	Any payment made by the Seller to a Borrower in respect of any redrawing on that Borrower's Mortgage Loan where the Issuer has received the benefit of an overpayment of principal on such Mortgage Loan, in respect of which the Issuer is required to pay the Seller further consideration in accordance with the Mortgage Sale Agreement.

"**Flexible Mortgage Loan**"	A Mortgage Loan that typically incorporates features that give the relevant Borrower options (which may be subject to certain conditions) to, among other things, make re-drawings on the Mortgage Loan, request payment holidays, set up an offset savings account and/or to overpay principal.
"**Flexx Rate Mortgage Loan**"	A Mortgage Loan which is subject to a CBS Flexx Rate or an Issuer Flexx Rate, as the case may be, for the remaining life of the relevant Mortgage Loan or until an alternative product that the relevant Borrower qualifies for is selected by that Borrower.
"**Floating Interest Period**"	In respect of a Series and Class of Floating Rate Notes, the period from (and including) a Note Payment Date for such Notes (or the Interest Commencement Date for such Notes) to (but excluding) the next (or first) Note Payment Date for such Notes.
"**Floating Rate Notes**"	Notes which bear interest at a rate determined: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (c) on such other basis as may be agreed between the Issuer and the relevant Dealer(s), as set out in the applicable Final Terms.
"**FSA**"	Financial Services Authority and any successor thereto, including the FCA.
"**FSMA**"	The Financial Services and Markets Act 2000.
"**Funding Notes**"	Collectively, the Class A Notes, the Class Z(S) VFN and the Class Z(R) VFN.
"**Funding Note Percentage**"	The ratio that the aggregate of the Sterling Equivalent Principal Amount Outstanding of the Funding Notes bears to the aggregate of the Sterling Equivalent Principal Amount Outstanding of all the Notes then outstanding under the Programme, expressed as a percentage.
"**Funding Note Portion**"	The Funding Note Revenue Portion, the Funding Note Principal Portion and/or, as relevant, the Funding Note Post-Enforcement Portion.
"**Funding Note Principal Portion**"	See "*Credit Structure and Cashflows - Application of Available Principal Receipts while no Asset Trigger Event has occurred and/or no Non-Asset Trigger Event is continuing and prior to the delivery of an Enforcement Notice*".
"**Funding Note Post-Enforcement Portion**"	See "*Credit Structure and Cashflows - Application of Available Principal Receipts while no Asset Trigger Event has occurred and/or no Non-Asset Trigger Event is continuing and prior to the delivery of an Enforcement Notice*".

"**Funding Note Revenue Portion**"	See "*Credit Structure and Cashflows – Available Revenue Receipts*".
"**Funding Principal Deficiency Sub-Ledger**"	Each of the Class A Principal Deficiency Sub-Ledger and the Class Z(S) VFN Principal Deficiency Sub-Ledger.
"**Further Advance**"	A further drawing in respect of a Mortgage Loan sold by the Seller to the Issuer.
"**Further Advance Purchase Price**"	The purchase price for the relevant Further Advance, being the amount equal to the amount of the Further Advance.
"**Global Note Certificates**"	Note Certificates representing Class A Notes in global form and "**Global Note Certificate**" means any one of them.
"**Hard Bullet Cash Accumulation Requirement**"	The amount calculated for each Class of Hard Bullet Redemption Notes in a Cash Accumulation Period as (a) the Sterling Equivalent Principal Amount Outstanding of each Series of Hard Bullet Redemption Notes that is within a Cash Accumulation Period, less (b) the amount standing to the credit of each Cash Accumulation Ledger at the last Payment Date (which amount was not to be distributed on that Payment Date to fund the repayment of any Series of Hard Bullet Redemption Notes).
"**Hard Bullet Redemption Date**"	For any Series and Class of Hard Bullet Redemption Notes, the Note Payment Date specified as such for such Series and Class of Notes in the applicable Final Terms.
"**Hard Bullet Redemption Notes**"	Any Bullet Redemption Notes specified as such in the applicable Final Terms.
"**heritable creditor**"	In relation to Scottish Mortgage Loans, the holder of a standard security over heritable or long leasehold property in Scotland.
"**HMRC**"	HM Revenue and Customs.
"**Holder**" or "**holder**"	In relation to the Notes, the person in whose name a Note is for the time being registered in the Register (in the case of the Class A Notes) or the VFN Register (in the case of the Class Z VFNs and the Seller's Note) (or in the case of joint holders, the first named thereof).
"**Holdings**"	Economic Master Holdings Limited, a limited liability company incorporated in England and Wales (registered number 12341637), with its registered office at 10th Floor, 5 Churchill Place London E14 5HU.
"**ICSDs**"	Euroclear and/or Clearstream, Luxembourg, as applicable.
"**Incorporated Terms**	The incorporated terms memorandum signed by, among others, the Issuer and the Seller for the purposes of identification on or about the Programme Date

Memorandum "	as amended, restated, supplemented or otherwise modified or replaced and in effect from time to time.
"**Individual Note Certificates**"	Note certificates representing the Notes in definitive form.
"**Initial Additional Mortgage Portfolio Purchase Price**"	That portion of the Additional Mortgage Portfolio Purchase Price paid by the Issuer to the Seller on an Assignment Date other than the First Closing Date in consideration for the assignment by the Seller to the Issuer of Additional Mortgage Loans on such Assignment Date, in each case in accordance with the provisions of the Mortgage Sale Agreement.
"**Initial Mortgage Portfolio**"	The portfolio of Mortgage Loans and their Related Security assigned by the Seller to the Issuer on the First Closing Date, particulars of which are set out in the Mortgage Sale Agreement, but excluding any such Mortgage Loan and its Related Security which has been redeemed in full on or before such Assignment Date, and (subject where applicable to the subsisting rights of redemption of the Borrowers) all right, title, interest and benefit of the Seller in and to: (a) all sums of principal and interest and any other sum payable or to become payable under such Mortgage Loans on or after the relevant Assignment Date, all arrears of interest and other sums payable (but not paid before such date) in respect of any period before such date and the right to demand, sue for, recover, receive and give receipts for all such sums; (b) the benefit of all securities for such principal monies and interest and other sums payable, the benefit of all consents to mortgage, ranking agreements and deeds of postponement signed by occupiers and/or owners of the relevant Mortgaged Properties, the benefit of all related MH/CP Documentation, the benefit of and the right to sue on all covenants and undertakings in favour of the Seller in each such Mortgage Loan and the benefit of any guarantee, indemnity or surety contract in respect of any such Mortgage Loan and the right to exercise all powers of the Seller in relation to each such Mortgage Loan; (c) all the estate and interest in the Mortgaged Properties in favour of the Seller, subject to redemption or cesser; (d) to the extent that they are assignable, all causes and rights of action of the Seller against any person in connection with any report, valuation, opinion, certificate, consent or other statement of fact or opinion given in connection with any such Mortgage Loan or any such Mortgaged Property or received by the Seller in connection with the origination of any such Mortgage Loan; (e) all proceeds from the enforcement of such Mortgage Loans and their Related Security; and

(f) all right, title, interest and benefit of the Seller (both present and future) in, to and under the Insurance Policies to the extent they relate to the Mortgage Portfolio including the right to demand, sue for, receive and recover the proceeds of any claims.

"**Initial Purchase Price**" The amount specified as such in the Final Terms in respect of the First Closing Date.

"**Initial Rating Agencies**" Fitch, Moody's, S&P and DBRS, and each being an "**Initial Rating Agency**".

"**Insolvency Act**" The Insolvency Act 1986 (as amended).

"**Insolvency Event**" In respect of the Seller, the Servicer, the Cash Manager, the Issuer, Holdings or the Collection Account Bank (each, for the purposes of this definition, a "**Relevant Entity**"):

(a) an order is made or an effective resolution passed for the winding up of the Relevant Entity or the appointment of a liquidator or administrator or building society liquidator or building society special administrator or similar officer over the relevant entity (except, in any such case, a winding-up or dissolution for the purpose of a reconstruction or amalgamation the terms of which have been previously approved by the Security Trustee);

(b) the Relevant Entity ceases or threatens to cease to carry on its business or stops payment or threatens to stop payment of its debts or is deemed unable to pay its debts within the meaning of section 123(a), (b), (c) or (d) of the Insolvency Act 1986 (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amounts of its liabilities (taking into account, for both these purposes, contingent and prospective liabilities) or otherwise becomes insolvent;

(c)

(i) proceedings are initiated against the Relevant Entity under any applicable liquidation, insolvency, composition, reorganisation (other than a reorganisation where the relevant entity is solvent) or other similar laws (including, but not limited to, application or pending application for an administration order or presentation of a petition for a winding up order), except where these proceedings are being contested in good faith; or

(ii) an administration order being granted, or an administrative or other receiver, administrator, liquidator or other similar official is appointed in relation to the whole or any substantial part of the undertaking or assets of the Relevant Entity; or

(iii) a bank insolvency order or a bank administration order is made pursuant to the Banking Act 2009; or

(iv) a distress, execution, diligence or other process is enforced upon the whole or any substantial part of the undertaking or assets of the Relevant Entity and in any of the foregoing cases it is not discharged within 30 Business Days; or

(v) if the Relevant Entity initiates or consents to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally.

"**Insurance Policies**"	The Buildings Insurance Policies, the Contingency Insurance Policies and any other additional, substitute or replacement insurance contract or policy arranged by the Seller from time to time relating to the Mortgage Loans in the Mortgage Portfolio, and "**Insurance Policy**" shall be construed accordingly.
"**Interest Commencement Date**"	In respect of any Series and Class of Notes, the Closing Date of such Notes or such other date as may be specified as such for such Notes in the applicable Final Terms.
"**Interest Determination Date**"	In respect of a Series and Class of Floating Rate Notes, the meaning given to it in the applicable Final Terms.
"**Interest Only Mortgage Loan**"	A Mortgage Loan where the Borrower makes monthly payments of interest but not of principal. When such Mortgage Loan matures, the entire principal amount of such Mortgage Loan is still outstanding and the Borrower must repay that amount in one lump sum.
"**Interest Period**"	In respect of any Series and Class of Notes, the Fixed Interest Period or the Floating Interest Period relating thereto.
"**Interest Provision Fund**"	The amount reserved from time to time in the Transaction Accounts and credited to the Interest Provision Ledger in accordance with the Cash Management Agreement.
"**Interest Provision Fund Required Amount**"	On each Calculation Date, for each of the Class A Notes that are not Monthly Notes, the amount of interest that would be due and payable on such Notes on the immediately succeeding Payment Date if such Notes were Monthly Notes.
"**Interest Provision Ledger**"	The ledger maintained by the Cash Manager which will record amounts standing to the credit of the Interest Provision Fund at any time.
"**Interest Rate Swap**"	A swap transaction evidenced by an Interest Rate Swap Agreement.
"**Interest Rate Swap Agreements**"	Each ISDA master agreement, schedule thereto and confirmations thereunder entered into between the Issuer and any Interest Rate Swap Counterparty relating to the Interest Rate Swaps, and any credit support annexes or other credit support documents entered into at any time among the Issuer and the applicable Interest Rate Swap Counterparty and/or any credit support provider, and each an "**Interest Rate Swap Agreement**".

"**Interest Rate Swap Floating Rate**"	Has the meaning given to the term "Floating Rate" in each Interest Rate Swap Agreement.
"**Interest Rate Swap Collateral Ledger**"	The ledger which will record as a credit (A) any Swap Collateral received from an Interest Rate Swap Counterparty (and any interest and distributions in respect thereof), (B) any Swap Replacement Premium received by the Issuer from a replacement interest rate swap counterparty, (C) any termination payment received by the Issuer from an outgoing Interest Rate Swap Counterparty, and (D) Swap Tax Credits in relation to an Interest Rate Swap Counterparty.
"**Interest Rate Swap Counterparty**"	As of the Programme Date, Coventry Building Society and, as of each subsequent Issuance Date, each interest rate swap counterparty that enters into an Interest Rate Swap Agreement with the Issuer.
"**Interest Rate Swap Excluded Termination Amount**"	In relation to any Interest Rate Swap Agreement, the amount of any Swap Termination Payment due and payable to each Interest Rate Swap Counterparty as a result of a Swap Counterparty Default or a Swap Counterparty Downgrade Event in respect of each Interest Rate Swap Counterparty less the Swap Replacement Premium (if any) received by the Issuer upon entry by the Issuer into an agreement to replace such Swap Agreement which has terminated as a result of such Swap Counterparty Default or Swap Counterparty Downgrade Event.
"**Investment Company Act**"	The Investment Company Act of 1940, as amended.
"**Investment Plan**"	For an Interest Only Mortgage Loan, a repayment mechanism selected by the Borrower and intended to provide sufficient funds to redeem the full principal of a Mortgage Loan at maturity.
"**Investor Report**"	Collectively, the EU Investor Report and the UK Investor Report, and "**Investor Report**" means, as the context may require, either one of them.
"**IP Completion Date**"	11 PM UK time on 31 December 2020.
"**ISDA**"	International Swaps and Derivatives Association, Inc.
"**ISDA Definitions**"	The 2021 ISDA Definitions, as published by ISDA and as amended and updated from time to time.
"**Issuance Date**"	Each Closing Date.
"**Issuance Tests**"	The conditions for the issuance of any new Series or Class or Sub-Series of Class A Notes, as set out on page 150.
"**Issuer Swap Amount**"	The amount produced by applying a Fixed Rate (as defined in the relevant Swap Agreement) to the notional amount of the relevant swap transaction as at the Calculation Date or as at the Issuance Date (in the event the Issuer issues Notes (including any Sub-Series of Class A Notes)) in the Swap Calculation

	Period, sized on a monthly basis or as at the Issuance Date (in the event the Issuer issues Notes (including any Sub-Series of Class A Notes)). for the relevant Swap Calculation Period and multiplying the resulting amount by the Day Count Fraction.
"**Issuer**"	Economic Master Issuer PLC, a public limited liability company incorporated in England and Wales (registered number 12341676), with its registered office at 10th Floor, 5 Churchill Place London E14 5HU.
"**Issuer Flexx Rate**"	The variable rate applicable to any Flexx Rate Mortgage Loans in the Mortgage Portfolio set by reference to the CBS Flexx Rate.
"**Issuer Profit Amount**"	On each Payment Date, an amount (rounded up to the nearest penny) to be retained by the Issuer as profit in respect of the business of the Issuer, initially equal to £100 in relation to each Series and Class of Notes issued on the First Closing Date, and as adjusted from time to time to £100 per Series and Class of Notes outstanding at any time during the course of the previous year (or, in the case of the period from the First Closing Date to the first anniversary thereof, during the course of the period from the First Closing Date to the first anniversary thereof), provided that, on each Payment Date, the amount of the Issuer Profit Amount cannot exceed £1,200.
"**Issuer Standard Variable Rate**"	The variable rate applicable to any Variable Rate Mortgage Loans, Capped (Variable Rate) Mortgage Loans and Discount Variable Rate Mortgage Loans in the Mortgage Portfolio set by reference to the CBS Standard Variable Rate.
"**Issuer Swap Amount**"	The amount produced by applying a Fixed Rate (as defined in the relevant Swap Agreement) to the notional amount of the relevant swap transaction for the relevant Swap Calculation Period and multiplying the resulting amount by the Day Count Fraction.
"**Joint Arrangers**"	Each of HSBC Bank plc and Lloyds Bank Corporate Markets plc, acting through their investment banks or their Affiliates.
"**LCR Regulation**"	Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions.
"**Lending Criteria**"	The lending criteria of the Seller which may be amended from time to time (forming part of the Seller's Policy) a summary of which is set out in the Mortgage Sale Agreement and/or such other criteria as would be acceptable to a Prudent Mortgage Lender.
"**Liabilities**"	In respect of any person, all fees, liabilities, losses, damages, costs, charges, awards, expenses, judgments, decrees, actions, proceedings, claims and demands (including, without limitation, legal fees and any applicable value added tax or similar tax) but not including tax on net income, profit or gains).
"**Listing Authority**"	The Financial Conduct Authority in its capacity as competent authority under Part VI of the FSMA

"**Listing Rules**"	The rules published by the FCA and contained in the Listing Rules sourcebook.
"**Loan Level Report**"	The EU Loan Level Report and the UK Loan Level Report, and "**Loan Level Report**" means, as the context may require, either one of them.
"**London Business Day**"	A day (other than a Saturday or Sunday or public holiday) on which banks are generally open for business in London.
"**London Stock Exchange**"	At any time, the London Stock Exchange plc or any other person which at that time administers and manages the relevant primary market in the UK upon which the Notes are formally admitted for public trading.
"**Losses**"	All realised losses on the Mortgage Loans which are in the Mortgage Portfolio.
"**LTV Ratio**"	In respect of the Seller's decision as to whether to make a mortgage loan to a prospective Borrower or a further advance to a current Borrower, the ratio of the outstanding balance of such mortgage loan, or the aggregate of the outstanding balance of the mortgage loan to which such further advance relates and the outstanding balance of the further advance, to the lower of the purchase price or valuation of the mortgaged property securing such mortgage loan as determined by the relevant valuation by the Seller.
"**Market**"	The London Stock Exchange's regulated market for the purposes of the Markets in Financial Instruments Directive (2014/65/EU) as it forms part of the domestic law of the UK by virtue of the Withdrawal Act.
"**Margin**"	The margin specified for a Series and Class of Notes in the applicable Final Terms.
"**Master Definitions Schedule**"	The master definitions schedule set out in Schedule 1 to the Incorporated Terms Memorandum entered into on the Programme Date, as amended, restated, supplemented or otherwise modified or replaced and in effect from time to time which is a schedule of definitions used in the Transaction Documents.
"**Maximum Rate of Interest**"	In respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms.
"**Maximum Reset Margin**"	In respect of any Series and Class of Money Market Notes, the amount specified as such for such Series and Class of Money Market Notes in the applicable Final Terms.
"**Maximum Valuation Percentage**"	For any UK Government Securities sold to the Issuer under a Reverse Repo, the Repo Applicable Percentage Value, and where UK Government Securities with differing maturities have been sold to the Issuer under a Reverse Repo agreement, the Maximum Valuation Percentage will be the weighted average of the Repo Applicable Percentage Value for each UK Government Security.
"**MCOB**"	The "Mortgages: Conduct of Business Source Book" published by the FCA.
"**Member State**"	A member state of the European Union.

"**MH/CP Documentation**"	An affidavit, declaration, consent or renunciation granted in terms of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 (as amended) or, as applicable, the Civil Partnership Act 2004 in connection with a Scottish Mortgage relating to a Scottish Mortgage Loan or its relevant Scottish Mortgaged Property.
"**Minimum Rate of Interest**"	In respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms.
"**Minimum Seller's Note Amount**"	The amount from time to time which is equal to the greatest of (i) the Required Retention Amount, (ii) the Minimum Seller's Note Liquidity Amount and (iii) the Deposit Set-Off Protection Excess Amount (as at the most recent date on which such amount was determined).
"**Minimum Seller's Note Liquidity Amount**"	The amount stated as such in the most recent Final Terms in respect of all the Class A Notes which remain outstanding and have not been repaid in full.
"**Minimum Specified Denomination**"	Has the meaning given to it in the relevant Final Terms.
"**Money Market Notes**"	A Series and Class of Notes which are intended to be "eligible securities" for purchase by money market funds under Rule 2a-7 of the United States Investment Company Act of 1940.
"**Money Market Note Mandatory Transfer Date**"	Has the meaning given to it on page 254.
"**Money Market Notes Mandatory Transfer Price**"	The transfer price payable in connection with the transfer of the Money Market Notes pursuant to the Money Market Note Transfer Arrangement, as described in more detail in Condition 5(g) (*Money Market Note Mandatory Transfer Arrangements*).
"**Money Market Notes Mandatory Transfer Arrangements**"	The mandatory transfer arrangements, if specified in relation to a Series and Class of Money Market Notes as being applicable to such Notes in the applicable Final Terms, as described in more detail in Condition 5(g) (*Money Market Note Mandatory Transfer Arrangements*).
"**Money Market Note Reset Margin**"	In respect of any Series and Class of Money Market Notes, (i) for each Reset Period, a percentage not exceeding the Maximum Reset Margin determined by the Remarketing Agent in accordance with the Remarketing Agreement or (ii) if the Remarketing Agreement has been terminated, the Maximum Reset Margin.

"**Monthly Calculation Date**"	In respect of each Monthly Calculation Period, means the close of business on the last day of such Monthly Calculation Period.
"**Monthly Calculation Period**"	In respect of each Fixed Rate Payer Payment Date under each Swap Agreement, each period from (and including) the first day in the calendar month immediately preceding such Fixed Rate Payer Payment Date (or in the case of the first Monthly Calculation Period in respect of each Swap Agreement, from (and including) the relevant Issuance Date) to (and including) the last day in the calendar month immediately preceding such Fixed Rate Payer Payment Date (or in the case of the first Monthly Calculation Period in respect of each Swap Agreement, the last day in the calendar month immediately preceding the first Fixed Rate Payer Payment Date).
"**Monthly PPR**"	On any Payment Date, the total scheduled amounts collected pursuant to items (a), (c), (e) and (i) within the definition of Available Principal Receipts received by the Issuer during the immediately preceding Calculation Period divided by the aggregate Current Balance of the Mortgage Loans in the Mortgage Portfolio as at the start of such Calculation Period.
"**Monthly Notes**"	Any Class A Notes in respect of which interest is due on each Payment Date.
"**Monthly Payment**"	In respect of a Mortgage Loan, the amount which the applicable Mortgage Conditions require a Borrower to pay on a Monthly Payment Date in respect of such Mortgage Loan.
"**Monthly Payment Date**"	In respect of a Mortgage Loan, the date in each month on which the relevant Borrower is required to make a payment of interest and, if applicable, principal, in respect of such Mortgage Loan, as required by the applicable Mortgage Conditions.
"**Moody's**"	Moody's Investors Service Inc. and includes any successor to its rating business.
"**Moody's Portfolio Variation Test**"	The calculation methodology provided by Moody's to the Servicer from time to time for the purpose of calculating the Moody's Portfolio Variation Test Value.
"**Moody's Portfolio Variation Test Value**"	The value determined by applying the Moody's Portfolio Variation Test to the Mortgage Portfolio, with such determination to be made annually or, in any event, on each Assignment Date following the sale of any Additional Mortgage Loans to the Issuer on that Assignment Date.
"**Mortgage**"	An English Mortgage or, as applicable, a Scottish Mortgage.
"**Mortgage Conditions**"	In relation to a Mortgage Loan, the terms and conditions applicable to that Mortgage Loan and its Related Security as modified by the relevant Mortgage Loan Agreement and the relevant Mortgage Deed, and any variation or supplement thereto from time to time.

"**Mortgage Deed**"	In relation to a Mortgage, the deed or Standard Security creating such Mortgage including, unless the context otherwise requires, the Mortgage Conditions applicable to that Mortgage.
"**Mortgage Loan**"	Any English Mortgage Loan or Scottish Mortgage Loan originated by the Seller or, subject to the terms of the Mortgage Sale Agreement, affiliates of the Seller and sold to the Issuer by the Seller in accordance with the Mortgage Sale Agreement (and which has not been repurchased by the Seller).
"**Mortgage Loan Agreement**"	In relation to any Mortgage Loan, the agreement, facility letter or accepted offer of advance pursuant to which the monies secured by the relevant Mortgage were advanced to the Borrower (as varied from time to time in accordance with the applicable mortgage conditions and including any modifying agreement within the meaning of Section 82 of the Consumer Credit Act 1974 insofar as it relates to that Mortgage Loan).
"**Mortgage Loan Deposit Excess Amount**"	An amount equal to the amount by which any deposit in: (i) in the case of an Offset Mortgage Loan, the savings account of the relevant Borrower that is linked to such Offset Mortgage Loan; and/or (ii) any other bank account held with the Seller in the name of a Borrower, exceeds £85,000 (or such other amount as may be set from time to time by the FCA under any deposit protection or similar scheme).
"**Mortgage Loan Files**"	The file or files relating to each Mortgage Loan (including files kept in microfiche format or similar electronic data retrieval system) containing *inter alia* correspondence between the Borrower and the Seller and including the mortgage documentation applicable to the Mortgage Loan, each letter of offer for that Mortgage Loan, the Valuation Report (if applicable) and, to the extent available, the solicitor's or licensed conveyancer's, or (in Scotland) qualified conveyancer's, Certificate of Title.
"**Mortgage Loan Warranties**"	The representations and warranties given in relation to the Mortgage Loans by the Seller to the Issuer as set out in Part A of Schedule 1 (*Mortgage Loan Warranties, Eligibility Criteria and Portfolio Criteria)*) to the Mortgage Sale Agreement.
"**Mortgage Portfolio**"	On any particular date, the Initial Mortgage Portfolio and each Additional Mortgage Portfolio (or any or all of them, as appropriate).
"**Mortgage Sale Agreement**"	The mortgage sale agreement entered into on or about the Programme Date among the Seller, the Issuer and the Security Trustee which provides for the assignment of Mortgage Loans to the Issuer, as amended, restated, supplemented or otherwise modified or replaced and in effect from time to time and including any documents ancillary thereto.
"**Mortgaged Property**"	In relation to any Mortgage Loan, the freehold or leasehold property in England and Wales or (as applicable) the heritable or long leasehold property in Scotland and, in each case, all rights and security attached or appurtenant or related thereto and all buildings and fixtures thereon which are subject to the Mortgage securing repayment of such Mortgage Loan.
"**Mortgagee**"	In relation to any mortgage loan, the person for the time being entitled to exercise the rights of the mortgagee or (in Scotland) heritable creditor under

	the relevant mortgage or (in Scotland) standard security securing repayment of such mortgage loan.
"**Most Senior Class of Notes**"	The Class A Notes, or, if no Class A Notes are then outstanding, the Class Z VFNs or, if no Class Z VFNs are then outstanding, the Seller's Note.
"**New Build Mortgage Loan**"	(1) Prior to 31st October 2022, a Mortgage Loan in respect of which the relevant Mortgaged Property is to be: (a) built within three years of the date of the relevant mortgage application; or (b) occupied for the first time; and (2) on and from 31st October 2022, a Mortgage Loan in respect of which the relevant Mortgaged Property is to be: (a) built within two years of the date of the relevant mortgage application; or (b) occupied for the first time.
"**Non-Responsive Rating Agency**"	Has the meaning given to it on page 50.
"**Non-Sterling Noteholders**"	The Noteholders for the time being of any Non-Sterling Notes.
"**Non-Sterling Notes**"	Any Series, Class or Sub-Class of Notes with a Specified Currency other than Sterling and/or in respect of which an Original Currency Swap Agreement was entered into.
"**Note Certificates**"	Any Global Note Certificates or Individual Note Certificates.
"**Note Payment Date**"	In respect of a Series and Class of Notes, the dates specified in respect of such Notes in the relevant Final Terms as the dates on which payments of interest and principal are to be made in respect of such Notes.
"**Note Principal Payment**"	Has the meaning given to that term in Condition 5(d) (*Note Principal Payments and Principal Amount Outstanding*).
"**Note Trustee**"	Citicorp Trustee Company Limited, in its capacity as note trustee under the Trust Deed, together with any successor note trustee appointed from time to time pursuant to the provisions of the Trust Deed.
"**Noteholders**"	Registered holders for the time being of the relevant Notes who will be treated by the Issuer, any Paying Agent, the VFN Registrar, the Security Trustee and the Note Trustee as the holders of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Note Certificate, and each a "**Noteholder**".
"**Notes**"	The Class A Notes and the VFNs.
"**NSS**" or "**New Safekeeping Structure**"	The new safekeeping structure for registered global securities which are intended to constitute eligible collateral for Eurosystem monetary policy operations.
"**Observation Period**"	The meaning given to it in the applicable Conditions.

"**Official List**"	The Official List maintained by the FCA.
"**Offset Mortgage Loans**"	Mortgage Loans described on page 153.
"**OFT**"	Office of Fair Trading.
"**Ordinary Resolution**"	A resolution of the holders of the Notes passed as such under the terms of the Trust Deed.
"**Original Currency Swap**"	In relation to any Non-Sterling Notes, the currency swap transaction evidenced by the relevant Original Currency Swap Agreement.
"**Original Currency Swap Agreement**"	In relation to any Non-Sterling Notes, the Currency Swap Agreement entered into on or about the Issuance Date for the relevant Series.
"**Original Exchange Rate**"	For any Non-Sterling Notes, the exchange rate specified in the Original Currency Swap Agreement relating to such Series and Class of Notes.
"**Original LTV Ratio**"	The ratio of the Current Balance of a Mortgage Loan as at its origination date to the original valuation of the Mortgaged Property securing such Mortgage Loan as at its origination date.
"**outstanding**"	When used in respect of any Notes, will have the meaning given to that term in the Trust Deed constituting such Notes.
"**Part and Part Mortgage Loans**"	Mortgage Loans where the Borrower is required to repay part of the principal amount of the Mortgage Loan by making monthly payments of both interest and principal and to repay the remaining part of the principal amount of the Mortgage Loan in one lump sum when the Mortgage Loan matures.
"**Pass-Through Redemption Allocation**"	On any Calculation Date, the aggregate Sterling Equivalent Principal Amount Outstanding of the Pass-Through Redemption Notes which is due on the immediately following Payment Date.
"**Pass-Through Redemption Notes**"	Any Series and Class of Notes which has no specified redemption dates other than a Final Maturity Date. A Bullet Redemption Note or a Controlled Amortisation Note will become a Pass-Through Redemption Note on the earliest to occur of: (a) a date specified in relation to the same for such note in the applicable Final Terms; (b) an Asset Trigger Event; and (c) a Non-Asset Trigger Event (for as long as such Non-Asset Trigger Event is continuing).
"**Paying Agents**"	The Principal Paying Agent, the US Paying Agent and any other paying agents named in the Agency Agreement together with any successor or additional

	paying agents appointed from time to time in connection with the Class A Notes under the Agency Agreement.
"**Payment Date**"	In respect of any Calculation Period, the 25th day of the calendar month immediately following the end of such Calculation Period or, if such day is not a Business Day, the next succeeding Business Day.
"**Payment Period**"	Means the period from, and including, the Payment Date up to, but excluding, the subsequent Payment Date.
"**Perfection Trigger Event**"	Any of the events specified in clause 8.1 (*Perfection Trigger Events*) of the Mortgage Sale Agreement.
"**Post-Enforcement Priority of Payments**"	The priority of payments for amounts recovered by the Security Trustee and/or any Receiver following the delivery of an Enforcement Notice as set out in "*Credit Structure and Cashflow – Application of available funds following the delivery of an Enforcement Notice*".
"**PRA**"	The Prudential Regulation Authority or any successor regulatory body or authority.
"**PRA Securitisation Rules**"	The Securitisation Part of the rulebook of published policy of the PRA.
"**Pre-Enforcement Pre-Trigger Principal Priority of Payments**"	The priority of payments for Available Principal Receipts prior to the delivery of an Enforcement Notice and while no Asset Trigger Event has occurred and/or no Non-Asset Trigger Event is continuing as set out in "*Credit Structure and Cashflow – Application of Available Principal Receipts while no Asset Trigger Event has occurred and/or no Non-Asset Trigger Event is continuing and prior to the delivery of an Enforcement Notice*".
"**Pre-Enforcement Principal Priority of Payments**"	The priority of payments for Available Principal Receipts prior to the delivery of an Enforcement Notice as set out in "*Credit Structure and Cashflow – Allocation of Available Principal Receipts prior to delivery of an Enforcement Notice*".
"**Pre-Enforcement Revenue Priority of Payments**"	The priority of payments for Available Revenue Receipts prior to the delivery of an Enforcement Notice as set out in "*Credit Structure and Cashflow – Available Revenue Receipts – Pre-Enforcement Revenue Priority of Payments*".
"**Pricing Term Sheet**"	The pricing term sheet in relation to each applicable Series and Class of Notes.
"**Principal Amount Outstanding**"	Has the meaning given to that term in Condition 5(d) (*Note Principal Payments and Principal Amount Outstanding*).
"**Principal Deficiency**"	Any circumstance in which any of the Funding Principal Deficiency Sub-Ledgers is in debit.

"**Principal Deficiency Ledger**"	The ledger established on the Programme Date and sub-divided into three Principal Deficiency Sub-Ledgers, in order to record Losses, the application of Available Principal Receipts to pay any Remaining Revenue Shortfall and the application of amounts in the Reserve Fund as Available Principal Receipts in accordance with the applicable Priority of Payments.
"**Principal Deficiency Sub-Ledger**"	Any of the Funding Principal Deficiency Sub-Ledgers and the Seller's Note Principal Deficiency Sub-Ledger.
"**Principal Excess Amounts**"	The meaning given to it in Condition 5(c) (*Termination of the applicable Original Currency Swap Agreement*).
"**Principal Ledger**"	The ledger on which Principal Receipts (other than amounts recorded on each Cash Accumulation Ledger) received and disbursed by the Issuer will be recorded by the Cash Manager.
"**Principal Paying Agent**"	Citibank, N.A., London Branch, in its capacity as principal paying agent under the Agency Agreement, together with any successor principal paying agent appointed from time to time.
"**Principal Provision Fund**"	The amount reserved from time to time in the Transaction Accounts and credited to the Principal Provision Ledger in accordance with the Cash Management Agreement.
"**Principal Provision Fund Required Amount**"	On each Calculation Date, the aggregate, for each of the Class A Notes that are not Monthly Notes and that are Pass-Through Redemption Notes or Controlled Amortisation Notes, of the amount of principal expected to be due and payable on such Class A Notes on the next Note Payment Date in respect of such Class A Notes.
"**Principal Provision Ledger**"	The ledger maintained by the Cash Manager which will record amounts standing to the credit of the Principal Provision Fund at any time.
"**Principal Receipts**"	The aggregate of: (a) any payment in respect of principal received in respect of any Mortgage Loan, whether as all or part of a Monthly Payment, on redemption (including partial redemption), on enforcement or on the disposal of that Mortgage Loan or otherwise (including payments pursuant to any Insurance Policy); and (b) any Principal Redress Amounts.
"**Principal Redress Amount**"	Means any part of a Redress Payment referable to the principal amount of a Mortgage Loan.
"**Principal Repayment Rules**"	As defined in "*Credit Structure and Cashflow – Rules for the repayment of principal amounts due on the Notes* ".

"**Principal Shortfall Amount**"	The meaning given to it in Condition 5(c) (*Termination of the applicable Original Currency Swap Agreement*).
"**Priorities of Payments**"	The Pre-Enforcement Revenue Priority of Payments, each of the Pre-Enforcement Principal Priority of Payments and the Post-Enforcement Priority of Payments.
"**Product Switch**"	A variation to the financial terms or conditions included in the Mortgage Conditions applicable to a Mortgage Loan other than: (a) any variation agreed with a Borrower to control or manage arrears on a Mortgage Loan; (b) any variation in the maturity date of a Mortgage Loan; (c) any variation imposed by statute or any variation in the frequency with which the interest payable in respect of the Mortgage Loan is charged; (d) any variation to the interest rate as a result of the Borrowers switching to a different rate by operation of the Mortgage Loan; (e) any change to a Borrower under the Mortgage Loan or the addition of a new Borrower under a Mortgage Loan; or (f) any change in the repayment method of the Mortgage Loan.
"**Product Switch Warranties**"	Mortgage Loan Warranties (a) to (j) (inclusive), (l), (n) to (r) (inclusive), (u), (y), (z), (bb) to (ff) (inclusive), (hh) to (oo) (inclusive).
"**Profit Ledger**"	A ledger maintained by the Cash Manager to record the amount retained by the Issuer as profit.
"**Programme**"	The residential mortgage-backed note programme of Economic Master Issuer PLC described in this Base Prospectus.
"**Programme Agreement**"	The programme agreement entered into on or about the Programme Date between, among others, each Joint Arranger, each Dealer, the Issuer and the Seller, as amended, restated, supplemented or otherwise modified or replaced and in effect from time to time.
"**Programme Date**"	First Closing Date.
"**Programme Documents**"	Each of the following documents: (a) the Mortgage Sale Agreement; (b) each Scottish Declaration of Trust; (c) the Servicing Agreement; (d) the Deed of Charge;

(e) each Scottish Supplemental Charge;

(f) the Corporate Services Agreement;

(g) the Account Bank Agreements;

(h) the Swap Collateral Account Bank Agreement;

(i) each Interest Rate Swap Agreement;

(j) each Currency Swap Agreement;

(k) the Cash Management Agreement;

(l) the Custody Agreement;

(m) the Swap Collateral Custody Agreement;

(n) the Collection Account Declaration of Trust;

(o) the Incorporated Terms Memorandum;

(p) the Trust Deed;

(q) the Agency Agreement;

(r) the Programme Agreement; and

(s) each other deed, document, agreement, instrument or certificate entered into or to be entered into by the Issuer under or in connection with any of the documents set out in paragraphs (a) through (r) above (inclusive) or the transactions contemplated in them.

"**Programme Issuance Documents**" In respect of each issuance of a Series or Class of Notes, or any Sub-Series of Class A Notes, each of the following documents, relating to that Series or Class of Notes, or Sub-Series of Class A Notes (as the case may be):

(a) each Subscription Agreement;

(b) each Supplemental Trust Deed (provided that the Programme Issuance Documents in relation to the Notes issued on the First Closing Date do not include a Supplemental Trust Deed);

(c) each Final Terms;

(d) the Notes;

(e) each Currency Swap Agreement;

(f) each Interest Rate Swap Agreement;

(g) any Remarketing Agreement;

(h) any Conditional Note Purchase Agreement; and

(i) each other deed, document, agreement, instrument or certificate entered into or to be entered into by the Issuer under or in connection with any of the documents set out in paragraphs (a) through (h) above

(and, in the case of the Notes issued on the First Closing Date, not including a Supplemental Trust Deed) or the transactions contemplated in them.

"**Prudent Mortgage Lender**"	The Seller and/or the Servicer, as applicable, acting in accordance with the standards of a reasonably prudent prime residential mortgage lender lending to borrowers in England, Wales and/or Scotland who generally satisfy the lending criteria of traditional sources of residential mortgage capital.
"**QIB**"	A "qualified institutional buyer" within the meaning of Rule 144A.
"**Qualified Institution**"	A bank for the purposes of section 878 of the Income Tax Act 2007.
"**Rate of Interest**"	In respect of any Series and Class of Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of such Notes specified in the applicable Final Terms or calculated and determined in accordance with the applicable Final Terms.
"**Rating Agencies**"	S&P, Fitch, Moody's and DBRS, and each Additional Rating Agency appointed in accordance with the procedure set out in Condition 11(f)(1)(xvi), each a "**Rating Agency**".
"**Ratings Confirmation**"	Either (i) an Actual Ratings Confirmation or (ii) a Deemed Ratings Confirmation.
"**Realisation**"	Has the meaning given to it in Condition 10(b) (*Limited Recourse*).
"**Recast UK Securitisation Regime**"	The UK securitisation framework made under the securitisation-related provisions of the FSMA and the UK Securitisation Regulation SI (2024) including the FCA Securitisation Rules and the PRA Securitisation Rules.
"**Recast UK Securitisation Regime Effective Date**"	The first Closing Date to occur on or after 1 November 2024 (or such later date as may be specified in any statutory instrument in the UK for the purposes of bringing into force the Recast UK Securitisation Regime).
"**Receiver**"	In relation to the Security, a Receiver appointed by the Security Trustee under the Deed of Charge.
"**Record Date**"	Where the Note is in definitive form, at the opening of business in the place of the Registrar's (or, in the case of a VFN, the VFN Registrar's) specified office on the fifteenth day before the due date for such payment.
"**Redemption Amount**"	Has the meaning given to that term in Condition 5(h) (*Redemption Amounts*).
"**Redress**"	Any remediation required by (or voluntarily agreed to be undertaken by the Seller with) the FCA or any other competent regulatory authority in relation to harm suffered, or alleged to have been suffered, by any Borrower in connection with, without limitation, the regulations concerning the fair treatment of mortgage customers, and, in connection with any claim arising from such remediation, any resulting payment required to be made to a Borrower or set-off permitted to be exercised by a Borrower against the amount due by such Borrower under such Borrower's Mortgage Loan.

"**Redress Payment**"	The amount to be paid by the Seller to the Issuer in respect of a Redress following: (a) the voluntary election by the Seller to make such payment; and/or (b) the notification by the FCA or other relevant competent regulatory authority requiring the Seller to make, or procure to be made, such payment (and for the avoidance of doubt shall not include the consideration paid by the Seller for any repurchase of any Mortgage Loan by the Seller).
"**Reference Banks**"	The principal London office of each of HSBC Bank plc and Lloyds Bank Corporate Markets plc, or any duly appointed substitute reference bank(s) as may be appointed by the Issuer to provide the Agent Bank with its offered quotation to leading banks in the London interbank market.
"**Reference Rate**"	In respect of any Series and Class of Notes and any Sub-Series of Class A Notes, the rate specified as such for such Notes in the applicable Final Terms.
"**Register**"	The register of holders of the Class A Notes maintained by the Registrar.
"**Registers of Scotland**"	The Land Register of Scotland and the General Register of Sasines.
"**Registrar**"	Citibank, N.A., London Branch, in its capacity as registrar in respect of the Class A Notes under the Agency Agreement, together with any successor registrar appointed from time to time pursuant to the Agency Agreement.
"**Regulated Mortgage Contract**"	Has the meaning given in "*Regulation of the UK Residential Mortgage Market*".
"**Regulation S**"	Regulation S under the Securities Act
"**Regulation S Global Note Certificates**"	Global Note Certificates in fully registered form representing any Regulation S Notes.
"**Regulation S Notes**"	Notes sold in reliance on Regulation S.
"**Related Security**"	In relation to a Mortgage Loan, the security for the repayment of that Mortgage Loan including the relevant Mortgage and all other matters applicable thereto acquired as part of the Mortgage Portfolio.
"**Relevant Rating Agencies**"	(a) In respect of a particular Series or Class of Class A Notes, the Rating Agencies specified in the applicable Final Terms as providing a rating for such Series or Class of Notes; and (b) in respect of all outstanding Class A Notes under the Programme, the Series Specific Agencies for all outstanding Class A Notes.
"**Relevant Screen Page**"	In respect of any Series and Class of Notes, the screen page specified as such for such notes in the applicable Final Terms (or such replacement page on the relevant service which displays the information).
"**Remaining Available**	The amounts that remains following the payment by the Security Trustee (or the Cash Manager on its behalf) of amounts referred to in paragraphs (i) to (iii) of the Post-Enforcement Priority of Payments.

Enforcement Receipts"	
"**Remaining Available Revenue Receipts**"	The amount of Available Revenue Receipts that remain following the payment of the Senior Fees and Expenses in full (prior to the application of any Reserve Fund Amount) in accordance with the Pre-Enforcement Revenue Priority of Payments.
"**Remaining Revenue Shortfall**"	Any deficit of Available Revenue Receipts to pay the Senior Fees and Expenses and items (i) and (ii) of the Funding Note Revenue Portion of the Pre-Enforcement Revenue Priority of Payments on any Payment Date following the application of any amounts standing to the credit of the Reserve Fund, as determined by the Cash Manager on the relevant Calculation Date.
"**Remarketing Agent**"	For a Series and Class of Money Market Notes, the remarketing agent specified for such Notes in the applicable Final Terms.
"**Remarketing Agreement**"	For a Series and Class of Money Market Notes, an agreement to be dated on or about the Closing Date for such Notes between, among others, the Issuer and the Remarketing Agent.
"**Replacement Exchange Rate**"	Following any termination of the Original Currency Swap Agreement (or any replacement Currency Swap Agreement) and the entry into a replacement Currency Swap Agreement, the exchange rate as specified in that replacement Currency Swap Agreement.
"**Repayment Mortgage Loan**"	A Mortgage Loan in respect of which the Borrower is under an obligation to the mortgagee to make payments of principal and interest on a weekly, fortnightly or monthly basis through to the maturity date for that Mortgage Loan.
"**Replacement Swap Agreement**"	Any agreement between the Issuer and a replacement swap counterparty which replaces a Swap Agreement.
"**Repo Applicable Percentage Value**"	(a) In relation to fixed rate Sterling-denominated UK Government Securities with a remaining maturity of: (i) less than or equal to one year, 99 per cent.; (ii) greater than one year and less than or equal to two years, 98 per cent.; (iii) greater than two years and less than or equal to three years, 97 per cent.; (iv) greater than three years and less than or equal to five years, 96 per cent.; (v) greater than five years and less than or equal to seven years, 95 per cent.; (vi) greater than seven years and less than or equal to ten years, 94 per cent.; and

(vii) greater than ten years, 90 per cent; and

(b) in relation to floating rate Sterling-denominated UK Government securities, 99 per cent.

"**Remarketing Termination Event**" For a Series and Class of Money Market Notes, either an Optional Remarketing Termination Event in relation to such Notes, in respect of which the applicable Remarketing Agent has terminated its appointment under the Remarketing Agreement or an Automatic Remarketing Termination event in relation to such Notes.

"**Required Retention Amount**" On any date, an amount equal to the greater of:

(a) five per cent. of the nominal value of the securitised exposures on that date in accordance with the text of Article 6(3)(b) of the EU Securitisation Regulation;

(b) five per cent. of the nominal value of the securitised exposures on that date in accordance with the text of (i) prior to the Recast UK Securitisation Regime Effective Date, Article 6(3)(b) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, in particular, Article 6(3)(b) of Chapter 2 of the PRA Securitisation Rules; and

(c) five per cent. of the aggregate principal amount outstanding of the Notes of all Series issued by the Issuer, other than any Notes that are at all times held by the Seller (or its wholly-owned affiliates), calculated in all cases in accordance with the US Credit Risk Retention Requirements and measured at the Closing Date of each issuance of Notes and on a monthly basis on each Payment Date.

"**Required Subordination Amount**" An amount calculated, on any date, in accordance with the following formula:

(A / (1-B)) – A

where:

"A" = the Sterling Equivalent Principal Amount Outstanding of all Class A Notes which remain outstanding and have not been repaid in full, as at their relevant Issuance Date; and

"B" = the highest Required Subordination Percentage applicable from time to time with respect to all Class A Notes which remain outstanding and have not been repaid in full.

"**Required Subordination Percentage**" The percentage specified as such in each of the relevant Final Terms, or as amended and notified to Noteholders in an Investor Report.

"**Reserve Deficit**" Will arise where the amount standing to the credit of the Reserve Fund on such Calculation Date is less than the Reserve Fund Required Amount and there will be insufficient Available Revenue Receipts to be applied in accordance with item (iv) of the application of the Funding Note Revenue Portion under the Pre-Enforcement Revenue Priority of Payments on the

	immediately succeeding Payment Date to credit the Reserve Fund to the Reserve Fund Required Amount.
"**Reserve Fund**"	The reserve fund that the Issuer has established in the Transaction Accounts which will be credited with amounts advanced under the Class Z(R) VFN and, where available, Available Revenue Receipts up to an amount equal to the Reserve Fund Required Amount.
"**Reserve Fund Required Amount**"	An amount calculated, on any date, as the product of: (a) the highest Reserve Fund Series Percentage applicable from time to time with respect to all Class A Notes which remain outstanding and have not been repaid in full; and (b) the Sterling Equivalent Principal Amount Outstanding of all Class A Notes on such date (after giving effect to any payments of principal to be made on the Notes on such date).
"**Reserve Fund Series Percentage**"	The percentage specified as such in each of the relevant Final Terms, or as amended and notified to Noteholders in an Investor Report.
"**Reserve Ledger**"	The ledger maintained by the Cash Manager which will record amounts standing to the credit of the Reserve Fund at any time.
"**Revenue Ledger**"	The ledger on which Revenue Receipts received and disbursed by the Issuer will be recorded by the Cash Manager.
"**Revenue Receipts**"	The aggregate of: (a) any payment received from time to time in respect of any Mortgage Loan which is not a Principal Receipt (including any Early Repayment Charges with respect to any Mortgage Loan in the Mortgage Portfolio and whether as all or part of a Monthly Payment by a Borrower on the relevant Mortgage Loan, on redemption (in whole or in part), on enforcement or on disposal of such Mortgage Loan or otherwise (including pursuant to any Insurance Policy)); and (b) any Revenue Redress Amounts.
"**Revenue Redress Amount**"	Means any part of a Redress Payment referable to the amount of a Mortgage Loan other than in respect of its principal amount.
"**Revenue Shortfall**"	The amount as determined by the Cash Manager on a Calculation Date, of any deficit of Available Revenue Receipts (not including amounts to be withdrawn from the Reserve Fund on the immediately succeeding Payment Date) to pay: *firstly,* items (i) to (iv) of the Pre-Enforcement Revenue Priority of Payments (prior to the determination of the Seller's Note Revenue Portion and the Funding Note Revenue Portion), and, *secondly,* items (i) to (iii) of the Pre-Enforcement Revenue Priority of Payments (in respect of the application of the Funding Note Revenue Portion).
"**Reverse Repo**"	A sale and repurchase agreement substantially in the form of a global master repurchase agreement entered into by the Issuer with a market counterparty

pursuant to which the Issuer may agree to purchase certain debt securities from the repo counterparty at an agreed purchase price for an agreed period (such debt securities to be held under custody arrangements, on trust for the benefit of the Issuer) with an obligation to sell equivalent debt securities back to the repo counterparty at the maturity of the transaction, and subject to periodic mark to market margining. If the debt securities purchased by the Issuer from the repo counterparty under the Reverse Repo are in default on the maturity of the transaction, the repo counterparty will remain liable to pay to the Issuer the agreed re-purchase price.

"**Revolving Period End Trigger Event**" Each of the following Non-Asset Trigger Events:

(a) the occurrence of an Insolvency Event in relation to the Seller or the Servicer; and/or

(b) the occurrence of an Excess Principal Fund Threshold Event.

"**Rule 2a-7**" Rule 2a-7 under the US Investment Company Act of 1940, as amended.

"**Rule 144A**" Rule 144A under the Securities Act.

"**Rule 144A Global Note Certificate**" Any Global Note Certificates in fully registered form representing any Class A Notes sold in reliance on Rule 144A.

"**Rule 144A Note**" Each Series and Class of Notes which is not registered under the Securities Act and is offered in the United States or to US persons who are "qualified institutional buyers" (within the meaning of Rule 144A under the Securities Act) in reliance upon Rule 144A under the Securities Act (or, in the case of the initial subscription by the Dealers from the Issuer, in reliance upon Section 4(2) of the Securities Act).

"**S&P**" or "**Standard & Poor's**" Standard & Poor's Credit Market Securities Europe Limited, and includes any successor to its rating business.

"**S&P Framework**" S&P ratings framework elected by the Swap Counterparty from time to time.

"**S&P Relevant Notes**" The Notes that currently remain outstanding with the highest rating from S&P.

"**S&P Initial Required Rating**" The initial S&P rating as specified in the relevant column of the S&P Required Rating chart.

"**S&P Required Rating**" The S&P required ratings are set out in the table below:

Rating of the S&P relevant notes	S&P Strong		S&P Adequate		S&P Moderate		S&P Weak	
	Initial S&P Rating Event	Subsequent S&P Rating Event	Initial S&P Rating Event	Subsequent S&P Rating Event	Initial S&P Rating Event	Subsequent S&P Rating Event	Initial S&P Rating Event	Subsequent S&P Rating Event
AAA	A-	BBB+	A-	A-	A	A	NA	A+
AA+	A-	BBB+	A-	A-	A-	A-	NA	A+
AA	A-	BBB	BBB+	BBB+	A-	A-	NA	A
AA-	A-	BBB	BBB+	BBB+	BBB+	BBB+	NA	A-
A+	A-	BBB-	BBB	BBB	BBB+	BBB+	NA	A-

A	A-	BBB-	BBB	BBB	BBB	BBB	NA	BBB+
A-	A-	BBB-	BBB	BBB-	BBB	BBB	NA	BBB+
BBB+	A-	BBB-	BBB	BBB-	BBB	BBB-	NA	BBB
BBB	A-	BBB-	BBB	BBB-	BBB	BBB-	NA	BBB
BBB-	A-	BBB-	BBB	BBB-	BBB	BBB-	NA	BBB-
BB+ and below	A-	At least as high as 3 notches below the Relevant Notes rating	BBB	At least as high as 2 notches below the Relevant Notes rating	BBB	At least as high as 1 notches below the Relevant Notes rating	NA	At least as high as the Relevant Notes rating

"**S&P Subsequent Required Rating**" The subsequent S&P rating as specified in the relevant column of the S&P Required Rating chart.

"**Sale Period**" Each period that will continue for as long as the following conditions are met:

(a) an Asset Trigger Event has not occurred;

(b) a Revolving Period End Trigger Event is not continuing; and

(c) any Series of the Class A Notes which were outstanding at the time of the occurrence of the Revolving Period End Trigger Event have been redeemed by the Issuer in full.

"**Scottish Mortgage**" A first-ranking standard security over a residential property in Scotland.

"**Scottish Mortgage Loan**" A Mortgage Loan secured by a Scottish Mortgage.

"**Scottish Mortgaged Property**" A Mortgaged Property situated in Scotland.

"**Scottish Declaration of Trust**" Each declaration of trust by the Seller in favour of the Issuer granted pursuant to the Mortgage Sale Agreement in respect of the relevant Scottish Trust Property.

"**Scottish Sub-Security**" Each standard security executed pursuant to clause 5.2 (*Scottish Sub-Security*) of the Deed of Charge substantially in the applicable form set out in Schedule 2 (Form of *Scottish Sub-Security*) thereto.

"**Scottish Supplemental Charge**" Each assignation in security granted by the Issuer in favour of the Security Trustee pursuant to the Deed of Charge in respect of the Issuer's right, title and interest in such Scottish Mortgage Loans and their Related Security as are sold to the Issuer on an Assignment Date (comprising the Issuer's beneficial interest under the corresponding Scottish Declaration of Trust).

"**Scottish Trust Property**" The meaning specified in each Scottish Declaration of Trust.

"**SEC**" The United States Securities and Exchange Commission.

"**Second Account Bank**"	Citibank, N.A., London Branch and any of its successors and assigns and any replacement thereof appointed pursuant to the Second Account Bank Agreement.
"**Second Account Bank Agreement**"	The second account bank agreement entered into on the Programme Date, as amended, restated, supplemented or otherwise modified or replaced and in effect from time to time, between the Issuer, the Second Account Bank and the Security Trustee which provides for the operation of the Bank Accounts named therein.
"**Second Transaction Account**"	The transaction account set up in the name of the Issuer with the Second Account Bank pursuant to the Second Account Bank Agreement.
"**Secured Creditors**"	The Security Trustee (in its own capacity and on behalf of the other Secured Creditors), the Note Trustee (in its own capacity and on behalf of the holders of the Notes), the Noteholders, the Seller, the Servicer, the Back-up Servicer Facilitator, the Account Banks, the Custodian, the Cash Manager, the Swap Counterparties, the Corporate Services Provider, the Agents and any other person which becomes a Secured Creditor pursuant to the Deed of Charge.
"**Securities Act**"	The US Securities Act of 1933, as amended.
"**Security**"	Has the meaning given in "*Security for the Issuer's Obligations*".
"**Security Trustee**"	Citicorp Trustee Company Limited and its successors or any further or other security trustee appointed pursuant to the terms of the Deed of Charge.
"**Seller**"	Coventry Building Society.
"S**elf-Certified Mortgage Loans**"	Mortgage Loans where the lender markets the fact that it will not verify income and charges a premium for the greater risk incurred.
"**Seller's Note**"	A variable funding note issued by the Issuer on the First Closing Date to the holder of the Seller's Note pursuant to the applicable Final Terms.
"**Seller's Note Percentage**"	The ratio that the Sterling Equivalent Principal Amount Outstanding on the Seller's Note bears to the aggregate of the Sterling Equivalent Principal Amount Outstanding of the Class A Notes, the Class Z(S) VFN and the Seller's Note then outstanding under the Programme, expressed as a percentage.
"**Seller's Note Permitted Principal Repayment Amount**"	Will be calculated in accordance with the following formula: A= B – C – D where: A = Seller's Note Permitted Principal Repayment Amount; B = Principal Amount Outstanding of the Seller's Note;

C = any amounts standing to the debit of the Seller's Note Principal Deficiency Sub-Ledger; and

D = the Minimum Seller's Note Amount.

"**Seller's Note Permitted Repurchase Procedure**" The procedure pursuant to which the Seller may, at any time, give written notice to the Issuer that the Seller intends to repurchase the Mortgage Loans (selected at random by the Servicer) with an aggregate Current Balance less than or equal to the Seller's Note Permitted Principal Repayment Amount. The Issuer shall apply the proceeds of such repurchase exclusively towards redemption of the Principal Amount Outstanding of the Seller's Note (**provided that** the Principal Amount Outstanding of the Seller's Note may not, after such repurchase and reduction, be less than the Minimum Seller's Note Amount).

"**Seller's Note Portion**" The Seller's Note Revenue Portion, the Seller's Note Principal Portion and/or, as relevant, the Seller's Note Post-Enforcement Portion.

"**Seller's Note Principal Deficiency Sub-Ledger**" One of the three sub-ledgers of the Principal Deficiency Ledger, being the sub-ledger which records any principal deficiency in respect of the Seller's Note.

"**Seller's Note Principal Portion**" See "*Credit Structure and Cashflows - Application of Available Principal Receipts while no Asset Trigger Event has occurred and/or no Non-Asset Trigger Event is continuing and prior to the delivery of an Enforcement Notice* ".

"**Seller's Note Post-Enforcement Portion**" See "*Credit Structure and Cashflows - Application of available funds following the delivery of an Enforcement Notice*".

"**Seller's Note Revenue Percentage**" means:

(i) (a) prior to the Calculation Date falling in December 2024 or (b) if there has been no issuance of the Class A Note, Class Z(S)) VFN or Seller's Note during the Payment Period immediately prior to such Calculation Date, the ratio which will be calculated in accordance with the following formula, expressed as a percentage:

$$A/B$$

where:

A = the aggregate, as at the relevant Calculation Date of the Sterling Equivalent Principal Amount Outstanding of the Seller's Note then outstanding under the Programme; and

B = the aggregate, as at the relevant Calculation Date of the Sterling Equivalent Principal Amount Outstanding of each of the Class A Notes, the Class Z(S) VFN and the Seller's Note then outstanding under the Programme; or

(ii) on and after the Calculation Date falling in December 2024, if there has been an issuance of either the Class A Note, Class Z(S)) VFN or Seller's Note during the Payment Period immediately prior

to such Calculation Date, the ratio which will be calculated in accordance with the following formula, expressed as a percentage:

$$\left(\left(\frac{\mathrm{A}}{\mathrm{B}}\right) x \left(\frac{C}{D}\right)\right) + (\left(\frac{E}{F}\right) x \left(\frac{G}{D}\right))$$

where:

A = the aggregate, immediately prior to the issuance of such Notes, of the Sterling Equivalent Principal Amount Outstanding of the Seller's Note, then outstanding under the Programme;

B = the aggregate, immediately prior to the issuance of such Notes of the Sterling Equivalent Principal Amount Outstanding of each of the Class A Notes, the Class Z(S) VFN and the Seller's Note, then outstanding under the Programme;

C = the equivalent number of days during the Calculation Period up to but excluding the date of such issuance, which is calculated in accordance with the following formula:

$$\left(\frac{X}{Y}\right) x\ Z$$

where:

X = the number of days during the Payment Period up to, but excluding the date of issuance;

Y = the number of during the relevant Payment Period; and

Z = the number of days during the Calculation Period which ends in such Payment Period.

D = the number of days in the Calculation Period which ends in such Payment Period;

E = the aggregate, as at the relevant Calculation Date of such Notes of the Sterling Equivalent Principal Amount Outstanding of the Seller's Note, then outstanding under the Programme;

F = the aggregate, as at the relevant Calculation Date of such Notes of the Sterling Equivalent Principal Amount Outstanding of each of the Class A Notes, the Class Z(S) VFN and the Seller's Note, then outstanding under the Programme; and

G = the equivalent number of days remaining in the Calculation Period from and including the date of such issuance which is calculated in accordance with the following formula:

$$(1 - \left(\frac{X}{Y}\right))x\ Z$$

where:

X = the number of days during the Payment Period up to, but excluding the date of issuance;

Y = the number of during the relevant Payment Period; and

Z = the number of days during the Calculation Period which ends in such Payment Period.

"**Seller's Note Revenue Portion**"	See "*Credit Structure and Cashflows – Available Revenue Receipts*".
"**Seller's Policy**"	The originating, lending and underwriting, administration, arrears and enforcement policies and procedures which are applied from time to time by the Seller to mortgage loans and their Related Security for their repayment which are beneficially owned solely by the Seller and which may be amended by the Seller from time to time.
"**Senior Fees and Expenses**"	The amounts referred to in items (i) to (iv) of the Pre-Enforcement Revenue Priority of Payments.
"**Servicer**"	Coventry Building Society, or such other person or persons for the time being acting as servicer pursuant to the terms of the Servicing Agreement.
"**Servicer Records**"	The original and/or any copies of all documents and records, in whatever form or medium, relating to the Services including all computer tapes, files and discs relating to the Services.
"**Servicer Termination Event**"	Any of the events described under "*The Servicer and the Servicing Agreement – Removal or Resignation of the Servicer*".
"**Servicing Agreement**"	The servicing agreement entered into on the Programme Date, among the Servicer, the Issuer, the Seller, the Back-up Servicer Facilitator and the Security Trustee which provides for the administration of the Mortgage Loans in the Mortgage Portfolio, as amended, restated, supplemented or otherwise modified or replaced and in effect from time to time, as further described under "*The Servicer and the Servicing Agreement*".
"**Share Trust Deed**"	The share trust deed signed by the Share Trustee on 6 May 2020 in relation to the shares in Holdings.
"**Share Trustee**"	CSC Corporate Services (UK) Limited as share trustee under the Share Trust Deed.
"**Soft Bullet Cash Accumulation Requirement**"	The amount calculated for each Class of Soft Bullet Redemption Notes in a Cash Accumulation Period as (a) the Sterling Equivalent Principal Amount Outstanding of each Series of Soft Bullet Redemption Notes that is within a Cash Accumulation Period, less (b) the amount standing to the credit of each Cash Accumulation Ledger at the last Payment Date (which amount was not

	to be distributed on that Payment Date to fund the repayment of any Series of Soft Bullet Redemption Notes).
"**Soft Bullet Final Redemption Date**"	For any Series and Class of Soft Bullet Redemption Notes, the Note Payment Date specified as such for such Series and Class of Notes in the applicable Final Terms.
"**Soft Bullet Scheduled Redemption Date**"	For any Series and Class of Soft Bullet Redemption Notes, the Note Payment Date specified as such for such Series and Class of Notes in the applicable Final Terms.
"**Soft Bullet Redemption Notes**"	Any Bullet Redemption Notes specified as such in the applicable Final Terms.
"**SONIA**"	The Sterling Overnight Index Average.
"**Specified Currency**"	Subject to any applicable legal or regulatory restrictions, Euro, Sterling, US Dollars and such other currency or currencies for any Series of Class A Notes as may be agreed from time to time by the Issuer, the relevant Dealer(s), the Principal Paying Agent and specified in the applicable Final Terms.
"**Specified Currency Exchange Rate**"	In relation to a Series and Class of Non-Sterling Notes, the Original Exchange Rate or, if the Original Currency Swap has been terminated, the Spot Rate or, if a Replacement Currency Swap Agreement has been entered into, the Replacement Exchange Rate.
"**Specified Denomination**"	In respect of any Series and Class of Notes, the denomination specified as such for such Notes in the applicable Final Terms, which will be no less than £100,000 or, in respect of any note issued which has a maturity of less than a year, £100,000 (or, in each case, its equivalent in the relevant currencies as at the date of issue of such Notes).
"**Standard Mortgage Documentation**"	The standard documentation referred to in Exhibit 1 (*Standard Documentation*) to the Mortgage Sale Agreement or, in each case, any update or replacement therefor as the Seller may from time to time introduce acting in accordance with the standards of a Prudent Mortgage Lender.
"**Standard Permitted Investments**"	Investments falling within paragraph (a) of the definition of "Authorised Investments".
"**Standard Security**" or "**standard security**"	A standard security as defined in Part II of the Conveyancing and Feudal Reform (Scotland) Act 1970.
"**Step-Up Date**"	In respect of any Series and Class of Notes, the Payment Date specified as such for such Notes in the applicable Final Terms.

"**Sterling Equivalent**"	In relation to any Note which is denominated in (a) a Specified Currency other than Sterling, the Sterling equivalent of such amount ascertained using the Original Exchange Rate and (b) Sterling, the applicable amount in Sterling.
"**Sterling Equivalent Principal Amount Outstanding**"	In relation to any Sterling Note, the Principal Amount Outstanding of that Note and, in relation to any Non-Sterling Notes: (a) if the Original Currency Swap Agreement has not terminated early, the Sterling Equivalent of the Principal Amount Outstanding of such Non-Sterling Notes converted at the Original Exchange Rate (and rounded to the nearest whole penny); or (b) if the Original Currency Swap Agreement has terminated early (and irrespective of whether a replacement Currency Swap Agreement has been entered into), the Deemed Principal Amount Outstanding, as calculated by the Cash Manager.
"**Sterling Equivalent Redemption Date**"	The Payment Date on which the Sterling Equivalent Principal Amount Outstanding of any Non-Sterling Notes is zero.
"**Sterling Note**"	Any Note whose Specified Currency is Sterling.
"**Sub-Class**"	Any Sub-Class of a Class of Notes.
"**Sub-Series**"	A sub-series of Class A Notes which are identical in all respects (including as to listing and admission to trading) except for their respective Issuance Dates, Interest Commencement Dates and/or issue prices with all other Class A Notes of the Series of which it is a part.
"**Subordination Deficit**"	Will occur where the Actual Subordination Amount, after the application of Available Principal Receipts in accordance with the relevant Priority of Payments on the immediately succeeding Payment Date, will be less than the Required Subordination Amount.
"**Subscription Agreement**"	With respect to each Series of Notes, the subscription agreement in such form as may be agreed between the Issuer, the Joint Arrangers and Dealer(s) for such Series of Notes.
"**Subsidiary**"	A subsidiary within the meaning of section 1159 of and schedule 6 to the Companies Act 2006, and unless the context otherwise requires, a subsidiary undertaking within the meaning of section 1162 of and schedule 7 to the Companies Act 2006.
"**Supplemental Trust Deed**"	In relation to each Series of Notes (other than the Notes issued on the First Closing Date) and each Sub-Series of Class A Notes, the supplemental trust deed entered into on or about the date of issue of such Series of Notes or Sub-Series of Class A Notes between the Issuer and the Note Trustee constituting the relevant Series of Notes or Sub-Series of Class A Notes, as amended, restated, supplemented or otherwise modified or replaced and in effect from time to time.

"**Swap Agreements**"	Each Interest Rate Swap Agreement and each Currency Swap Agreement.
"**Swap Calculation Period**"	(Other than the first Swap Calculation Period in respect of each Swap Agreement), 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 in respect of each Swap Agreement, means the period commencing on (and including) the Closing Date for the relevant Sub-Series of Class A Notes and ending on (but excluding) the Swap Payment Date immediately after such Closing Date.
"**Swap Collateral**"	At any time, any asset (including, without limitation, cash and/or debt securities) which is paid or transferred by a Swap Counterparty to, or held by, the Issuer as collateral to support the performance by such Swap Counterparty of its obligations under the relevant Swap Agreement together with any income or distributions received in respect of such asset (if the Issuer is entitled to retain the same).
"**Swap Collateral Account**"	(i) In the case of Swap Collateral in the form of cash, any cash account opened in the name of the Issuer for the purpose of holding such Swap Collateral and maintained in accordance with the Swap Collateral Account Bank Agreement, and/or as relevant (ii) in the case of Swap Collateral in the form of securities, any securities custody account opened in the name of the Issuer for the purpose of holding such Swap Collateral and maintained in accordance with the Swap Collateral Custody Agreement.
"**Swap Collateral Account Bank**"	Citibank, N.A., London Branch, or any successor or replacement swap collateral account bank appointed pursuant to the Swap Collateral Account Bank Agreement.
"**Swap Collateral Account Bank Agreement**"	The agreement entered into on the Programme Date, as amended, restated, supplemented or otherwise modified or replaced and in effect from time to time, between, among others, the Issuer, the Swap Collateral Account Bank and the Security Trustee which provides for the operation of the accounts named therein.
"**Swap Collateral Account Surplus**"	The amounts applied as Available Revenue Receipts pursuant to the Swap Collateral Account Priority of Payments.
"**Swap Collateral Available Amounts**"	At any time in respect of a Swap Agreement, the amount of Swap Collateral standing to the credit of the relevant Swap Collateral Ledger following the return of any Swap Collateral Excluded Amounts to the relevant Swap Counterparty after the termination of the relevant Swap Agreement.
"**Swap Collateral Custody Account**"	Any securities custody account held with the Custodian (or any replacement thereof or successor thereto) and opened pursuant to the Swap Collateral Custody Agreement.
"**Swap Collateral**	The custody agreement entered into on the Programme Date, as amended, restated, supplemented or otherwise modified or replaced and in effect from time to time, between, among others, the Issuer, the Custodian and the

Custody Agreement"	Security Trustee which provides for the operation of the securities account(s) named therein opened in relation to any Swap Collateral held in the form of securities.
"**Swap Collateral Excluded Amounts**"	At any time in respect of a Swap Agreement, the amount of Swap Collateral standing to the credit of the relevant Swap Collateral Ledger, which is required at such time, in accordance with the terms of the relevant Swap Agreement, to satisfy the Issuer's obligations to the relevant Swap Counterparty, including swap collateral which is to be returned to the relevant Swap Counterparty as a return amount (as defined in the relevant Swap Agreement) from time to time in accordance with the terms of the relevant Swap Agreement and, ultimately upon termination of such relevant Swap Agreement, to make a payment of any termination payment owed to the relevant Swap Counterparty.
"**Swap Collateral Ledger**"	The Interest Rate Swap Collateral Ledger or the Currency Swap Collateral Ledger (as the case may be).
"**Swap Counterparties**"	Each Interest Rate Swap Counterparty and each Currency Swap Counterparty, or any one of them as the context requires.
"**Swap Counterparty Default**"	(a) The occurrence of an event of default (as defined in the relevant Swap Agreement) where the relevant Swap Counterparty is the defaulting party (as defined in the relevant Swap Agreement); or (b) the occurrence of an additional termination event (as defined in the relevant Swap Agreement) as a result of the failure by the relevant Swap Counterparty to remedy a swap downgrade event in accordance with the relevant Swap Agreement where the relevant Swap Counterparty is the sole affected party (as defined in the relevant Swap Agreement); or (c) if applicable, the additional tax representation (as defined in the relevant Swap Agreement) proving to be incorrect or misleading in any material respect as a result of any action and/or any omission to take action by the relevant Swap Counterparty which could have prevented such breach of representation.
"**Swap Counterparty Downgrade Event**"	The occurrence of an Additional Termination Event (as defined in the relevant Swap Agreement) following the failure by a Swap Counterparty to comply with the requirements of the ratings downgrade provisions set out in the relevant Swap Agreement.
"**Swap Early Termination Event**"	Any early termination event under any Swap, as described in "*The Swap Agreements*".
"**Swap Excess Reserve Account**"	Each account to be opened by the Cash Manager in the name of the Issuer with an Account Bank as soon as reasonably practicable following the termination of the Original Currency Swap Agreement with respect to any Non-Sterling Notes.

"**Swap Excluded Termination Amount**"	The Interest Rate Swap Excluded Termination Amount or the Currency Swap Excluded Termination Amount, as relevant.
"**Swap Funding Note Percentage**"	In respect of each Monthly Calculation Date or each Issuance Date, in the event the Issuer issues Notes (including any Sub-Series of Class A Notes) which does not coincide with a day that is a Payment Date, the portion of the Fixed Rate Loans in the Mortgage Portfolio attributable to the Relevant Class A Notes, determined on the basis of the following formula (and expressed as a percentage): (A + B) / C where: A = the aggregate, as at the Monthly Calculation Date or as at the Issuance Date, in the event the Issuer issues Notes (including any Sub-Series of Class A Notes) which does not coincide with a day that is a Payment Date, of the Sterling Equivalent Principal Amount Outstanding of the Class A Notes that are hedged by the corresponding Interest Rate Swap Agreement (the "**Relevant Class A Notes**"); B = for so long as the Sterling Equivalent Principal Amount Outstanding of the Relevant Class A Notes as at the Monthly Calculation Date or as at the Issuance Date, in the event the Issuer issues Notes (including any Sub-Series of Class A Notes) which does not coincide with a day that is a Payment Date is greater than zero, an amount determined on the basis of the following formula: X * (Y/Z) where: X = the Required Subordination Amount, as at the corresponding Monthly Calculation Date or as at the Issuance Date, in the event the Issuer issues Notes (including any Sub-Series of Class A Notes) which does not coincide with a day that is a Payment Date; Y = the Sterling Equivalent Principal Amount Outstanding of the Relevant Class A Notes as at Issuance Date of the Relevant Class A Notes; and Z = the aggregate of the Sterling Equivalent Principal Amount Outstanding of all Class A Notes then outstanding under the Programme as at the Issuance Date of the Relevant Class A Notes, and thereafter, zero; and C = the aggregate, as at the Monthly Calculation Date or as at the Issuance Date, in the event the Issuer issues Notes (including any Sub-Series of Class A Notes) which does not coincide with a day that is a Payment Date, of the Sterling Equivalent Principal Amount Outstanding of all Class A Notes, Seller's Notes and Class Z(S) VFN then outstanding under the Programme.

"**Swap Payment Date**"	Such day of each calendar month as specified in a confirmation entered into pursuant to the relevant Swap Agreement and ending on the termination date of the relevant swap transaction, in each case subject to adjustment in accordance with the following business day convention as set out in the relevant Swap Agreement.
"**Swap Replacement Premium**"	Any payment received from a replacement Swap Counterparty in order to enter into a replacement Swap Agreement with such replacement Swap Counterparty replacing a Swap Agreement.
"**Swap Tax Credits**"	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 a Swap Counterparty to the Issuer under the terms of the Swap Agreement.
"**Swap Termination Payment**"	The amount payable because of a Swap Early Termination Event.
"**Swaps**"	The Interest Rate Swaps and the Currency Swaps, or any of them as the context requires.
"**Switch Date**"	The date of the grant of a Product Switch.
"**Target Balance**"	For any Series and Class of Controlled Amortisation Notes, the amount (if any) for each Note Payment Date specified as such in the applicable Final Terms, or, if no such amount is specified, the total initial Principal Amount Outstanding of the relevant Controlled Amortisation Notes as at their Issuance Date, multiplied by the percentage of the aggregate Principal Amount Outstanding specified for each Note Payment Date in the applicable Final Terms.
"**TARGET Business Day**"	A day on which the Trans-European Automated Real-time Gross settlement Express (TARGET) system is open.
"**Tax**"	Any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed or levied by or on behalf of any Tax Authority and "**Taxes**", "**taxation**", "**taxable**" and comparable expressions will be construed accordingly.
"**Tax Authority**"	Any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world including, without limitation, His Majesty's Revenue and Customs.
"**Tender Agent**"	For a Series and Class of Money Market Notes, the Agent appointed to act as tender agent in respect of such Notes pursuant to the terms of the applicable Remarketing Agreement.
"**Title Deeds**"	For each Mortgage Loan and its Related Security and the Mortgaged Property relating to it, all conveyancing deeds and documents which make up the title to the Mortgaged Property and the security for the Mortgage Loan and all

	searches and inquiries undertaken in connection with the grant by the Borrower of the related Mortgage.
"**Tracker Rate Mortgage Loan**"	A Mortgage Loan to the extent that, and for such period that, its Mortgage Conditions provide that it is subject to a rate of interest linked to or tracking a rate set by the Bank of England and, at the expiration of that period, generally converts to a Variable Rate Mortgage Loan or any other rate as specified in the relevant Mortgage Conditions.
"**Transaction Accounts**"	The First Transaction Account and the Second Transaction Account, any additional or replacement transaction account or any of them as the context requires.
"**Transaction Documents**"	In relation to a Series and Class of Notes, each Programme Document and each Programme Issuance Document relevant to such Series and Class of Notes.
"**Transaction Party**"	Each of the Issuer, the Joint Arrangers, the Dealers, Holdings, the Note Trustee, the Security Trustee, the Principal Paying Agent, the Agent Bank, the US Paying Agent, the Registrar, the Second Account Bank, the Custodian, the Exchange and Transfer Agent, the Seller, the Servicer, the Cash Manager, the First Account Bank, the VFN Registrar, each Interest Rate Swap Counterparty, each Currency Swap Counterparty, the Rule 17g-5 Information Provider, the Collection Account Bank, the Corporate Services Provider, the Back-up Servicer Facilitator, the Swap Collateral Account Bank or any of their respective affiliates.
"**Trust Deed**"	The trust deed entered into on the Programme Date between the Issuer and the Note Trustee constituting the Notes, as amended, restated, supplemented or otherwise modified or replaced and in effect from time to time.
"**UK CRA Regulation**"	Regulation (EU) No. 1060/2009 (as amended) as it forms part of the domestic law of the UK by virtue of the Withdrawal Act.
"**UK CRR Amendment Regulation**"	Regulation (EU) 2017/2401 as it forms part of the domestic law of the UK by virtue of the Withdrawal Act.
"**UK CRR Regulation**"	Regulation (EU) No. 575/2013 as it forms part of the domestic law of the UK by virtue of the Withdrawal Act and as amended by the UK CRR Amending Regulation.
"**UK Government's Mortgage Guarantee Scheme**"	The mortgage guarantee scheme announced by the UK Government on 3 March 2021
"**UK Government Securities**"	Sterling gilt-edged securities and/or Sterling treasury bills.
"**UK Investor Report**"	The monthly investor report or reports delivered within one month of each Payment Date containing information required by (i) prior to the Recast UK Securitisation Regime Effective Date, Article 7(1)(e) of the UK Securitisation

	Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, in particular, Article 7(1)(e) of Chapter 2 of the PRA Securitisation Rules.
"**UK LCR Regulation**"	LCR Regulation as it forms part of the domestic law of the UK by virtue of the Withdrawal Act.
"**UK Loan Level Report**"	A report containing certain loan-by-loan information in relation to the Mortgage Portfolio delivered simultaneously with the UK Investor Report each month as required by (i) prior to the Recast UK Securitisation Regime Effective Date, Article 7(1)(a) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime, in particular, Article 7(1)(a) of Chapter 2 of the PRA Securitisation Rules.
"**UK Prospectus Regulation**"	Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC, as it forms part of the domestic law of the UK by virtue of the Withdrawal Act.
"**UK Prospectus Rules**"	The rules published by the FCA and contained in the Prospectus Rules sourcebook.
"**UK Risk Retention Requirements**"	The requirements set out in (i) prior to the Recast UK Securitisation Regime Effective Date, Article 6(1) of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, Article 6(1) of Chapter 2 of the PRA Securitisation Rules, for the originator of a securitisation to retain, on an ongoing basis, a material net economic interest in the securitisation of not less than five per cent.
"**UK Securitisation Regulation**"	The EU Securitisation Regulation as it forms part of the domestic law of the UK by virtue of the Withdrawal Act and as amended by the Securitisation (Amendment) (EU Exit) Regulations 2019 (SI 2019/660) including the UK Securitisation Rules applicable from time to time in the UK.
"**UK Securitisation Regulation SI (2024)**"	Securitisation Regulations 2024 (SI 2024/102) (as amended by the Securitisation (Amendment) Regulations 2024).
"**UK Securitisation Repository Website**"	Being eurodw.co.uk, a securitisation repository registered under (i) prior to the Recast UK Securitisation Regime Effective Date, Article 10 of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Effective Date, (ii) Regulation 14 of the UK Securitisation Regulation SI (2024) appearing on the register of securitisation repositories maintained by the FCA pursuant to Regulation 17 of the UK Securitisation Regulation SI (2024), in each case as appointed by the Issuer in relation to the Notes.
"**UK Securitisation Rules**"	(a) applicable regulatory and/or implementing technical standards or delegated regulation or binding technical standards made under the UK Securitisation Regulation (including any applicable transitional provisions); and/or (b) any relevant standstill decisions, guidance and policy statements

	relating to the application of the UK Securitisation Regulation published by the FCA, the PRA, the Bank of England or other relevant UK regulator (or their successor); and/or (c) any applicable laws, regulations, rules, guidance relating to the application of the UK Securitisation Regulation, as amended, modified, supplemented, varied or substituted from time to time.
"**UK Solvency II**"	The Solvency II regime applicable to the UK, comprising the Solvency II Regulations 2015, the Rulebook of the Prudential Regulation Authority, and Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, in each case as they form part of the current domestic law of the UK by virtue of the Withdrawal Act and secondary legislation made under it (including but not limited to The Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019), in each case, as amended, including by the Withdrawal Act.
"**UK STS Criteria Requirements**"	The requirements set out in (i) prior to the Recast UK Securitisation Regime Effective Date, Articles 19 to 22 of the UK Securitisation Regulation, and (ii) on and from the Recast UK Securitisation Regime Effective Date, the Recast UK Securitisation Regime and SECN 2.2.2R - 2.2.29R (inclusive), in accordance with which a securitisation transaction may qualify as a simple, transparent and standardised securitisation under (prior to the Recast UK Securitisation Regime Effective Date) the UK Securitisation Regulation, or (on and from the Recast UK Securitisation Regime Effective Date) the Recast UK Securitisation Regime.
"**Underpayment**"	A situation where a Borrower makes a monthly payment on its Mortgage Loan which is less than the required monthly payment for that month.
"**United Kingdom**" or "**UK**"	The United Kingdom of Great Britain and Northern Ireland.
"**United States**"	The United States of America.
"**US Credit Risk Retention Requirements**"	The risk retention requirements under Section 15G of the Exchange Act and regulations promulgated thereunder.
"**US Person**"	A US person (as defined in Regulation S).
"**Valuation Percentage**"	The purchase price under the Reverse Repo transaction divided by the market value of such UK Government Securities.
"**Valuation Report**"	The valuation report or reports for mortgage purposes, in the form of the pro-forma contained in the Standard Documentation, obtained by the Seller from a Valuer in respect of a Mortgaged Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a reasonable prudent mortgage lender.
"**Valuer**"	An Associate or Fellow of the Royal Institution of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers who was at the relevant times either a member of a firm which was on the list of Valuers approved by or on behalf of the Seller from time to time or an Associate or Fellow of the Royal Institute of Chartered Surveyors or the Incorporated Society of Valuers

	and Auctioneers employed in-house by the Seller and acting for the Seller in respect of the valuation of a Mortgaged Property.
"**Variable Rate Mortgage Loan**"	A Mortgage Loan which is subject to a rate of interest linked to the CBS Standard Variable Rate, or the Issuer Standard Variable Rate, as the case may be, for the remaining life of the Mortgage Loan or until an alternative product that the Borrower qualifies for is selected by that Borrower.
"**VAT**"	Value added tax imposed by VATA and legislation and regulations supplemental thereto and includes any other tax of a similar fiscal nature whether imposed in the United Kingdom (instead of or in addition to value added tax) or elsewhere from time to time.
"**VATA**"	Value Added Tax Act 1994.
"**VFN**"	Each of the Seller's Note, the Class Z(R) VFN and Class Z(S) VFN, and "**VFNs**" means all of them together.
"**VFN Enforcement Notice**"	An enforcement notice served under Condition 9(c) (*Class Z VFN Holder*).
"**VFN Holder**"	Coventry Building Society in its capacity as holder of the Class Z(S) VFNs and the Seller's Note.
"**VFN Register**"	The register of the holders of the Class Z VFNs and the Seller's Note maintained by the VFN Registrar.
"**VFN Registrar**"	Coventry Building Society or any successor VFN registrar appointed pursuant to the provisions of the Agency Agreement.
"**Withdrawal Act**"	European Union (Withdrawal) Act 2018 and secondary legislation made under it, in each case, as amended, including by the European Union (Withdrawal Agreement) Act 2020

APPENDIX 1
FORM OF FINAL TERMS

IMPORTANT – PROHIBITION OF SALES TO EEA INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**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 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 ("**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 by virtue of the European Union (Withdrawal) Act 2018 and secondary legislation made under it, in each case, as amended, including by the European Union (Withdrawal Agreement) Act 2020 (the "**Withdrawal Act**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**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 UK MiFIR. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the Withdrawal Act (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.

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 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, "**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 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 has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the Withdrawal Act ("**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.

Appendix 1
Form of Final Terms

Final Terms

dated [*date*]

(to the base prospectus dated [●][, as supplemented by the prospectus supplement dated [•]])

Economic Master Issuer PLC

(*incorporated with limited liability under the laws of England and Wales, registered number 12341676 and LEI 635400KXONN4J3OEOG29*)

Issue of [[Sub-Series [•] of] Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note]
under its Residential Mortgage-Backed Note Programme

The [[Sub-Series [•] of] Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note] will comprise the following Notes:

									Ratings			
Class	**Series**	**Sub-Series**	**Currency**	**Initial Principal Amount**	**[Maximum Principal Amount**	**Interest Rate**	**Final Maturity Date**	**Issue Price**	**Fitch**	**Moody's**	**Standard & Poor's**	**DBRS**
[A]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note]	[•]	[•]	[•]	[•]	[•]]	[•]	The Note Payment Date falling in [•]	[•] %	[•]	[•]	[•]	[•]

Terms used herein will be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [•] [as supplemented by the prospectus supplement dated [•]] (the "**Base Prospectus**") which constitutes a 'base prospectus' for the purposes of Regulation 2017/1129 as it forms part of the domestic law of the UK by virtue of the Withdrawal Act (the "**UK Prospectus Regulation**"). This document is not a prospectus for the purposes of Section 12(a)(2) or any other provision or rule under the US Securities Act of 1933, as amended (the "**Securities Act**"). This document constitutes the Final Terms of the [[Sub-Series [•] of] Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note] described herein for the purposes of Article 8 of the UK Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the [[Sub-Series [•] of] Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note] is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the offices of the Paying Agent at Citigroup Centre, Canada Square, London E14 5LB and the offices of the Dealer(s) and copies are available at the registered address of the Issuer at 10th Floor, 5 Churchill Place, London, England, E14 5HU. These Final Terms may be used to offer and sell the [[Sub-Series [•] of] Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note] only if accompanied by the Base Prospectus.

The [[Sub-Series [•] of]Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note] have 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 may not be offered, sold or delivered within the United States or to "**US persons**" (as defined in Regulation S of the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The [[Sub-Series [•] of]Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note] may only be offered, sold or delivered [[to non-US persons (as defined in Regulation S) outside the United States in reliance on Regulation S (the "**Regulation S Notes**")] / [to persons that are "qualified institutional buyers" (each a "**QIB**") in reliance on Rule 144A under the Securities Act ("**Rule 144A**") (the "**Rule 144A Notes**")]].

Appendix 1
Form of Final Terms

An application has been made for the [[Sub-Series [•] of]Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note] to be admitted to the Official List and application has been made to the London Stock Exchange for the [[Sub-Series [•] of] Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note] to be admitted to trading on its regulated market.

The Base Prospectus, its supplements and the Final Terms will be made available in electronic form on the website of the regulated market of the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

[Joint] Arrangers

[HSBC] [Lloyds Bank Corporate Markets]

Dealer[s]

[•] [•]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set out in the [Trust Deed dated 31 July 2020]/[Supplemental Trust Deed dated [•]] and set forth in the Base Prospectus dated [[•]]/[•] (the "**Conditions**"). The following are the specific terms and conditions relating to the [[Sub-Series [•] of] Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note] and form part of the Conditions as applied to the [[Sub-Series [•] of]Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note] (and solely with respect to the [[Sub-Series [•] of]Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note]) by the [Trust Deed]/[Supplemental Trust Deed] and constitute the final terms of the [[Sub-Series [•] of] Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note] for the purposes of Article 8 of the UK Prospectus Regulation.

1. **Issue of the Notes**

(a) ***Issuer***

Economic Master Issuer PLC.

(b) ***Series***

[Series [•]]/[Not applicable].

(c) ***Sub-Series***

[•] [(to be fungible with and form a single series with [•] per cent. Series [•] Class A Notes due [•] issued on [•].

(d) ***Closing date***

[•] 20[•].

(e) ***Initial principal amount***

Notes	**Initial principal amount**
[Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note].	[•]
[Sub-Series [•] of Series [•] Class A Notes]	[•]

(f) ***Issue price***

[•] per cent.

(g) ***Ratings***

In respect of Class A Notes:

The Class A Notes to be issued are expected to be rated:

Notes	Ratings			
	Moody's	Fitch	Standard & Poor's	DBRS
Series [•] Class A Notes	[•]	[•]	[•]	[•]

In respect of Class Z(S) VFN, Class Z(R) VFN or the Seller's Note:

Not applicable.

(h) ***Selling restrictions***

The [Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note] may be offered and sold only in compliance with applicable laws and regulations. See "*Subscription and Sale and Transfer and Selling Restrictions – Transfer Restrictions*" in the Base Prospectus.

(i) ***Simple, Transparent and Standardised Securitisation***

[The Seller (as originator for the purposes of the Recast UK Securitisation Regime), [has]/[has not] procured a UK STS Notification to be submitted to the FCA, in accordance with the Recast UK Securitisation Regime, in particular, SECN 2.5 and Regulation 10(1) of the UK Securitisation Regulation SI (2024), confirming that the UK STS Criteria Requirements have been satisfied with respect to the [Series [•] Class A Notes]. See "*Recast UK Securitisation Regime*" below.]

(j) ***Liability cashflow model***

Coventry Building Society (in its capacity as Seller) will make available a liability cashflow model [directly]/[through the EuroABS (https://www.euroabs.com/), being an entity which provides such liability cashflow models to investors generally].

2. **Form and holding of the Notes**

(a) ***Regulation S Notes [and Rule 144A Notes]***

In respect of Class A Notes:

[Regulation S Global Note Certificates [are registered in the name of a nominee of a Common Depositary for Euroclear and Clearstream, Luxembourg] / [are held under the NSS and registered in the name of the Common Safekeeper (or its nominee) for Euroclear and Clearstream, Luxembourg].

[Rule 144A Global Note Certificate [denominated in a currency other than US Dollars] [are registered in the name of a nominee of a Common Depositary for Euroclear and Clearstream, Luxembourg] / [are held under the NSS and registered in the name of the Common Safekeeper (or its nominee) for Euroclear and Clearstream, Luxembourg].

[Rule 144A Global Note Certificate [denominated in US Dollars] are registered in the name of Cede & Co. as nominee of DTC, and will be deposited with the DTC Custodian, on or about the relevant Closing Date].

In respect of Class Z(S) VFN, Class Z(R) VFN or the Seller's Note:

The [Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note] is issued in definitive form and represented by Regulation S Individual Note Certificate.

(b) ***Specified Currency***

[•].

(c) ***Specified Denominations***

[•] and integral multiples of [•] in excess thereof.

(d) ***Additional Business Centre(s)***

[Chicago / Los Angeles / Brussels / Toronto / Beijing / Shanghai / Hong Kong / Frankfurt / Milan / Paris / Dublin / Tokyo / St Helier / Seoul / Oslo / Singapore / Madrid / Stockholm / Taipei]/[N/A].

(e) ***Any clearing system(s) other than DTC, Euroclear, or Clearstream, Luxembourg***

In respect of the Class A Notes:

[Not applicable / SIX Swiss Exchange].

In respect of the Class Z(S) VFN, Class Z(R) VFN and the Seller's Note:

Not applicable.

(f) ***Additional Paying Agent(s)***

[Not applicable]/[•].

(g) ***Method of Syndication***

[Non-syndicated]/[•].

(h) ***Delivery***

[Against]/[Free of] payment.

(i) ***Clearing System Codes***

In respect of Class A Notes:

Notes	**CUSIP number**	**Common code**	**ISIN**	**[FISN]**	**[CFI]**	**[other]**
Series [•] Class A Notes.....	[•]	[•]	[•]	[•]	[•]	[•]

The Clearing System Codes in the table above are temporary and are to be consolidated and form a single series with the following codes:

Notes	**CUSIP number**	**Common code**	**ISIN**	**[FISN]**	**[CFI]**	**[other]**
Class A Notes	[•]	[•]	[•]	[•]	[•]	[•]

In respect of Class Z(S) VFN, Class Z(R) VFN or the Seller's Note:

Not applicable.

(j) ***Listing***

[London]/[•].

(k) ***Estimate of total expenses related to admission to trading***

£[•].

3. **Interest on the [Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note]**

(a) ***Interest Commencement Date***

[•].

(b) ***Fixed Rate Note provisions***

[The Fixed Rate Note provisions are applicable]/[Not applicable].

(i) *Rates of interest*

Notes	**Rate of interest**
Series [•] Class A Notes	[•]

(ii) *Note Payment Dates*

The Payment Date falling in [•] up to and including the Final Maturity Date.

(iii) *Fixed Coupon Amounts*

Notes	**Fixed coupon amounts**
Series [•] Class A Notes	[•] per [•] in nominal amount

(iv) *Broken Amounts*

Notes	**Broken amount**
Series [•] Class A Notes	[•]

(v) *Day Count Fraction*

[Actual/Actual - ICMA]/[30/360]/[specify other]].

(vi) *Interest Determination Date(s)*

[•] in each year.

(c) ***Floating Rate Note provisions***

[The floating rate note provisions are applicable]/[Not applicable].

(i) *Note payment dates*

The Payment Date falling in [•] in each year up to and including the Final Maturity Date. The first Note Payment Date will be the Note Payment Date falling in [•].

(ii) *Business Day Convention*

[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[specify other].

(iii) *Screen rate determination*

[The Screen Rate determination provisions are applicable]/[Not applicable].

(A) *Reference Rate*

[Compounded daily] [SONIA]/[EURIBOR]/[€STR]/[SOFR]. Additional information is required if other – including amendment to fallback provisions in the Agency Agreement.

(B) *Interest Determination Date(s)*

If EURIBOR, the second day on which the TARGET System is open prior to the start of each floating interest period.

If [SONIA]/[€STR]/[SOFR], *p* Business Days prior to the end of each Interest Period.

(C) *Relevant Screen Page*

[•].

(D) *Observation method*

[Lag]/[Lock-out]/[Shift],

(E) *Observation Period (p)*

[•] [London Banking Days]/[US Government Securities Business Days]/[TARGET Business Days].

(F) *Index Determination*

[Applicable / Not applicable],

[*Where Index Determination is applicable, "Shift" should be specified as the Observation Method*]

(iv) *ISDA determination*

[The ISDA determination provisions are applicable]/[Not applicable].

(A) *Floating Rate Option*

[•].

(B) *Designated maturity*

[•].

(C) *Reset date*

[•].

(D) *ISDA Definitions*

[•].

(v) *Margin(s)*

Notes	Margin for each floating interest period up to (but excluding) the Step-Up Date	Margin for each floating interest period from (and including) the Step-Up Date
[Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note]	[•]	[•]

(vi) *Step-up date*

In respect of Class A Notes:

Notes	Step-up date – the Note Payment Date falling in
Series [•] Class A Notes	[•]

In respect of Class Z(S) VFN, Class Z(R) VFN or the Seller's Note:

N/A.

(vii) *Maximum rate of interest and minimum rate of interest*

	Minimum Rate of Interest		Maximum Rate of Interest	
Notes	for each Floating Interest Period up to the Step-Up Date	for Each Floating Interest Period following the Step-Up Date	for Each Floating Interest Period up to the Step-Up Date	for each Floating Interest Period following the Step-Up Date
[Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note].....	0.00%	0.00%	[•]	[•]

(viii) *Day Count Fraction*

[Actual/365]/[Actual/365 (Fixed)]/[Actual/365 Sterling)]/[Actual/360]/[30/360]/[30E/360]/[other].

(ix) *Party responsible for calculating the rate of interest and interest amount (if not the Agent Bank)*

In respect of Class A Notes:

Not applicable.

In respect of Class Z(S) VFN, Class Z(R) VFN or the Seller's Note:

VFN Registrar.

4. **Repayment of the Notes**

(a) ***Type of note***

[Bullet Redemption Notes]/[Controlled Amortisation Notes]/[Pass-Through Redemption Notes].

(b) ***Details relating to Bullet Redemption Notes***

[Applicable (Soft Bullet)]/[Applicable (Hard Bullet)]/[Not applicable]

(i) *[Bullet Redemption Date]*

Notes	**Bullet Redemption Date**
Series [•] Class A Notes	[•]

(ii) *[Soft Bullet Scheduled Redemption Date]*

Notes	**Soft Bullet Scheduled Redemption Date**
Series [•] Class A Notes	[•]

(iii) *[Soft Bullet Final Redemption Date]*

Notes	**Soft Bullet Final Redemption Date**
Series [•] Class A Notes	[•]

(iv) *Bullet Redemption Amount*

Notes	**Bullet Redemption Amount**
Series [•] Class A Notes	[•]

(c) ***Details relating to Controlled Amortisation Notes***

[Applicable]/[Not applicable]

Controlled amortisation dates the Note Payment Date falling in	**% of the aggregate Principal Amount Outstanding as at the issuance date**
[•].....	[•]
[•].....	[•]

(d) ***Details relating to Pass-Through Redemption Notes***

[Applicable]/[Not applicable].

(e) ***Redenomination***

[Applicable]/[Not applicable].

(f) ***Final maturity date***

Notes	**Final maturity date – the Note Payment Date falling in**
[Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note].....	[•]

(g) ***Optional redemption in whole or in part pursuant to Condition 5(e)***

[Applicable]/[Not applicable].

5. **Money Market Notes**

(a) ***Money Market Note Mandatory Transfer Arrangements***

[Money Market Note Mandatory Transfer Arrangements are applicable]/[Not applicable].

(b) ***Name of Remarketing Agent***

[•]/[Not applicable].

(c) ***Name of Conditional Note Purchaser***

[•]/[Not applicable].

(d) ***Money Market Note Mandatory Transfer Dates***

[The Payment Date falling in [•] and each subsequent Payment Date falling in each [•] thereafter]/[Not applicable].

(e) ***Maximum reset margin***

[•]/[Not applicable].

6. **Required Amounts**

In respect of Class A Notes:

(a) ***Required Subordination Percentage***

Notes	Required Subordination Percentage
Class A Notes	[•]%

(b) ***Subordination Percentage at Closing***

Notes	Subordination Percentage
Class A Notes	[•]%

(c) ***Reserve Fund Series Percentage***

[•] per cent.

(d) ***Aggregate Principal Amount Outstanding on Class Z(S) VFN as at Closing Date***

£[•].

(e) ***Aggregate Principal Amount Outstanding on Class Z(R) VFN as at Closing Date***

£[•].

(f) ***Excess Principal Fund Threshold Percentage***

[•] per cent.

(g) ***Minimum Required Retention Amount at Closing***

£[•].

(h) ***Minimum Seller's Note Liquidity Amount***

£[•].

(i) ***Deposit Set off Protection Excess Amount at Closing***

£[•].

(j) ***Minimum Seller's Note Amount at Closing***

£[•].

In respect of the Class Z(S) VFN, Class Z(R) VFN and the Seller's Note:

Not applicable.

7. **Details of the Interest Rate Swaps relating to the Notes**

Specified interest rate payable to the Issuer under the relevant interest rate swap agreement

[•]/[Not applicable].

Interest Rate Swap Counterparty Payment amount

[Periodic Sterling amounts calculated by reference to Compounded Daily SONIA (plus relevant applicable margin]/[Not applicable].

8. **Details of the Currency Swaps relating to the Notes**

Specified currency exchange rate

[•]/[Not applicable].

9. **Cash Accumulation Start Date**

[•]/[Not applicable].

10. **Stabilising Manager(s) (if applicable)**

[•].

11. **Initial Purchase Price**

£[•].

12. **Eurosystem eligibility**

In respect of Class A Notes:

[Yes.

Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting 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 the ECB being satisfied that Eurosystem eligibility criteria have been met.]

/

[No.

Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper). Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

In respect of the Class Z(S) VFN, Class Z(R) VFN and the Seller's Note:

No.

Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper). Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

13. **Bank of England collateral eligibility**

In respect of Class A Notes:

[Yes.

Note that the designation "yes" simply means that the Notes are intended upon issue to constitute eligible collateral for the purposes of Bank of England financing schemes. It does not necessarily mean that the Notes will be recognised as eligible collateral for these purposes either upon issue or at any or all times during their life. Such recognition will depend upon the Bank of England being satisfied that the relevant eligibility criteria have been met.]

/

[No.

Whilst the designation is specified as "no" at the date of these Final Terms, should the Bank of England eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be used as collateral for the purposes of Bank of England financing schemes. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for these purposes at any time during their life. Such recognition will depend upon the Bank of England being satisfied that the relevant eligibility criteria have been met.]

In respect of the Class Z(S) VFN, Class Z(R) VFN and the Seller's Note:

No.

Whilst the designation is specified as "no" at the date of these Final Terms, should the Bank of England eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be used as collateral for the purposes of Bank of England financing schemes. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for these purposes at any time during their life. Such recognition will depend upon the Bank of England being satisfied that the relevant eligibility criteria have been met.

[Remarketing Agents and Conditional Note Purchasers]

[•]/[Not applicable]

[*Delete the following text as appropriate for Class Z(S) VFN, Class Z(R) VFN and the Seller's Note. Keep all options for the Class A Notes.*]

[Class Z(R) VFN

[The [further] drawing under the Class Z(R) VFN to be made to the Issuer on the Closing Date specified herein will be £[•].]

The aggregate Principal Amount Outstanding of the Class Z(R) VFN on the Closing Date specified herein will be £[•].

[Class Z(S) VFN

[The [further] drawing under the Class Z(S) VFN to be made to the Issuer on the Closing Date specified herein will be £[•].]

The aggregate Principal Amount Outstanding of the Class Z(S) VFN on the Closing Date specified herein will be £[•].

[Seller's Note

[The [further] drawing under the Seller's Note to be made to the Issuer on the Closing Date specified herein will be £[•].]

The aggregate Principal Amount Outstanding of the Seller's Note on the Closing Date specified herein will be £[•], representing approximately [•] per cent. of the Notes of all Series calculated on the basis of the Current Balance as at [•]. The actual amount of the Seller's Note as at the Closing Date will not be determined until such Closing Date which will be after the date of these Final Terms.]

Other Series of Notes issued

As of the Closing Date specified herein, the aggregate Principal Amount Outstanding of Notes issued by the Issuer (converted, where applicable, into Sterling at the applicable specified currency exchange rate), including the Notes described herein, will be:

Class A Notes	£[•]
Class Z(R) VFN	£[•]
Class Z(S) VFN	£[•]
Seller's Note	£[•]

Maturity and repayment considerations

[*Delete the following text in respect of Class Z(S) VFN, Class Z(R) VFN and the Seller's Note, and replace it with the following: "*The average life of the [Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note] is subject to factors largely outside the control of the Issuer. For more information relating to the risks involved in the use of these estimated average lives, see "*Risk factors"* in the Base Prospectus.*"*]

The average life of Series [•] Class A Notes refers to the average amount of time that will elapse from a certain date to the date of distribution to the investor of amounts distributed in net reduction of principal of a security to zero (assuming no losses). The average life of Series [•] Class A Notes cannot be stated because the actual rate of repayment of the Mortgage Loans and redemption of the mortgages and a number of other relevant factors are unknown. Calculations of the possible average life of Series [•] Class A Notes can be made, however, based on certain assumptions. The assumptions used to calculate the possible average lives of Series [•] Class A Notes in the following table include that:

(a) the Security is not enforced;

(b) Mortgage Loans are assumed to amortise in accordance with their scheduled payments and assumed constant payment rate indicated in the table below.

(c) no Trigger Event occurs;

(d) no event occurs that would cause payments on each Series [•] of Class A Notes to be deferred;

(e) the Issuer exercises its option to redeem each Series [•] of Class A Notes on the Step-Up Date relating to such Notes;

(f) immediately prior to the amortisation of the Series [•] of Class A Notes, the Mortgage Portfolio is at the size required to maintain the Required Subordination Amount and the Minimum Seller's Note Amount. On the date at which Series [•] of Class A Notes begin to amortise, the portfolio will amortise in line with the existing portfolio;

(g) the Series [•] of Class A Notes are issued on the Closing Date of [•];

(h) each payment made by the Issuer to the Noteholders is paid on the [•]th day of the relevant month in which such payment is payable, regardless of whether such date is a business day (except in relation to the Step-up Date);

(i) the Bank of England Base Rate is equal to [•] per cent., and the CBS Standard Variable Rate is [•] per cent.;

(j) a day count fraction of [•] is utilised in respect of bond and swap payments, and a day count fraction of [•] is utilised in respect of loan payments;

(k) there is a balance of £0 in Cash Accumulation Ledger at the Closing Date;

(l) no interest or fees are paid from any Available Principal Receipts;

(m) the Mortgage Loans are not subject to any defaults or losses, and no Mortgage Loan falls into arrears; and

(n) no further Series of Notes are issued after the Closing Date specified herein.

Based upon the foregoing assumptions, the approximate average lives of the Series [•] Class A Notes, at various constant payment rates for the Mortgage Loans, would be as follows:

Constant payment rate (% per annum)	**Possible average life of the Series [•] Class [•] Notes (in years)**
0%	[•]
5%	[•]
10%	[•]
15%	[•]
20%	[•]
25%	[•]
30%	[•]
35%	[•]

The average life of each Class of the Series [•] Class A Notes is subject to factors largely outside the control of the Issuer and consequently no assurance can be given that these assumptions and estimates are realistic and they must therefore be viewed with considerable caution. For more information relating to the risks involved in the use of these estimated average lives, see "*Risk factors – Effects of prepayments on, or redemptions or repurchases of, the Mortgage Loans on the yield to maturity of the Notes*" in the Base Prospectus.

The Cut-Off Date Mortgage Portfolio

The statistical and other information contained in these Final Terms has been compiled by reference to the Mortgage Loans in the Cut-Off Date Mortgage Portfolio as of [•] (the "**Cut-Off Date**"). The Cut-Off Date Mortgage Portfolio comprised an aggregate Current Balance of £[•]. The Mortgage Loans in the Cut-Off Date Mortgage Portfolio were originated between [•] and [•].

A Mortgage Loan included in the Cut-Off Date Mortgage Portfolio (and which has not already been assigned to the Issuer pursuant to the terms of the Mortgage Sale Agreement) will not be so assigned to the Issuer if, in the period up to (and including) the [Closing Date]/[applicable Assignment Date], it is repaid in full or if it does not comply with the terms of the Mortgage Sale Agreement on or about the Closing Date.

Once the determination has been made as to the anticipated principal amount of the Notes to be issued and the corresponding size of the Mortgage Portfolio that would be required ultimately to support payments on the Notes, the Seller will then randomly select the Mortgage Loans to be assigned to the Issuer on the Closing Date from the Mortgage Loans available to be so assigned on such date. It is expected that the aggregate Current Balance of the loans to be assigned to the Issuer on the [Closing Date]/[applicable Assignment Date] will not exceed £[•].

As at the Closing Date, and at any point thereafter, the Issuer's economic exposure to any single Borrower will not exceed 2 per cent. of the aggregate Current Balance of the Mortgage Loans comprising the Mortgage Portfolio from time to time as required by Article 243(2)(a) of the UK CRR.

As of the Cut-Off Date, [•] per cent. of the aggregate Current Balance of the Mortgage Loans in the Cut-Off Date Mortgage Portfolio were Fixed Rate Mortgage Loans. The remaining [•] per cent. of the aggregate Current Balance of the Mortgage Loans in the Cut-Off Date Mortgage Portfolio as of the Cut-Off Date were [Variable Rate Mortgage Loans, Discount Variable Rate Mortgage Loans, Capped (Variable Rate) Mortgage Loans, Flexx Rate Mortgage Loans or Tracker Rate Mortgage Loans,] as described below.

As of the Cut-Off Date, the CBS Standard Variable Rate was [•] per cent. per annum.

The tables set out in "– *Mortgage portfolio*" show statistical and other information relating to all Mortgage Loans in the Cut-Off Date Mortgage Portfolio as of the Cut-Off Date.

Columns stating percentage amounts may not add up to 100 per cent. due to rounding.

Mortgage portfolio

Original balance

The following table shows the Original Balances of the Mortgage Loans (including Capitalised fees and/or charges, if applicable):

Range of Original Balances (£)	Current Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<5,000	[•]	[•]%	[•]	[•]%
>=5,000 and <10,000	[•]	[•]%	[•]	[•]%
>=10,000 and <25,000	[•]	[•]%	[•]	[•]%
>=25,000 and <50,000	[•]	[•]%	[•]	[•]%
>=50,000 and <75,000	[•]	[•]%	[•]	[•]%
>=75,000 and <100,000	[•]	[•]%	[•]	[•]%
>=100,000 and <150,000	[•]	[•]%	[•]	[•]%
>=150,000 and <200,000	[•]	[•]%	[•]	[•]%
>=200,000 and <250,000	[•]	[•]%	[•]	[•]%
>=250,000 and <300,000	[•]	[•]%	[•]	[•]%
>=300,000 and <350,000	[•]	[•]%	[•]	[•]%
>=350,000 and <400,000	[•]	[•]%	[•]	[•]%
>=400,000 and <450,000	[•]	[•]%	[•]	[•]%
>=450,000 and <500,000	[•]	[•]%	[•]	[•]%
>=500,000 and <600,000	[•]	[•]%	[•]	[•]%
>=600,000 and <700,000	[•]	[•]%	[•]	[•]%
>=700,000 and <800,000	[•]	[•]%	[•]	[•]%
>=800,000 and <900,000	[•]	[•]%	[•]	[•]%
>=900,000 and <1,000,000	[•]	[•]%	[•]	[•]%
>=1,000,000	[•]	[•]%	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

The largest Original Balance of any Mortgage Loan in the Portfolio was £[•], and the smallest £[•]. The weighted average Original Balance, as of the Cut-Off Date, was approximately £[•].

Current balances

The following table shows the Current Balances of the Mortgage Loans (including Capitalised fees and/or charges, if applicable), as of the Cut-Off Date:

Range of Outstanding Balances (£)	Current Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<5,000	[•]	[•]%	[•]	[•]%
>=5,000 and <10,000	[•]	[•]%	[•]	[•]%
>=10,000 and <25,000	[•]	[•]%	[•]	[•]%
>=25,000 and <50,000	[•]	[•]%	[•]	[•]%
>=50,000 and <75,000	[•]	[•]%	[•]	[•]%
>=75,000 and <100,000	[•]	[•]%	[•]	[•]%
>=100,000 and <150,000	[•]	[•]%	[•]	[•]%
>=150,000 and <200,000	[•]	[•]%	[•]	[•]%
>=200,000 and <250,000	[•]	[•]%	[•]	[•]%
>=250,000 and <300,000	[•]	[•]%	[•]	[•]%
>=300,000 and <350,000	[•]	[•]%	[•]	[•]%
>=350,000 and <400,000	[•]	[•]%	[•]	[•]%
>=400,000 and <450,000	[•]	[•]%	[•]	[•]%
>=450,000 and <500,000	[•]	[•]%	[•]	[•]%
>=500,000 and <600,000	[•]	[•]%	[•]	[•]%
>=600,000 and <700,000	[•]	[•]%	[•]	[•]%
>=700,000 and <800,000	[•]	[•]%	[•]	[•]%
>=800,000 and <900,000	[•]	[•]%	[•]	[•]%

>=900,000 and <1,000,000	[•]	[•]%	[•]	[•]%
>=1,000,000	[•]	[•]%	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

The largest Mortgage Loan has a Current Balance, as of the Cut-Off Date, of £[•]. The average Current Balance, as of the Cut-Off Date, was approximately £[•], while the smallest was £[•].

Original loan-to-value ratios

The following table shows the range of original loan-to-value ratios, which express the current balance of a Mortgage Loan, as at the date of its origination, divided by the value of the mortgaged property securing that Mortgage Loan at the same date.

Range of LTV ratios	Current Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<25%	[•]	[•]%	[•]	[•]%
>=25% and <50%	[•]	[•]%	[•]	[•]%
>=50% and <55%	[•]	[•]%	[•]	[•]%
>=55% and <60%	[•]	[•]%	[•]	[•]%
>=60% and <65%	[•]	[•]%	[•]	[•]%
>=65% and <70%	[•]	[•]%	[•]	[•]%
>=70% and <75%	[•]	[•]%	[•]	[•]%
>=75% and <80%	[•]	[•]%	[•]	[•]%
>=80% and <85%	[•]	[•]%	[•]	[•]%
>=85% and <90%	[•]	[•]%	[•]	[•]%
>=90% and <95%	[•]	[•]%	[•]	[•]%
>=95% and <100%	[•]	[•]%	[•]	[•]%
>=100%	[•]	[•]%	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

The weighted average original loan-to-value ratio of the Mortgage Loans, as of the Cut-Off Date was [•] per cent, while the minimum original loan-to-value ratio was [•] per cent and the maximum was [•] per cent.

Current non-indexed LTV Ratios

The following table shows the range of current non-indexed LTV Ratios, which express the Current Balance of a Mortgage Loan, as of the Cut-Off Date, divided by the non-indexed value of the Mortgaged Property securing that Mortgage Loan, as of the same date.

Range of LTV ratios	Current Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<25%	[•]	[•]%	[•]	[•]%
>=25% and <50%	[•]	[•]%	[•]	[•]%
>=50% and <55%	[•]	[•]%	[•]	[•]%
>=55% and <60%	[•]	[•]%	[•]	[•]%
>=60% and <65%	[•]	[•]%	[•]	[•]%
>=65% and <70%	[•]	[•]%	[•]	[•]%
>=70% and <75%	[•]	[•]%	[•]	[•]%
>=75% and <80%	[•]	[•]%	[•]	[•]%
>=80% and <85%	[•]	[•]%	[•]	[•]%
>=85% and <90%	[•]	[•]%	[•]	[•]%
>=90% and <95%	[•]	[•]%	[•]	[•]%
>=95% and <100%	[•]	[•]%	[•]	[•]%
>=100%	[•]	[•]%	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

The weighted average current non-indexed loan-to-value ratio of the Mortgage Loans, as of the Cut-Off Date, was [●] per cent., while the minimum current non-indexed loan-to-value ratio was [●] per cent. and the maximum was [●] per cent.

Current indexed LTV Ratios

The following table shows the range of current indexed LTV Ratios, which express the Current Balance of a Mortgage Loan, as of the Cut-Off Date, divided by the indexed value of the Mortgaged Property securing that Mortgage Loan, as of the same date (calculated using the Nationwide House Price Index).

Range of LTV ratios	Current Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<25%	[•]	[•]%	[•]	[•]%
>=25% and <50%	[•]	[•]%	[•]	[•]%
>=50% and <55%	[•]	[•]%	[•]	[•]%
>=55% and <60%	[•]	[•]%	[•]	[•]%
>=60% and <65%	[•]	[•]%	[•]	[•]%
>=65% and <70%	[•]	[•]%	[•]	[•]%
>=70% and <75%	[•]	[•]%	[•]	[•]%
>=75% and <80%	[•]	[•]%	[•]	[•]%
>=80% and <85%	[•]	[•]%	[•]	[•]%
>=85% and <90%	[•]	[•]%	[•]	[•]%
>=90% and <95%	[•]	[•]%	[•]	[•]%
>=95% and <100%	[•]	[•]%	[•]	[•]%
>=100%	[•]	[•]%	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

The weighted average current indexed loan-to-value ratio of the Mortgage Loans, as of the Cut-Off Date, was [•] per cent., while the minimum current indexed loan-to-value ratio was [•] per cent. and the maximum was [•] per cent.

Original term

The following table shows the original term of the Mortgage Loans, as at the Cut-Off Date.

Original Term of loans	Current Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<30	[•]	[•]%	[•]	[•]%
>=30 and <60	[•]	[•]%	[•]	[•]%
>=60 and <120	[•]	[•]%	[•]	[•]%
>=120 and <180	[•]	[•]%	[•]	[•]%
>=180 and <240	[•]	[•]%	[•]	[•]%
>=240 and <300	[•]	[•]%	[•]	[•]%
>=300 and <360	[•]	[•]%	[•]	[•]%
>=360	[•]	[•]%	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

The weighted average original term of Mortgage Loans, was [•] years. The maximum original term of such Mortgage Loans, as of the Cut-Off Date, was [•] years and the minimum original term of such Mortgage Loans, as of the Cut-Off Date, was [•] years.

Remaining term

Months to maturity	Current Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<30	[•]	[•]%	[•]	[•]%

>=30 and <60	[•]	[•]%	[•]	[•]%
>=60 and <120	[•]	[•]%	[•]	[•]%
>=120 and <180	[•]	[•]%	[•]	[•]%
>=180 and <240	[•]	[•]%	[•]	[•]%
>=240 and <300	[•]	[•]%	[•]	[•]%
>=300 and <360	[•]	[•]%	[•]	[•]%
>=360	[•]	[•]%	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

The weighted average remaining term of the Mortgage Loans, as of the Cut-Off Date, was [•] years. The maximum remaining term, as of the Cut-Off Date, was [•] years. The minimum remaining term, as of the Cut-Off Date, was [•] years.

The below table also indicates the remaining term of the Mortgage Loans split by repayment type.

Months to maturity	Repayment	Interest only	Combination (Interest Only and Repayment)
<30	[•]	[•]	[•]
>=30 and <60	[•]	[•]	[•]
>=60 and <120	[•]	[•]	[•]
>=120 and <180	[•]	[•]	[•]
>=180 and <240	[•]	[•]	[•]
>=240 and <300	[•]	[•]	[•]
Total	**[•]**	**[•]**	**[•]**

Seasoning of Mortgage Loans

The following table shows length of time since the Mortgage Loans were originated as of the Cut-Off Date.

Age of loans in months	Current Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<12	[•]	[•]%	[•]	[•]%
>=12 and <24	[•]	[•]%	[•]	[•]%
>=24 and <36	[•]	[•]%	[•]	[•]%
>=36 and <48	[•]	[•]%	[•]	[•]%
>=48 and <60	[•]	[•]%	[•]	[•]%
>=60 and <72	[•]	[•]%	[•]	[•]%
>=72 and <84	[•]	[•]%	[•]	[•]%
>=84 and <96	[•]	[•]%	[•]	[•]%
>=96 and <108	[•]	[•]%	[•]	[•]%
>=108 and <120	[•]	[•]%	[•]	[•]%
>=120 and <150	[•]	[•]%	[•]	[•]%
>=150 and <180	[•]	[•]%	[•]	[•]%
>=180	[•]	[•]%	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

The weighted average seasoning of Mortgage Loans, as of the Cut-Off Date, was [•] years. The maximum seasoning of such Mortgage Loans, as of the Cut-Off Date, was [•] years and the minimum seasoning of such Mortgage Loans, as of the Cut-Off Date, was [•] years.

Origination year

The following table shows the origination year of the Mortgage Loans, as at the Cut-Off Date.

Origination Year	Current Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
2014	[•]	[•]%	[•]	[•]%

2015	[•]	[•]%	[•]	[•]%
2016	[•]	[•]%	[•]	[•]%
2017	[•]	[•]%	[•]	[•]%
2018	[•]	[•]%	[•]	[•]%
2019	[•]	[•]%	[•]	[•]%
2020	[•]	[•]%	[•]	[•]%
20[•]	[•]	[•]%	[•]	[•]%
Total	**[•]**	**100.00%**	**[•]**	**100.00%**

Interest Rate Type

Type of rate	Current Balance (£)	% of total balance	Number of Loans	% of total accounts	Weighted Average Rate
Fixed rate	[•]	[•]%	[•]	[•]%	[•]%
Capped	[•]	[•]%	[•]	[•]%	[•]%
Tracker	[•]	[•]%	[•]	[•]%	[•]%
Administered	[•]	[•]%	[•]	[•]%	[•]%
Flexx	[•]	[•]%	[•]	[•]%	[•]%
	[•]	[•]%	[•]	[•]%	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**	**2.0%**

Current interest rate

The following table shows the current interest rate of the Mortgage Loans, as at the Cut-Off Date.

Interest Rate	Current Balance (£)	% of total balance	Number of loans	% of total accounts
<=1.5%	[•]	[•]%	[•]	[•]%
>1.5% and <=2.0%	[•]	[•]%	[•]	[•]%
>2.0% and <=2.5%	[•]	[•]%	[•]	[•]%
>2.5% and <=3.0%	[•]	[•]%	[•]	[•]%
>3.0% and <=3.5%	[•]	[•]%	[•]	[•]%
>3.5% and <=4.0%	[•]	[•]%	[•]	[•]%
>4.0% and <=4.5%	[•]	[•]%	[•]	[•]%
>4.5% and <=5.0%	[•]	[•]%	[•]	[•]%
>5.0% and <=5.5%	[•]	[•]%	[•]	[•]%
>5.5% and <=6.0%	[•]	[•]%	[•]	[•]%
>6.0%	[•]	[•]%	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

The weighted average current interest rate of Mortgage Loans, was [•] per cent. The maximum current interest rate of such Mortgage Loans, as of the Cut-Off Date, was [•] per cent. and the minimum current interest rate of such Mortgage Loans, as of the Cut-Off Date, was [•] per cent.

Reversion Date Timing

End of Fixed Period	Current Balance (£)	% of total balance	Number of loans	% of total accounts
>0 and <=1 year	[•]	[•]%	[•]	[•]%
>1 and <=2 years	[•]	[•]%	[•]	[•]%
>2 and <=3 years	[•]	[•]%	[•]	[•]%
>3 and <=4 years	[•]	[•]%	[•]	[•]%
>4 and <=5 years	[•]	[•]%	[•]	[•]%
>5 and <=6 years	[•]	[•]%	[•]	[•]%
>6 and <=7 years	[•]	[•]%	[•]	[•]%
>7 and <=8 years	[•]	[•]%	[•]	[•]%
>8 and <=9 years	[•]	[•]%	[•]	[•]%
>9 and <=10 years	[•]	[•]%	[•]	[•]%

>10 years	[•]	[•]%	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

Originator

Originator	Current Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Coventry Building Society	[•]	[•]%	[•]	[•]%
Godiva Mortgages Limited	[•]	[•]%	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

Payment Frequency

Payment frequency	Current Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Monthly	[•]	[•]%	[•]%	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

Repayment method

Repayment Terms	Current Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Repayment	[•]	99.6%	[•]	[•]%
Interest Only	[•]	0.4%	[•]	[•]%
Combination (Interest Only	[•]	-	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

Mortgage Loan Occupancy Status

Occupancy type	Current Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Owner-occupied	[•]	[•]%	[•]	[•]%
Buy-to-let and consent-to-let	[•]	[•]%	[•]	[•]%
Second home	[•]	[•]%	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

* All loans marked as “Buy-to-Let” were Owner-Occupied Loans upon the assignment, and such loans comply with the relevant Eligibility Criteria. Such loans have been subject to a Product Switch and shall be repurchased in accordance with the Mortgage Sale Agreement. All loans marked as "consent-to-let" shall be repurchased pursuant to a notice in accordance with the Mortgage Sale Agreement.

Property Type

Property type	Current Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Residential detached or	[•]	[•]%	[•]	[•]%
Residential terraced house	[•]	[•]%	[•]	[•]%
Residential flat / apartment	[•]	[•]%	[•]	[•]%
Other	[•]	[•]%	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

Geographical distribution of Mortgaged Properties

The following table shows the spread of Mortgaged Properties securing the Mortgage Loans throughout England, Wales and Scotland as of the Cut-Off Date. No Mortgage Properties are situated outside England, Wales and Scotland. The geographical location of a property has no impact upon the Lending Criteria and credit scoring tests.

Regions	Current Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
East Anglia	[•]	[•]%	[•]	[•]%
East Midlands	[•]	[•]%	[•]	[•]%
London	[•]	[•]%	[•]	[•]%
North	[•]	[•]%	[•]	[•]%
North West	[•]	[•]%	[•]	[•]%
Northern Ireland	[•]	[•]%	[•]	[•]%
South East	[•]	[•]%	[•]	[•]%
Scotland	[•]	[•]%	[•]	[•]%
South West	[•]	[•]%	[•]	[•]%
Wales	[•]	[•]%	[•]	[•]%
West Midlands	[•]	[•]%	[•]	[•]%
Yorkshire and Humberside	[•]	[•]%	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

Primary Borrower Employment status

Employment status	Current Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Employed	[•]	[•]%	[•]	[•]%
Self-employed	[•]	[•]%	[•]	[•]%
Unemployed	[•]	[•]%	[•]	[•]%
Retired	[•]	[•]%	[•]	[•]%
Guarantor	[•]	[•]%	[•]	[•]%
Other	[•]	[•]%	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

Income Verification for Primary Income

Income verification type	Current Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Income verification	[•]	[•]%	[•]	[•]%
Fast-track	[•]	[•]%	[•]	[•]%
Self-certified	[•]	[•]%	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

Loan Purpose

Loan Purpose	Current Balance (£)	% of total balance	Number of loans	% of total accounts
House Purchase	[•]	[•]%	[•]	[•]%
Remortgage	[•]	[•]%	[•]	[•]%
Other	[•]	[•]%	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

Right to Buy

Right to Buy	Current Balance (£)	% of total balance	Number of loans	% of total accounts
Yes	[•]	[•]%	[•]	[•]%
No	[•]	[•]%	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

Arrears

Months in Arrears	Number of Mortgage Accounts	% of total	Current Balance (£)	% of total balance
Current	[•]	[•]%	[•]	[•]%
>0 and <1	[•]	[•]%	[•]	[•]%
>=1 and <2	[•]	[•]%	[•]	[•]%
>=2 and <3	[•]	[•]%	[•]	[•]%
>=3 and <6	[•]	[•]%	[•]	[•]%
>=6 and <12	[•]	[•]%	[•]	[•]%
>=12	[•]	[•]%	[•]	[•]%
Totals	[•]	**100.0%**	[•]	**100.0%**

Capitalised arrears are not included in the above balances.

[*Mortgage Charter Mortgage Loans*

	Current Balance (£)	Number loans	% of total accounts
Mortgage Loans subject to an MC Interest-only Agreement	[•]	[•]	[•]%
Mortgage Loans subject to an MC Extension Agreement	[•]	[•]	[•]%
Totals	[•]	[•]	**100.0%**

]

Delinquency and loss experience of the Mortgage Portfolio [(including Mortgage Loans which previously formed part of the Mortgage Portfolio)]

[Since the establishment of the Mortgage Portfolio, total losses on Mortgage Loans in the Mortgage Portfolio (including Mortgage Loans which previously formed part of the Mortgage Portfolio) were £[•] as at the Cut-Off Date.]

The following table summarises loans in arrears and repossession experience for Mortgage Loans in the Mortgage Portfolio [(including Mortgage Loans which previously formed part of the Mortgage Portfolio)] as at the Cut-Off Date. The Seller will represent and warrant on the Closing Date that no Mortgage Loan to be transferred to the Issuer on the Closing Date will have experienced any arrears in excess of an amount equal to one month's principal and interest in the prior 12 months.

The Mortgage Loans used for statistical purposes in the table below are administered in accordance with the Seller's Policy. The method by which the Seller classifies Mortgage Loans as being in arrears is described in the Base Prospectus under "*The Servicer and the Servicing Agreement – Arrears and recoveries*", and is important in helping to understand the Seller's arrears and repossession experience for Mortgage Loans in the Mortgage Portfolio as set forth in the following table.

Arrears & Delinquencies – Mortgage Loans in the Mortgage Portfolio [(including Mortgage Loans which previously formed part of the Mortgage Portfolio)]

	31 Dec [•][1]
Outstanding balance of loans current (and <1 month):	[•]
1 -<2 months	[•]
2 -<3 months	[•]
3 -<6 months	[•]
6 -<12 months	[•]

	31 Dec [•][1]
12+ months	[•]
Total outstanding loan balance in arrears (>1 month):	**[•]**
Total loan balances in arrears % (>1 month):	[•]
Total loan balances in arrears % (>3 months):	[•]
Outstanding balance of loans in possession (inc. interest):	[•]
Outstanding balance of loans sold:	[•]
Outstanding balance of loans sold in period:	[•]
Net loss on sold properties:	[•]
Ratio of net losses to total loans assigned to trust %:[2]	[•]
Average loss on all sold properties in the period:	[•]

	31 Dec [•]
Outstanding number of Mortgage Loans:	**[•]**
1 -<2 months	[•]
2 -<3 months	[•]
3 -<6 months	[•]
6 -<12 months	[•]
12+ months	[•]
Total outstanding number of loans in arrears (>1m):	**[•]**
Total number of loans in arrears % (>1m):	[•]
Total number of loans in arrears % (>3m):	[•]
Number of loans in possession:	[•]
Number of loans sold in the period:	[•]

[1] Year ended 31 December or applicable shorter period.
[2] Loans assigned to the Issuer to date at the period end.

Static and dynamic pool data

This section sets out, to the extent material, certain static pool information with respect to the Mortgage Loans in the Mortgage Portfolio.

The Issuer has not included static pool information on prepayments in this section, as this information is not separately identified by the Servicer. However, prepayment rates in respect of the Mortgage Loans in the Mortgage Portfolio are set out in the monthly reports to investors that are prepared pursuant to the Servicing Agreement.

The sale of Additional Mortgage Loans by the Seller to the Issuer is subject to conditions, including conditions required by the Rating Agencies, designed to maintain certain credit-related and other characteristics of the Mortgage Portfolio. These include limits on Mortgage Loans in arrears in the Mortgage Portfolio at the time of sale, limits on the LTV ratio post sale and limitations on the change of the Moody's Portfolio Variation Test in respect of any sale. See a description of these conditions in "*Assignment of the Mortgage Loans and Related Security – Portfolio Criteria*" in the Base Prospectus.

The following tables show, for each of the last [•] years of origination, the distribution of loans originated in that year by delinquency category as at each year end date starting in [•].

Dynamic historical performance data in relation to the mortgage loans originated by the Seller was made available prior to pricing on the website of European DataWarehouse at https://editor.eurodw.eu/home. Such information will cover the period from [•] to [•]. The mortgage loans which are referred to in such data are originated under, and serviced in accordance with. the same or highly comparable policies and procedures as the Mortgage Loans comprising the Mortgage Portfolio and, as such, it is expected that the performance of such mortgage loans, over a period of four years, would not be significantly different to the performance of the Mortgage Loans in the Mortgage Portfolio.

MORTGAGE PORTFOLIO ARREARS BY YEAR OF ORIGINATION

Mortgage loans originated in [•]

31-Dec-[●]

	Balance (£)	Count	% of Balance	% of Count
0 to <1 Months	[●]	[●]	[●]%	[●]%
>=1 Months & 2 Months	[●]	[●]	[●]%	[●]%
>=2 Months & 3 Months	[●]	[●]	[●]%	[●]%
>=3 Months & 6 Months	[●]	[●]	[●]%	[●]%
>=6 Months & 9 Months	[●]	[●]	[●]%	[●]%
>=9 Months & 12 Months	[●]	[●]	[●]%	[●]%
>= 12 Months	[●]	[●]	[●]%	[●]%
Of which in Possession	[●]	[●]	[●]%	[●]%
Total	[●]	[●]	100.00%	100.00%

31-Dec-[●]

	Balance (£)	Count	% of Balance	% of Count
0 to <1 Months	[●]	[●]	[●]%	[●]%
>=1 Months & 2 Months	[●]	[●]	[●]%	[●]%
>=2 Months & 3 Months	[●]	[●]	[●]%	[●]%
>=3 Months & 6 Months	[●]	[●]	[●]%	[●]%
>=6 Months & 9 Months	[●]	[●]	[●]%	[●]%
>=9 Months & 12 Months	[●]	[●]	[●]%	[●]%
>= 12 Months	[●]	[●]	[●]%	[●]%
Of which in Possession	[●]	[●]	[●]%	[●]%
Total	[●]	[●]	100.00%	100.00%

31-Dec-[●]

	Balance (£)	Count	% of Balance	% of Count
0 to <1 Months	[●]	[●]	[●]%	[●]%
>=1 Months & 2 Months	[●]	[●]	[●]%	[●]%
>=2 Months & 3 Months	[●]	[●]	[●]%	[●]%
>=3 Months & 6 Months	[●]	[●]	[●]%	[●]%
>=6 Months & 9 Months	[●]	[●]	[●]%	[●]%
>=9 Months & 12 Months	[●]	[●]	[●]%	[●]%
>= 12 Months	[●]	[●]	[●]%	[●]%
Of which in Possession	[●]	[●]	[●]%	[●]%
Total	[●]	[●]	100.00%	100.00%

31-Dec-[●]

	Balance (£)	Count	% of Balance	% of Count
0 to <1 Months	[●]	[●]	[●]%	[●]%
>=1 Months & 2 Months	[●]	[●]	[●]%	[●]%
>=2 Months & 3 Months	[●]	[●]	[●]%	[●]%
>=3 Months & 6 Months	[●]	[●]	[●]%	[●]%
>=6 Months & 9 Months	[●]	[●]	[●]%	[●]%
>=9 Months & 12 Months	[●]	[●]	[●]%	[●]%
>= 12 Months	[●]	[●]	[●]%	[●]%
Of which in Possession	[●]	[●]	[●]%	[●]%
Total	[●]	[●]	100.00%	100.00%

31-Dec-[●]

	Balance (£)	Count	% of Balance	% of Count
0 to <1 Months	[●]	[●]	[●]%	[●]%
>=1 Months & 2 Months	[●]	[●]	[●]%	[●]%
>=2 Months & 3 Months	[●]	[●]	[●]%	[●]%
>=3 Months & 6 Months	[●]	[●]	[●]%	[●]%

>=6 Months & 9 Months	[●]	[●]	[●]%	[●]%
>=9 Months & 12 Months	[●]	[●]	[●]%	[●]%
>= 12 Months	[●]	[●]	[●]%	[●]%
Of which in Possession	[●]	[●]	[●]%	[●]%
Total	[●]	[●]	100.00%	100.00%

31-Dec-[●]

	Balance (£)	**Count**	**% of Balance**	**% of Count**
0 to <1 Months	[●]	[●]	[●]%	[●]%
>=1 Months & 2 Months	[●]	[●]	[●]%	[●]%
>=2 Months & 3 Months	[●]	[●]	[●]%	[●]%
>=3 Months & 6 Months	[●]	[●]	[●]%	[●]%
>=6 Months & 9 Months	[●]	[●]	[●]%	[●]%
>=9 Months & 12 Months	[●]	[●]	[●]%	[●]%
>= 12 Months	[●]	[●]	[●]%	[●]%
Of which in Possession	[●]	[●]	[●]%	[●]%
Total	[●]	[●]	100.00%	100.00%

31-Dec-[●]

	Balance (£)	**Count**	**% of Balance**	**% of Count**
0 to <1 Months	[●]	[●]	[●]%	[●]%
>=1 Months & 2 Months	[●]	[●]	[●]%	[●]%
>=2 Months & 3 Months	[●]	[●]	[●]%	[●]%
>=3 Months & 6 Months	[●]	[●]	[●]%	[●]%
>=6 Months & 9 Months	[●]	[●]	[●]%	[●]%
>=9 Months & 12 Months	[●]	[●]	[●]%	[●]%
>= 12 Months	[●]	[●]	[●]%	[●]%
Of which in Possession	[●]	[●]	[●]%	[●]%
Total	[●]	[●]	100.00%	100.00%

RECAST UK SECURITISATION REGIME

[UK STS Criteria Requirements

The Seller (as originator for the purposes of the Recast UK Securitisation Regime), [has]/[has not] procured a UK STS Notification to be submitted to the FCA, in accordance with SECN 2.5 and Regulation 10(1) of the UK Securitisation Regulation SI (2024), that the UK STS Criteria Requirements have been satisfied with respect to the Series [•] Class A Notes. It is expected that the UK STS Notification will be available on the FCA's STS Register, available at the following website: https://data.fca.org.uk/#/sts/stssecuritisations (or its successor website) (the "**FCA STS Register**"). For the avoidance of doubt, this website and the contents thereof do not form part of this final terms.]

[The Seller [has not used the services of]/[has used the services of [•] as] an authorised verification agent authorised under Regulation 25 of the UK Securitisation Regulation SI (2024) ("**Authorised Verification Agent**") to assess whether the Series [•] Class A Notes comply with the UK STS Criteria Requirements and prepare an STS Assessment.] [It is expected that the STS Assessment prepared by the Authorised Verification Agent will be available on the website of the Authorised Verification Agent ([•]) (the "**PCS Website**") together with a detailed explanation of its scope at https://www.pcsmarket.org/disclaimer. For the avoidance of doubt, the PCS Website and the contents thereof do not form part of this Final Terms. For further information please refer to the Risk Factor entitled "*UK Simple, Transparent and Standardised Securitisation (UK STS)*".]

[*In respect of the Class Z(R) VFN, Class Z(S) VFN and the Seller's Note, mark this section as not applicable.*]

[Mitigation of interest rate [and currency] risk[s]

The Mortgage Loans and the Notes are affected by interest rate [and currency] risk[s] (see "*The Notes may be subject to exchange rate and interest rate risks*" and "*Certain factors affecting the economic performance and value of the Mortgage Portfolio*" in the Risk Factors section of the Base Prospectus). The Issuer aims to hedge the relevant interest rate [and currency rate] exposure[s] in respect of the Mortgage Loans and the Notes, as applicable, by entering into certain Swap Agreements (see "*The Swap Agreements*" in the Base Prospectus).

Interest rate risks are also managed through:

- a requirement in the Servicing Agreement that any discretionary rates set by the Servicer in respect of the Mortgage Loans are set in accordance with the Seller's Policy (subject to the terms of the Mortgage Loans and applicable law) (see "*The Servicer and the Servicing Agreement – Setting of interest rates and margins* " in the Base Prospectus);

- with respect to Variable Rate Mortgage Loans, interest on which is calculated by reference to the CBS Standard Variable Rate, and Discount Variable Rate Mortgage Loans which become subject to a rate linked to the CBS Standard Variable Rate, the correlation between the CBS Standard Variable Rate and the relevant benchmark rate in respect of the Series [•] Notes (see further the table set out below); and

- the entry by the Issuer into the Swap Agreements with respect to the Fixed Rate Mortgage Loans.

Except for the purpose of hedging interest rate [or currency] risk, the Issuer will not enter into derivative contracts.

The following table shows the historical interest rates indicated for the period from [•] to [•]:

	BBR	SVR	Flexx Rate Mortgage Loans[(1)]
[•] 20[•]	[•]%	[•]%	[•]%

Source: Bank of England, Internal product data

1 Representing balance weighted average of all Flexx Rate Mortgage Loans.

[Verification of data

The Seller has caused the Mortgage Loans included in the Mortgage Portfolio (including the data disclosed in respect of those Mortgage Loans) to be verified by one or more appropriate and independent third parties and completed on or about [•] with respect to the Mortgage Portfolio in existence as of [•] (the "**AUP Report**"). The Mortgage Portfolio has been subject to an agreed upon procedures review to review a sample of Mortgage Loans selected from the total Mortgage Portfolio as at the Cut-Off Date for certain information and confirm that the actual errors, within a total population, are contained within the range of a predetermined precision limit. The Seller also provided the relevant third party with a data file containing information on the Mortgage Portfolio to review conformity of each of the Mortgage Loans included with the Eligibility Criteria. No significant adverse findings arose from such review. This independent third party has also performed agreed upon procedures in order to verify that the stratification tables disclosed in respect of the Mortgage Loans are accurate. The third party undertaking the review only has obligations to the parties to the engagement letters governing the performance of the agreed upon procedures subject to the limitations and exclusions contained therein. The AUP Report has been filed with the US Securities and Exchange Commission on [•] and is publicly available. The Seller has reviewed the reports of such independent third parties and is of the opinion that there were no significant adverse findings in such reports.

General

Listing and admission to trading application

This document comprises the final terms required for the [Series [•] Sub-Series [•] Class A Notes]/[Class Z(S) VFN]/[Class Z(R) VFN]/[Seller's Note] described herein to be admitted to the Official List maintained by the FCA and admitted to trading on the London Stock Exchange's regulated market pursuant to the Residential Mortgage-Backed Note Programme of Economic Master Issuer PLC.

Responsibility

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: .....
Duly authorised

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