

## IMPORTANT NOTICE

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

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

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

THE SELLER, AS SPONSOR UNDER THE U.S. RISK RETENTION RULES, DO NOT INTEND TO RETAIN AT LEAST 5 PER CENT. OF THE CREDIT RISK OF THE SECURITIZED ASSETS FOR PURPOSES OF COMPLIANCE WITH THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "**U.S. RISK RETENTION RULES**"), BUT RATHER INTEND TO RELY ON AN EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES REGARDING NON-U.S. TRANSACTIONS. CONSEQUENTLY, EXCEPT WITH THE PRIOR WRITTEN CONSENT OF THE SELLER (A "**U.S. RISK RETENTION CONSENT**") AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE U.S. RISK RETENTION RULES, ON THE CLOSING DATE, THE NOTES OFFERED AND SOLD BY THE ISSUER MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "**U.S. PERSON**" AS DEFINED IN THE U.S. RISK RETENTION RULES ("**RISK RETENTION U.S. PERSONS**"). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "**U.S. PERSON**" IN THE U.S. RISK RETENTION RULES IS SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF "**U.S. PERSON**" IN REGULATION S. ON THE CLOSING DATE, THE NOTES MAY ONLY BE PURCHASED BY PERSONS THAT ARE (A) NOT RISK RETENTION U.S. PERSONS OR (B) PERSONS THAT HAVE OBTAINED A U.S. RISK RETENTION CONSENT FROM THE SELLER. EACH PURCHASER OF THE NOTES OR A BENEFICIAL INTEREST THEREIN ACQUIRED IN THE INITIAL SYNDICATION OF THE NOTES BY ITS ACQUISITION OF THE NOTES OR A BENEFICIAL INTEREST THEREIN, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) EITHER (i) IS NOT A RISK RETENTION U.S. PERSON OR (ii) HAS OBTAINED A U.S. RISK RETENTION CONSENT FROM THE SELLER, (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE

REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTE THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES). ANY RISK RETENTION U.S. PERSON WISHING TO PURCHASE NOTES MUST INFORM THE SELLER AND THE JOINT LEAD MANAGERS THAT IT IS A RISK RETENTION U.S. PERSON. CERTAIN INVESTORS MAY BE REQUIRED BY THE RETENTION HOLDER TO EXECUTE A WRITTEN CERTIFICATION OR REPRESENTATION LETTER IN RESPECT OF THEIR STATUS UNDER THE U.S. RISK RETENTION RULES. SEE "*Risk Factors-LEGAL AND REGULATORY RISKS RELATING TO THE STRUCTURE AND THE NOTES-U.S. RISK RETENTION REQUIREMENTS*".

THE FOLLOWING **PRELIMINARY** PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON (AS DEFINED IN REGULATION S) OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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

This **preliminary** prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Exmoor Funding 2025-1 PLC, LiveMore Capital Limited, LiveMore Investments Limited, Citigroup Global Markets Limited, (the "**Arranger**"), Jefferies International Limited (a "**Joint Lead Manager**") and together with Citigroup Global Markets Limited, the "**Joint Lead Managers**") nor any person who controls any such person nor any director, officer, employee or agent of any such person or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the **preliminary** prospectus distributed to you in electronic format and the hard copy version available to you on request from the Arranger or the Joint Lead Managers.

This **preliminary** Prospectus is valid for the admission to trading of the Notes on the regulated market of Euronext Dublin until the time when trading on such regulated market begins. The obligation to supplement this **preliminary** Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply, once the Notes are admitted to trading on the regulated market of Euronext Dublin.

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**PRELIMINARY PROSPECTUS SUBJECT TO COMPLETION AND AMENDMENT,  
DATED 20 JUNE 2025**

**EXMOOR FUNDING 2025-1 PLC**

*(Incorporated in England and Wales with limited liability, registered number 16366768)*

Issuer legal entity identifier (LEI): 635400YFBIYXOQAEON61

Seller LEI: 8945002EJ2XOSSZ98445

Securitisation transaction unique identifier: [●]

| Class of Notes | Initial<br>Principal<br>Amount | Issue Price | Reference Rate            | Margin (payable<br>prior to (and<br>excluding) the<br>Optional<br>Redemption Date) | Relevant Step-<br>Up Margin<br>(payable from<br>(and including)<br>the Optional<br>Redemption<br>Date) | Expected<br>Ratings<br>(Moody's/S&P) | First<br>Interest<br>Payment<br>Date                                  | Final<br>Maturity<br>Date                                   |
|----------------|--------------------------------|-------------|---------------------------|--|--|--------------------------------------|---|---|
| Class A Notes  | [●]                            | [●]%        | Compounded<br>Daily SONIA | [●]%   | [●]%   | [Aaa/AAA]                            | The<br>Interest<br>Payment<br>Date<br>falling in<br>September<br>2025 | The Interest<br>Payment<br>Date falling<br>in March<br>2095 |
| Class B Notes  | [●]                            | [●]%        | Compounded<br>Daily SONIA | [●]%   | [●]%   | [Aa3/AA]                             | The<br>Interest<br>Payment<br>Date<br>falling in<br>September<br>2025 | The Interest<br>Payment<br>Date falling<br>in March<br>2095 |
| Class C Notes  | [●]                            | [●]%        | Compounded<br>Daily SONIA | [●]%   | [●]%   | [A3/A]                               | The<br>Interest<br>Payment<br>Date<br>falling in<br>September<br>2025 | The Interest<br>Payment<br>Date falling<br>in March<br>2095 |
| Class D Notes  | [●]                            | [●]%        | Compounded<br>Daily SONIA | [●]%   | [●]%   | [Baa3/BBB-]                          | The<br>Interest<br>Payment<br>Date<br>falling in<br>September<br>2025 | The Interest<br>Payment<br>Date falling<br>in March<br>2095 |
| Class E Notes  | [●]                            | [●]%        | Compounded<br>Daily SONIA | [●]%   | [●]%   | [Ba1/BB]                             | The<br>Interest<br>Payment<br>Date<br>falling in<br>September<br>2025 | The Interest<br>Payment<br>Date falling<br>in March<br>2095 |
| Class F Notes  | [●]                            | [●]%        | Compounded<br>Daily SONIA | [●]%   | [●]%   | [B1/CCC+]                            | The<br>Interest<br>Payment<br>Date<br>falling in<br>September<br>2025 | The Interest<br>Payment<br>Date falling<br>in March<br>2095 |
| Class X Notes  | [●]                            | [●]%        | Compounded<br>Daily SONIA | [●]%   | [●]%   | [B2/CCC]                             | The<br>Interest<br>Payment<br>Date<br>falling in                      | The Interest<br>Payment<br>Date falling                     |

| Class of Notes        | Initial Principal Amount | Issue Price | Reference Rate | Margin (payable prior to (and excluding) the Optional Redemption Date) | Relevant Step-Up Margin (payable from (and including) the Optional Redemption Date) | Expected Ratings (Moody's/S&P) | First Interest Payment Date | Final Maturity Date |
|-----------------------|--------------------------|-------------|----------------|--|---|--------------------------------|-----------------------------|---------------------|
|                       |                          |             |                |  |   |                                | September 2025              | in March 2095       |
| Residual Certificates | N/A                      | N/A         | N/A            | N/A  | N/A   | Not Rated                      | N/A                         | N/A                 |

The Optional Redemption Date is the Interest Payment Date falling in September 2029.

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

On and from the occurrence of a Risk Retention Regulatory Change Event, the Risk Retention Regulatory Change Option Holder has the right to exercise the Risk Retention Regulatory Change Option in relation to the Portfolio which would result in an early redemption of the Notes.

The Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and the Class X Notes are collectively the "**Notes**".

***ARRANGER***

**CITIGROUP GLOBAL MARKETS LIMITED**

***JOINT LEAD MANAGERS***

**CITIGROUP GLOBAL  
MARKETS LIMITED**

**JEFFERIES INTERNATIONAL  
LIMITED**

The date of this Prospectus is [●] 2025

|                                       |  |
|---------------------------------------|--|
| <b>Closing Date</b>                   | The Issuer will issue the Notes in the classes set out above and the Residual Certificates on or about [●] 2025 (the " <b>Closing Date</b> ").   |
| <b>Standalone/ programme issuance</b> | Standalone issuance.   |
| <b>Listing</b>                        | <p>This Prospectus comprises a prospectus for the purposes of Regulation (EU) 2017/1129 (the "<b>EU Prospectus Regulation</b>"). This Prospectus has been approved by the Central Bank of Ireland (the "<b>Central Bank</b>") as the competent authority under the EU Prospectus Regulation. The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval by the Central Bank should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU (as amended, "<b>EU MiFID II</b>") and/or which are to be offered to the public in any Member State of the European Economic Area.</p> <p>Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (the "<b>Euronext Dublin</b>") for the Notes to be admitted to the official list (the "<b>Official List</b>") and trading on its regulated market (the "<b>Regulated Market</b>"). Euronext Dublin's Regulated Market is a regulated market for the purposes of EU MiFID II.</p> <p>References in this Prospectus to Notes being listed (and all related references) shall mean that such Notes have been admitted to the Official List and to trading on the Regulated Market.</p> |
| <b>Underlying Assets</b>              | <p>The Issuer will make payments on the Notes from, <i>inter alia</i>, payments of principal and revenue received from a portfolio comprising first ranking mortgage loans and their collateral security originated by the Legal Title Holder and secured over residential properties located in England, Wales and Scotland and sold by the Seller to the Issuer on the Closing Date or, in relation to any Additional Mortgage Loans, on any Business Day (each an "<b>Additional Sale Date</b>") during the period (the "<b>Additional Sale Period</b>") from the Closing Date up to (and including) 15 September 2025 (the "<b>Final Additional Sale Date</b>"). The Issuer confirms that the underlying Portfolio supporting the payments under the Notes has characteristics that demonstrate the capacity to produce funds to service any payments due and payable on the Notes. See the sections entitled "<i>Portfolio and Servicing</i>", "<i>The Mortgage Loans</i>" and "<i>Characteristics of the Provisional Portfolio</i>" for further details.</p>   |
| <b>Credit Enhancement</b>             | <p>Credit enhancement for the Notes is provided in the following manner:</p> <ul style="list-style-type: none"> <li>• in relation to any Class of Notes, the relevant overcollateralisation funded by Notes (other than the Class X Notes) ranking junior to such Class of Notes in the Priority of Payments (if any);</li> </ul>  |

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

See the sections entitled "*Credit Structure and Cashflow*" and "*Credit Structure*" for further details.

## **Liquidity Support**

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

- the subordination in payment of those Classes of Notes ranking junior in the relevant Priority of Payments and the Residual Certificates;
- in respect of the Most Senior Class of Notes or other Classes of Notes (subject to the satisfaction of the PDL Condition), the availability of Principal Addition Amounts; and
- in respect of items (a) to (f) (inclusive) of the Pre-Enforcement Revenue Priority of Payments, the availability of amounts standing to the credit of the Liquidity Reserve Fund.

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

## **Redemption Provisions**

Information on any mandatory redemption of the Notes is summarised in the section entitled "*Summary of the Terms and Conditions of the Notes*" and set out in full in Condition 8 (*Redemption*) of the terms and conditions of the Notes (the "**Conditions**").

## **Credit Rating Agencies**

In general, European 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 (the "**EU**") and registered under Regulation (EU) No 1060/2009 (as amended) (the "**EU CRA Regulation**"). In the case of ratings issued by third country non-EU credit rating agencies, third country credit ratings can either be: (a) endorsed by an EU registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the EU CRA Regulation.

Similarly, 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 United Kingdom (the "**UK**") and registered under the EU CRA Regulation as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a

third country credit rating agency that is certified in accordance with the UK CRA Regulation.

S&P Global Ratings UK Limited ("**S&P**") and Moody's Investors Service Limited ("**Moody's**") (each a "**Rating Agency**" and together, the "**Rating Agencies**") may provide a rating of certain Classes of Notes.

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

The Financial Conduct Authority (the "**FCA**") is obliged to maintain on its website, <http://www.fca.org.uk/>, a list of credit rating agencies registered and certified in accordance with the UK CRA Regulation. This list must be updated within five working days of the FCA's adoption of any decision to withdraw the registration of a credit rating agency under the UK CRA Regulation. Therefore, such list is not conclusive evidence of the status of the relevant rating agency as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated FCA list. The contents of this website do not form part of this Prospectus and are not incorporated by reference into this Prospectus.

Each of Moody's and S&P is included on the list of registered and certified credit rating agencies that is maintained by the FCA.

Moody's and S&P are not established in the European Union (the "**EU**") and have not applied for registration under the EU CRA Regulation.

The ratings Moody's is expected to give to the Notes are endorsed by Moody's Deutschland GmbH, which is a credit rating agency established in the EU. The ratings S&P is expected to give to the Notes are endorsed by S&P Global Ratings Europe Limited, which is a credit rating agency established in the EU. Each of Moody's Deutschland GmbH and S&P Global Ratings Europe Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the EU CRA Regulation.

## Credit Ratings

The ratings expected to be assigned to the Notes by S&P address, *inter alia*, the likelihood of (a) full and timely payment of interest due to the holders of the Class A Notes on each Interest Payment Date, (b) full payment of interest due to the holders of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class X Notes on each Interest Payment Date where such class is the Most Senior Class of Notes and (c) full and ultimate payment of principal due to the holders of the Notes on or prior to the Final Maturity Date.

The ratings expected to be assigned to the Notes by Moody's address, *inter alia*, the likelihood of (a) full and timely payment of interest due to the holders of the Class A Notes on each Interest Payment Date, (b) full payment of interest due to the holders of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class X Notes on each Interest Payment Date where such class is the



Most Senior Class of Notes and (c) full and ultimate payment of principal due to the holders of the Notes on or prior to the Final Maturity Date.

Ratings are expected to be assigned to each class of Notes on or before the Closing Date. The assignment of a rating to each class of Notes by any Rating Agency is not a recommendation to invest in the Notes or to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning Rating Agency.

The Residual Certificates will not be rated.

#### **Obligations**

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

#### **UK and EU Risk Retention Undertaking**

Save as described in the paragraph below in respect of the EU Retention Requirement, on the Closing Date, the Seller will, as originator for the purposes of (i) the UK Securitisation Framework and (ii) the EU Securitisation Regulation, as if it were applicable to the Seller retain on an ongoing basis a material net economic interest of not less than 5 per cent. in the securitisation in accordance with (i) SECN 5.2 (the "**UK Retention Requirement**") and (ii) Article 6(1) of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation), and in the case of (ii) only, not taking into account any relevant national measures, as if it were applicable to the Seller, but solely as such articles are interpreted and applied on the Closing Date (the "**EU Retention Requirement**" and, together with the UK Retention Requirement, the "**Retention Requirements**").

As at the Closing Date, such interest will be satisfied by the Seller holding no less than 5 per cent. of the nominal value of each Class of Notes (other than the Class X Notes), in accordance with (i) SECN 5.2.8R(1)(a) and (ii) Article 6(3)(a) of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation), and in the case of (ii) only, not taking into account any relevant national measures, as if it were applicable to it, but solely as such articles are interpreted and applied on the Closing Date.

Notwithstanding the above, prospective investors should note that in respect of the EU Retention Requirement:

- the obligation of the Seller to comply with the EU Retention Requirement is strictly contractual pursuant to the terms of the Mortgage Sale Agreement and applies with respect to Article 6 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) not taking into account any relevant national measures, as such articles are interpreted and applied on the Closing Date only, until such time when the Seller is able to certify to the Issuer and the Note Trustee that a competent EU authority has confirmed that the satisfaction of the UK Retention Requirement will also satisfy the EU Retention Requirement due to the application of an equivalency regime or similar analogous concept; and

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

Although, as at the date of this Prospectus, the UK Retention Requirement largely mirrors the EU Retention Requirement, prospective investors should note that future divergence between the EU and UK regimes cannot be ruled out.

See the section entitled "*Certain Regulatory Requirements*" for further information.

## **UK Simple Transparent and Standardised Securitisation**

On or about the Closing Date, it is intended that a notification will be submitted to the FCA by the Seller, as originator, in accordance with SECN 2.5, confirming that the requirements of Regulation 9 of the SR 2024 and SECN 2.2.2R to SECN 2.2.29R (the "**UK STS Requirements**") have been satisfied with respect to the Notes (such notification, the "**UK STS Notification**"). It is not intended that the issue of the Notes complies with the requirements of Article 18-22 of the EU Securitisation Regulation. Any events which trigger changes in any Priority of Payments and any change in any Priority of Payment which will materially adversely affect the repayment of the Notes shall be disclosed without undue delay to the extent required under SECN 2.2.23R.

The short form (anonymised) particulars of the UK STS Notification, once notified to the FCA, will be available for download on the FCA Register of Securitisation STS Notifications at <https://data.fca.org.uk/#/sts/stssecuritisations> (or its successor website) (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 Prospectus. Please also refer to the Reporting Websites for the final full form of the UK STS Notification.

The UK STS status of the Notes is not static, and investors should verify the current status on the FCA STS Register website, which will be updated where the Notes are no longer considered to be UK STS following a decision of the FCA, another relevant UK regulator 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.

The Seller and the Issuer have used the services of Prime Collateralised Securities (PCS) UK Limited ("**PCS UK**") as a verification agent authorised under SECN 2.2.26R in connection with an assessment of the compliance of the Notes with the requirements of Regulation 9 of the SR 2024 and SECN 2.2.2R to SECN 2.2.29R (the "**UK STS Verification**") and to prepare an assessment of compliance of the Notes with the relevant provisions of Article 243 and Article 270 of the UK CRR and Articles 7 and 13 of the UK LCR Regulation (the "**UK STS Additional Assessments**"). It is expected that the UK STS Verification prepared by PCS UK will be available on the PCS UK website

(<https://www.pcsmarket.org/sts-verification-transactions/>), together with detailed explanations of its scope at <https://pcsmarket.org/disclaimer/> on and from the Closing Date. For the avoidance of doubt, this PCS UK website and the contents thereof do not form part of this Prospectus.

Note that designation as a UK STS securitisation does not meet, as at the date of this Prospectus, the STS requirements of the EU Securitisation Regulation and, as such, better or more flexible regulatory treatment under the relevant EU regulatory regimes (in particular, under Regulation (EU) 2017/2401 (the "**EU CRR**"), the EU LCR Regulation and the EU Solvency II regime) will not be available. For further information, please refer to the section entitled "Risk Factors – *LEGAL AND REGULATORY RISKS RELATING TO THE STRUCTURE AND THE NOTES - Simple, transparent and standardised securitisations (STS) and UK STS designation – UK STS designation impacts on regulatory treatment of the Notes*".

No representation or warranty is made by the Arranger, the Joint Lead Managers, the Seller, the Legal Holder, the Servicer, the Issuer or any other person as to compliance with the UK STS Requirements.

#### **U.S. Risk Retention Requirements**

The Seller, as sponsor under the U.S. Risk Retention Rules, does not intend to retain at least 5 per cent. of the credit risk of the securitized assets for purposes of compliance with the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended (the "**U.S. Risk Retention Rules**"), but rather it intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. See the section entitled "*Risk Factors–LEGAL AND REGULATORY RISKS RELATING TO THE STRUCTURE AND THE NOTES–U.S. Risk Retention Requirements*".

#### **Social Bond**

The transaction has been structured in contemplation of complying with the International Capital Markets Association's ("**ICMA**") Voluntary Process Guidelines for issuing social bonds published in June 2021 (the "**Social Bond Guidelines**") (with June 2022 Appendix). The Social Bond Guidelines include certain social bond principles ("**Social Bond Principles**"). Social Bond Principles include social projects that provide or promote access to essential services and/or socioeconomic advancement and empowerment.

The Legal Title Holder has developed and defined a formal approach for its social bond framework dated May 2022 as updated in March 2023 (the "**Social Bond Framework**") which looks to incorporate such Social Bond Principles. The origination of mortgage loans to the specific target population of later-life borrowers by the Legal Title Holder comprises an eligible social project ("**Eligible Social Project**") for the purposes of the Social Bond Principles as this directly contributes to (i) improving access to essential services, specifically financial inclusion of underserved communities, and (ii) socioeconomic advancement and empowerment through equitable access and control over assets, in each case, by making home loan finance available to applicants who are underserved by high street lenders because of their age and also because their often more

complex financial profile results in them being unable to pass the automated scoring processes used by high street lenders.

The issue of the Notes by the Issuer and associated purchase of the Mortgage Loans in the Portfolio comprises part of the funding arrangements by the Legal Title Holder for the Eligible Social Project and in accordance with the Legal Title Holder's Social Bond Framework. The purchase price of the Mortgage Loans will be used to repay funding arrangements which forms part of the Seller's and the Legal Title Holder's funding cycle relating to the origination and funding of owner-occupied mortgages aimed at the target population as described above.

Please refer to the section entitled "*Certain Regulatory Requirements – Social Bond*" and "*Risk Factors - For Notes being issued under the Social Bond Guidelines, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor*"

### **The Volcker Rule**

The Issuer is of the view that it is not now, and immediately after giving effect to the offering and sale of the Notes and the application of the proceeds thereof on the Closing Date will not be, a "covered fund" for purposes of Section 13 of the Bank Holding Company Act of 1956, as amended (together with the final rules and regulations promulgated thereunder, the "**Volcker Rule**"). In reaching this conclusion, although other statutory or regulatory exclusions and/or exemptions under (i) the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**") other than the exemptions to the definition of "investment company" under Section 3(c)(1) and 3(c)(7) of the Investment Company Act and (ii) the Volcker Rule may be available, the parties have relied on the determination that the Issuer would satisfy all of the elements of the loan securitization exclusion provided for by section 248.10(c)(8) of the Volcker Rule. Any prospective investor in the Notes or the Residual Certificates, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisers regarding the Volcker Rule and its effects. See the section entitled "*Risk Factors–LEGAL AND REGULATORY RISKS RELATING TO THE STRUCTURE AND THE NOTES–Effects of the Volcker Rule on the Issuer*".

### **Distribution**

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States and, accordingly, the Notes may not be offered, sold, pledged, delivered or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state and federal securities laws, and in a transaction that would not require the Issuer or the pool of Charged Assets to register as an "investment company" under the Investment Company Act.. The Notes are only being offered and sold outside the United States to persons other than U.S. persons (as defined

in Regulation S) pursuant to, and in compliance with, Regulation S and any applicable securities regulations in each jurisdiction in which the Notes are being offered and sold. The Issuer is not, and will not be, registered as an investment company under the Investment Company Act. For a description of certain further restrictions on offers, sales and transfers of Notes in this Prospectus, see "*Transfer Restrictions and Investor Representations*" herein.

#### **ERISA Considerations**

The Notes (and any interest therein) may not be purchased or held by (i) any "employee benefit plan" as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), which is subject to the fiduciary responsibility provisions of Title I of ERISA, (ii) any "plan" as defined in and subject to Section 4975(e)(1) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") that is subject to Section 4975 of the Code, (iii) any entity whose underlying assets include plan assets by reason of any such employee benefit plan's or plan's investment in the entity under U.S. Department of Labor Regulations at 29 C.F.R. § 2510-101, as modified by Section 3(42) of ERISA, or (iv) any governmental, church or non-U.S. plan which is subject to any federal, state, local or non-U.S. law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code ("**Similar Law**") (each of the foregoing, a "**Benefit Plan Investor**"), and each purchaser or holder of the Notes (or any interest therein) will be deemed to have represented, warranted and agreed that it is not, and is not using the assets of, and shall not at any time hold such Notes (or any interest therein) for or on behalf of, a Benefit Plan Investor or a governmental, church or non-U.S. plan subject to Similar Law.

#### **Residual Certificates**

In addition to the Notes, the Issuer will issue the Residual Certificates on the Closing Date. The Residual Certificates represent a *pro rata* right to receive deferred consideration for the purchase of the Portfolio (consisting of the Residual Payments);

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

#### **Significant Investors**

On the Closing Date:

- the Seller will purchase at least 5 per cent of each Class of Notes (other than the Class X Notes); and
- the Issuer will issue the Residual Certificates to the Seller.

#### **Benchmarks Regulations**

Amounts payable on the Notes are calculated by reference to the Sterling Overnight Index Average ("**SONIA**"). As at the date of this Prospectus, the Bank of England, as the administrator of SONIA, is not included in either (i) the FCA's register of administrators under Article 36 of Regulation (EU) No 2016/1011 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) as amended, varied, superseded or substituted from time to time (the "**EUWA**") (the "**UK Benchmarks Regulation**") or (ii) ESMA's register of administrators

under Article 36 of the Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**"). The Bank of England, as administrator of SONIA, is exempt under Article 2 of the UK Benchmarks Regulation but has issued a statement of compliance with the principles for financial benchmarks issued in 2013 by the International Organisation of Securities Commissions.

**The Notes have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC"), any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence.**

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

## **Important Notice**

### **PRELIMINARY PROSPECTUS SUBJECT TO COMPLETION AND AMENDMENT, DATED 20 JUNE 2025**

**THE NOTES AND THE RESIDUAL CERTIFICATES WILL BE OBLIGATIONS OF THE ISSUER ONLY. NEITHER THE NOTES NOR THE RESIDUAL CERTIFICATES WILL BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY PERSON OTHER THAN THE ISSUER. IN PARTICULAR, NEITHER THE NOTES NOR THE RESIDUAL CERTIFICATES WILL BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY OF THE SELLER, THE SWAP PROVIDER, THE ARRANGER, THE JOINT LEAD MANAGERS, THE SERVICER, THE CASH ADMINISTRATOR, THE REPLACEMENT SERVICER FACILITATOR, THE ISSUER ACCOUNT BANK, HOLDINGS, THE CORPORATE SERVICES PROVIDER, THE PRINCIPAL PAYING AGENT, THE AGENT BANK, THE REGISTRAR, THE NOTE TRUSTEE, THE SECURITY TRUSTEE (EACH AS DEFINED HEREIN), ANY COMPANY IN THE SAME GROUP OF COMPANIES AS ANY SUCH ENTITIES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS (TOGETHER, THE "RELEVANT PARTIES"). NO LIABILITY WHATSOEVER IN RESPECT OF ANY FAILURE BY THE ISSUER TO PAY ANY AMOUNT DUE UNDER THE NOTES OR THE RESIDUAL CERTIFICATES SHALL BE ACCEPTED BY ANY OF THE RELEVANT PARTIES OR BY ANY PERSON OTHER THAN THE ISSUER.**

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

The Residual Certificates are each represented by global certificates in registered form. The Residual Certificates may be issued in definitive registered form under certain circumstances.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR AN INVITATION BY OR ON BEHALF OF, THE ISSUER OR ANY RELEVANT PARTY TO SUBSCRIBE FOR OR PURCHASE ANY OF THE RESIDUAL CERTIFICATES, AND NONE OF THE ISSUER OR ANY OF THE RELEVANT PARTIES MAKE ANY REPRESENTATION, WARRANTY OR OTHER ASSURANCE, EXPRESSED OR IMPLIED, TO ANY INVESTOR IN THE RESIDUAL CERTIFICATES (AND NOTHING CONTAINED HEREIN IS, OR SHALL BE RELIED UPON AS A REPRESENTATION, WHETHER AS TO THE PAST, THE PRESENT OR THE FUTURE).

THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING OF THE NOTES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. NO REPRESENTATION IS MADE BY THE ISSUER OR BY ANY RELEVANT PARTY THAT THIS PROSPECTUS MAY BE LAWFULLY DISTRIBUTED, OR THAT THE NOTES MAY BE LAWFULLY OFFERED, IN COMPLIANCE WITH ANY APPLICABLE REGISTRATION OR OTHER REQUIREMENTS IN ANY SUCH JURISDICTION, OR PURSUANT TO AN EXEMPTION AVAILABLE THEREUNDER, AND NONE OF THEM ASSUMES ANY RESPONSIBILITY FOR FACILITATING ANY SUCH DISTRIBUTION OR OFFERING. IN PARTICULAR, SAVE FOR OBTAINING THE APPROVAL OF THIS PROSPECTUS AS A PROSPECTUS FOR THE PURPOSES OF THE EU PROSPECTUS REGULATION BY THE CENTRAL BANK OF IRELAND, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER OR BY ANY RELEVANT PARTY WHICH WOULD PERMIT A PUBLIC OFFERING OF THE NOTES OR DISTRIBUTION OF THIS PROSPECTUS IN ANY JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR

PUBLISHED, IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS COMES ARE REQUIRED BY THE ISSUER, THE ARRANGER AND THE JOINT LEAD MANAGERS TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OR "**BLUE SKY**" LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE ISSUER HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE INVESTMENT COMPANY ACT. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**") ("**U.S. PERSONS**")) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS, AND IN A TRANSACTION THAT WOULD NOT REQUIRE THE ISSUER OR THE POOL OF CHARGED ASSETS TO REGISTER AS AN "INVESTMENT COMPANY" UNDER, THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED. ACCORDINGLY, THE NOTES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON RESALES OR TRANSFERS, SEE "*TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS*".

THE SELLER, AS SPONSOR UNDER THE U.S. RISK RETENTION RULES, DOES NOT INTEND TO RETAIN AT LEAST 5 PER CENT. OF THE CREDIT RISK OF THE SECURITIZED ASSETS FOR PURPOSES OF COMPLIANCE WITH THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "**U.S. RISK RETENTION RULES**"), BUT RATHER INTEND TO RELY ON AN EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES REGARDING NON-U.S. TRANSACTIONS. CONSEQUENTLY, EXCEPT WITH THE PRIOR WRITTEN CONSENT OF THE SELLER (A "**U.S. RISK RETENTION CONSENT**") AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE U.S. RISK RETENTION RULES, ON THE CLOSING DATE, THE NOTES AND THE RESIDUAL CERTIFICATES OFFERED AND SOLD BY THE ISSUER MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "**U.S. PERSON**" AS DEFINED IN THE U.S. RISK RETENTION RULES ("**RISK RETENTION U.S. PERSONS**"). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "**U.S. PERSON**" IN THE U.S. RISK RETENTION RULES IS SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF "**U.S. PERSON**" IN REGULATION S. ON THE CLOSING DATE, THE NOTES MAY ONLY BE PURCHASED BY PERSONS THAT ARE (A) NOT RISK RETENTION U.S. PERSONS OR (B) PERSONS THAT HAVE OBTAINED A U.S. RISK RETENTION CONSENT FROM THE SELLER. EACH PURCHASER OF THE NOTES OR A BENEFICIAL INTEREST THEREIN ACQUIRED IN THE INITIAL SYNDICATION OF THE NOTES, BY ITS ACQUISITION OF THE NOTES OR A BENEFICIAL INTEREST THEREIN WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) EITHER



(i) IS NOT A RISK RETENTION U.S. PERSON OR (ii) HAS OBTAINED A U.S. RISK RETENTION CONSENT FROM THE SELLER, (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTE THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES). ANY RISK RETENTION U.S. PERSON WISHING TO PURCHASE NOTES MUST INFORM THE SELLER AND THE JOINT LEAD MANAGERS THAT IT IS A RISK RETENTION U.S. PERSON. CERTAIN INVESTORS MAY BE REQUIRED BY THE RETENTION HOLDER TO EXECUTE A WRITTEN CERTIFICATION OF REPRESENTATION LETTER IN RESPECT OF THEIR STATUS UNDER THE U.S. RISK RETENTION RULES. SEE "*RISK FACTORS-LEGAL AND REGULATORY RISKS RELATING TO THE STRUCTURE AND THE NOTES – U.S. RISK RETENTION REQUIREMENTS*".

There is no undertaking to register the Notes under U.S. state or federal securities laws. Until 40 days after the later of the commencement of the offering of the Notes and the Closing Date, an offer or sale of the Notes within the United States by any dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an exemption from the registration requirements of the Securities Act.

Each initial and subsequent purchaser of the Notes will be deemed by its acceptance of such Notes to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer of the Notes as set out in the Subscription Agreement and described in this Prospectus and, in connection therewith, may be required to provide confirmation of its compliance with such resale and other transfer restrictions in certain cases. See "*Transfer Restrictions and Investor Representations*".

None of the Issuer nor any Relevant Party makes any representation to any prospective investor or purchaser of the Notes regarding the legality of investment therein by such prospective investor or purchaser under applicable legal investment or similar laws or regulations.

None of the Arranger or the Joint Lead Managers makes any representation as to the suitability of the Notes to fulfil social and sustainability criteria required by prospective investors. The Arranger and the Joint Lead Managers have not undertaken, nor are responsible for, any assessment of the Social Bond Framework and any verification of whether the notes or the Social Bond Framework achieve any of ICMA's Social Bond Principles. None of the Arranger or the Joint Lead Managers will verify or monitor the proposed use of proceeds of the Notes issued. Investors should refer to the Legal Title Holder's Social Bond Framework and Second Party Opinion available on the Legal Title Holder's website for information. The Second Party Opinion provider has been appointed by the Legal Title Holder. For the avoidance of doubt, none of the Social Bond Framework, the Legal Title Holder's website or the Second Party Opinion form part of this Prospectus.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II (as defined above); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**EU Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the EU 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 of the UK by virtue of the EUWA. Consequently no key information document required by the EU PRIIPS Regulation as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

This Prospectus has been approved as a prospectus by the Central Bank of Ireland (the "**CBI**") as competent authority under the EU Prospectus Regulation. The CBI only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Approval by the CBI should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

**EU MiFID II PRODUCT GOVERNANCE** - 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 EU MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

**UK MiFIR PRODUCT GOVERNANCE** - 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 domestic law of the UK by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

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

The Seller accepts responsibility for the information set out in the sections headed "*The Seller and the Retention Holder*" and the information under the heading "*UK and EU Risk Retention*" in the section entitled "*Certain Regulatory Requirements*".

The Legal Titleholder and the Servicer accepts responsibility for the information set out in the sections headed "*The Mortgage Loans*", "*Characteristics of the Provisional Portfolio*", "*Characteristics of the UK Residential Mortgage Market*". To the best of the knowledge and belief of the Legal Title Holder, the Seller and the Servicer, the information contained in the sections referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Legal Title Holder, the Seller or the Servicer as to the accuracy or completeness of any information contained in this Prospectus (other than in the sections referred to above and not specifically excluded therein) or any other information supplied in connection with the Notes and/or the Residual Certificates or the distribution of the Notes.

The Cash Administrator accepts responsibility for the information set out in the section headed "*Issuer Account Bank, Principal Paying Agent, Cash Administrator, Registrar, Agent Bank*" as it specifically relates to the Cash Administrator only. To the best of the knowledge and belief of the Cash Administrator, the information contained in the section referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Cash Administrator as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Notes and/or the Residual Certificates or their distribution.

The Issuer Account Bank accepts responsibility for the information set out in the section headed "*Issuer Account Bank, Principal Paying Agent, Cash Administrator, Registrar, Agent Bank*". To the best of the knowledge and belief of the Issuer Account Bank, the information contained in the section referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Issuer Account Bank as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Notes and/or the Residual Certificates or their distribution.

The Swap Provider accepts responsibility for the information set out in the section headed "*The Swap Provider*". To the best of the knowledge and belief of the Swap Provider, the information contained in the section referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Swap Provider as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Notes and/or the Residual Certificates or their distribution.

Each of the Note Trustee and the Security Trustee accepts responsibility for the information set out in the section headed "*The Note Trustee and Security Trustee*". To the best of the knowledge and belief of the Note Trustee and the Security Trustee, the information contained in the section referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Note Trustee or the Security Trustee as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Notes and/or the Residual Certificates or their distribution.

The Corporate Services Provider accepts responsibility for the information set out in the section headed "*The Corporate Services Provider*". To the best of the knowledge and belief of the Corporate Services Provider, the information contained in the section referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Corporate Services Provider as

to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Notes and/or the Residual Certificates or their distribution.

The Replacement Servicer Facilitator accepts responsibility for the information set out in the section headed "*The Replacement Servicer Facilitator*". To the best of the knowledge and belief of the Replacement Servicer Facilitator, the information contained in the section referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Replacement Servicer Facilitator as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Notes and/or the Residual Certificates or their distribution.

No person is authorised to give any information or to make any representation in connection with the offering or sale of the Notes other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Seller, the Legal Title Holder, the Servicer, the Note Trustee or the Security Trustee, the Arranger, the Joint Lead Managers, the Replacement Servicer Facilitator, the Swap Provider or any of their respective affiliates or advisers. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of the Notes shall, under any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer, the Legal Title Holder, the Servicer, the Seller or in the other information contained herein since the date hereof. The information contained or incorporated by reference in this Prospectus was obtained from the Issuer and the other sources identified herein, but no assurance can be given by the Note Trustee, the Security Trustee, the Legal Title Holder, the Servicer, the Seller, the Joint Lead Managers, the Replacement Servicer Facilitator, the Arranger or the Swap Provider as to the accuracy or completeness of such information. None of the Arranger, the Joint Lead Managers, the Legal Title Holder, the Servicer, the Seller, the Note Trustee, the Security Trustee or the Swap Provider have separately verified the information contained or incorporated by reference herein. Accordingly, none of the Arranger, the Joint Lead Managers, the Legal Title Holder, the Servicer, the Seller, the Replacement Servicer Facilitator, the Note Trustee, the Security Trustee or the Swap Provider makes any representation, express or implied, or (other than as set out above) accepts any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus. In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks involved. The contents of this Prospectus should not be construed as providing legal, business, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Notes and/or Residual Certificates.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Legal Title Holder, the Servicer, the Seller, the Note Trustee, the Security Trustee, the Joint Lead Managers, the Arranger, the Swap Provider or any of them to subscribe for or purchase any of the Notes in any jurisdiction where such action would be unlawful and neither this Prospectus, nor any part thereof, may be used for or in connection with any offer to, or solicitation by, any person in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Payments of interest and principal in respect of the Notes will be subject to any applicable withholding taxes without the Issuer or any other person being obliged to pay additional amounts to compensate the Noteholders for any lesser amounts the Noteholders may receive as a result of such withholding.

In this Prospectus all references to "**pounds**", "**sterling**", "**GBP**" and "**£**" are references to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland. References in this Prospectus to "**€**", "**eur**" and "**euro**" are references to the single currency introduced at the third stage of European

Economic and Monetary Union pursuant to the Treaty Establishing the European Communities as amended from time to time.

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

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

None of the Arranger or the Joint Lead Managers has independently verified (i) the information contained herein (ii) any statement, representation, or warranty, or compliance with any covenant, of the Issuer contained in the Transaction Documents or any other agreement or document relating to the Notes and/or the Residual Certificates or (iii) the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of the Notes, the Residual Certificates, the Transaction Documents or any other document relating to the Notes and/or the Residual Certificates. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger or the Joint Lead Managers as to (a) the accuracy or completeness of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with this Prospectus or (b) the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of the Notes, the Residual Certificates, the Transaction Documents or any other document relating to the Notes and/or the Residual Certificates.

None of the Arranger or the Joint Lead Managers is responsible for any obligation of the Legal Title Holder, the Servicer, the Seller or the Issuer to comply with the requirements (including existing or ongoing reporting requirements) of the UK Securitisation Framework or the EU Securitisation Regulation or any corresponding national measures which may be relevant.

Each prospective investor in the Notes or the Residual Certificates must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes or Residual Certificates, the merits and risks of investing in the Notes or Residual Certificates and the information contained in this Prospectus;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes or Residual Certificates and the impact the Notes or Residual Certificates will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes or Residual Certificates, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the prospective investor's currency;
- (d) understand thoroughly the terms of the Notes or Residual Certificates and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes and the Residual Certificates are complex financial instruments. A prospective investor should not invest in the Notes or Residual Certificates unless it has the expertise (either alone or with a financial adviser)

to evaluate how the Notes or Residual Certificates will perform under changing conditions, the resulting effects on the value of the Notes or Residual Certificates and the impact this investment will have on the prospective investor's overall investment portfolio.

In this Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted as at the date of this Prospectus.

## **Forward-Looking Statements**

Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this Prospectus, including with respect to assumptions on prepayment and certain other characteristics of the Mortgage Loans, and reflect significant assumptions and subjective judgements by the Issuer that may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "anticipates", "continues", "intends", "plans" or similar terms. Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the forward-looking statements will not materialise or will vary significantly from actual results. Accordingly, the forward-looking statements are only an estimate. Actual results may vary from the forward-looking statements, and the variations may be material. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic environment and regulatory changes in the residential mortgage industry in the UK. Some important factors that could cause actual results to differ materially from those in any forward-looking statements include changes in interest rates, prospective losses experienced, market, financial or legal uncertainties and mismatches between the timing of accrual and receipt of interest and principal from the Mortgage Loans. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. None of the Note Trustee, the Security Trustee, the Arranger or the Joint Lead Managers has attempted to verify any such statements, nor does it make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements. None of the Issuer, the Note Trustee, the Security Trustee, the Arranger or the Joint Lead Managers assumes any obligation to update these forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

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## **Risk Factors**

The following is a description of the principal risks associated with an investment in the Notes. These risk factors are material to an investment in the Notes. Most of these factors are contingencies which may or may not occur. Prospective Noteholders should carefully read and consider all the information contained in this Prospectus, including the risk factors set out in this section, prior to making any investment decision.

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

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

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

### **1 Risks Related to the Availability of Funds to pay the Notes**

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

The ability of the Issuer to meet its obligations under the Notes and the Residual Certificates will be dependent upon the receipt by it in full of (a) principal and interest from the Borrowers under the Mortgage Loans and their Collateral Security in the Portfolio, (b) interest income on the Issuer Accounts (other than amounts representing interest earned on any Swap Collateral) and any Authorised Investments (other than any amount of income received in respect of the Swap Collateral), (c) funds available in the Liquidity Reserve Fund (subject to application in accordance with the relevant Priority of Payments and please see the section entitled *Credit Structure–Liquidity Reserve Fund and Liquidity Reserve Fund Ledger*) and (d) the net receipts under the Swap Agreement. Other than the foregoing, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes or the Residual Certificates and/or any other payment obligation ranking in priority to, or *pari passu* with, the Notes or the Residual Certificates under the applicable Priority of Payments. As of the Optional Redemption Date, the margin applicable to the Notes will be increased, except as to the margin applicable to the Class X Notes, which will not be increased. There will, however, be no additional receipts or other sources of funds available to the Issuer as of the Optional Redemption Date, nor is it expected

that any of the sources of income available to the Issuer prior to the Optional Redemption Date will be increased. If such funds are insufficient, any such insufficiency will be borne by the Noteholders and the other Secured Creditors, subject to the applicable Priority of Payments.

*The Notes and the Residual Certificates will be limited recourse obligations of the Issuer*

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

- (a) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and
- (c) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of the Deed of Charge, amounts outstanding under the Notes and the Residual Certificates (including payments of principal and interest on the Notes and Residual Payments in respect of the Residual Certificates),

then the Secured Creditors (which include but are not limited to, the Noteholders and the Certificateholders) shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal and interest in respect of the Notes and Residual Payments in respect of the Residual Certificates). As such, amounts available to the Issuer in such circumstances may be insufficient to pay Noteholders and Certificateholders in full and any unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

Each Secured Creditor will agree pursuant to the terms of the Deed of Charge 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, where such amount so received is greater than the amount owed to it pursuant to the Deed of Charge, 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 shall be received and held by it as trustee for the Security Trustee and shall be paid over to the Security Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of the Deed of Charge.

*The timing and amount of payments in respect of the Mortgage Loans could be affected by the various factors which may adversely affect payments on the Notes*

Borrowers may default on their obligations under the Mortgage Loans in the Portfolio. Defaults may occur for a variety of reasons. The Mortgage Loans (and the ability of the Borrowers to pay amounts owed under the Mortgage Loans) are affected by credit, liquidity and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic or housing conditions, changes in tax laws, interest rates, inflation, cost of living, energy prices, the availability of financing, yields on alternative investments, political developments and government policies (including the introduction of global tariffs, geopolitical risks around the war between Russia and Ukraine and the ongoing conflict in the Middle East which could impact the UK economy, in particular by pushing up energy and oil prices and increasing inflation (and the cost of living) further), and widespread health crises or the fear of such crises (such as coronavirus (including COVID-19), measles, SARS, Ebola, H1N1, Zika, avian influenza, swine flu, or other epidemic diseases).

In addition, the UK economy is experiencing a range of economic effects, partly associated with the introduction of global tariffs and the full-scale invasion of Ukraine by Russia as well as the ongoing conflict in the Middle East, with uneven impacts. Developments such as consumer energy price inflation and disruption to global supply chains alongside elevated global demand for goods and supply shortages of specific goods have led to recent inflationary pressure and rising costs of living. In response to such inflationary pressure, the Bank of England's Monetary Policy Committee has increased the Bank of England's base rate to a maximum of 5.25% in recent times, with the base rate, as at the date of pricing of the Notes, set at 4.25%. Further inflationary pressure may result in further interest rate increases over time. Increases in interest rates may have an adverse impact on property prices and therefore the value of the Collateral Security (as to which see further "*Risk Factors–Risks relating to the underlying assets–Decline in property prices may adversely affect the performance and market value of the Notes*" below).

There is currently some economic uncertainty and concern in relation to potential stagnation and recession. Any further interest rate increases could adversely affect Borrowers' disposable income and ability to pay interest or repay principal on their Mortgage Loans, particularly against a background of price rises for essential goods. If inflationary pressure on prices combines with suppressed wage growth, there is the potential for slow economic growth along with high unemployment (also known as "stagflation") which could negatively affect property values. Widespread economic impacts have the potential to create contagion effects.

To the extent the Legal Title Holder's customers have outstanding indebtedness for which the related interest rate adjusts following an initial fixed rate, in the context of a tightening of monetary policy, their interest payments on such debts could go up following the end of the initial fixed rate and impact their ability to meet their obligations under their loans. Other factors in Borrowers' individual, personal or financial circumstances (including taking out any further indebtedness after the origination of the Mortgage Loan) may affect the ability of Borrowers to repay the Mortgage Loans.

Other factors in Borrowers' individual, personal or financial circumstances may affect the ability of Borrowers to repay the Mortgage Loans. Unemployment, loss of earnings, poor business performance of Borrowers' businesses or, illness (including any illness arising in connection with an epidemic or a pandemic), divorce or other life events including death of a Borrower or the move to long term care of a Borrower may lead to an increase in delinquencies by Borrowers and could ultimately have an adverse impact on the ability of Borrowers to repay the Mortgage Loans.

The impact of the recent inflationary pressures and the effects of the introduction of global tariffs, the full-scale invasion of Ukraine by Russia on general economic conditions in the UK is currently uncertain and therefore it is not possible to determine whether or the extent to which it will have an adverse effect on the Borrowers. By way of example, certain Borrowers:

- (a) may be, or may become, unemployed (or see a reduction in volume of work and/or income) throughout the life of the Mortgage Loan taken out by them;
- (b) may be affected by government actions taken in response to a downturn which may include cuts in public benefits, a reduction in public sector employment, changes to the state pension or other austerity measures;
- (c) may be affected by the actions of private businesses that may reduce hiring or implement layoffs or redundancy programmes or reduce hours of work;
- (d) may, if they are self-employed or operate as independent contractors, have an income stream which is more susceptible to change (including the reduction or loss of future earnings due to illness, loss of business, tax laws or deterioration in general economic conditions including as a result of a shortage of materials) than Borrowers who are in full time employment.

(e) may have their pension savings impacted by negative returns in various asset classes including (but not necessarily limited to) equities or fixed income, to the extent their pension savings are invested in the same.

As a result, the income of any such Borrowers may be reduced or eliminated which may adversely affect their ability to pay any debt that they have including any payments under any Mortgage Loan.

In certain exceptional circumstances (including, but not limited to, as a result of illness or a loss of earnings arising from or in connection with an epidemic or a pandemic) following or in anticipation of payment shortfalls on the Mortgage Loan of a relevant Borrower, the relevant Borrower may be offered some degree of forbearance arrangement on the Mortgage Loan for a period of time in accordance with the Legal Title Holder's forbearance policy (which may include, without limitation, an extension of the term of the Mortgage Loan, a reduction in interest, a payment deferral or a payment break) or in accordance with the terms and conditions of the Mortgage Loans, in compliance with industry guidance and the FCA's rules and guidance (including but not limited to the Mortgages and Home Finance: Conduct of Business Sourcebook ("**MCOB**") Chapter 13. As a result of any such arrangement, the overall receipts on the Mortgage Loans could be adversely affected which could in turn lead to an adverse effect on the timing of payments on the Notes and/or a reduction in the amounts paid on the Notes.

Investors should note in particular in this regard the FCA Payment Deferral Guidance and the Tailored Support Guidance as defined and described in the section entitled "*Information Relating to the Regulation of Mortgages in the UK -FCA responses to coronavirus and the cost of living crisis*" below and the payment deferral and repossession forbearance measures outlined therein.

Following a prolonged period of high inflation and a resulting increase in UK interest rates, on 23 June 2023, a group of mortgage lenders agreed with the Chancellor of the Exchequer and the FCA a series of new commitments to support regulated residential mortgage borrowers (the "**Mortgage Charter**"). Whilst the commitments in the Mortgage Charter did not directly bind any UK mortgage lenders that were not a signatory to the Mortgage Charter, the FCA has enabled FCA regulated lenders to implement the Mortgage Charter through amending the responsible lending rules in MCOB 11.6. Investors should refer to the section entitled "*Information Relating to the Regulation of Mortgages in the UK—Mortgage Charter and Mortgage Charter Enabling Provisions*" for further details. As at the date of this Prospectus, it is not possible to predict how many Borrowers will seek to avail of the measures outlined in MCOB 11.6 and whether it is appropriate in all cases for the Legal Title Holder to apply such measures to the Mortgage Loans of such Borrowers, therefore it is not possible to determine the impact that the new measures may have on the timing and amounts of payments in respect of Mortgage Loans. Potential investors should be aware that there is a risk that any forbearance on repayments or repossession granted to a Borrower in relation to a Mortgage Loan, or any restructuring of the Borrower's obligations under a Mortgage Loan, may adversely affect the amounts available to the Issuer to make payments on the Notes in accordance with the applicable Priority of Payments.

In addition, the ability of a Borrower to sell a property given as security for a Mortgage Loan at a price sufficient to repay the amounts outstanding under that Mortgage Loan will depend upon a number of factors, including the availability of buyers for that property, the value of that property, property values in general at the time and in certain exceptional circumstances (including as a result of government restriction or guidance arising from or in connection with an epidemic or a pandemic) the practical ability to complete a sale.

The Issuer is also subject to the risk of failure by the Servicer, on behalf of the Issuer, to realise or recover sufficient funds under the arrears and default procedures in respect of a relevant Mortgage Loan and Collateral Security in order to discharge all amounts due and owing by the relevant Borrower under such Mortgage Loan.

In order to enforce a power of sale in respect of a mortgaged property, the relevant mortgagee or (in Scotland) heritable creditor must first obtain possession of the relevant property. Possession is usually obtained by way of a court order or decree. This can be a lengthy and costly process and will involve the mortgagee or heritable

creditor (as applicable) assuming certain risks. In addition, once possession has been obtained, a reasonable period must be allowed for marketing the property, to discharge obligations and to take reasonable care to obtain a proper and fair price. If obtaining possession of properties and arranging a sale in such circumstances is lengthy or costly, the Issuer's ability to make payments on the Notes may be reduced. The Issuer's ability to make such payments may be reduced further if the powers of a mortgagee or heritable creditor (as applicable) in relation to obtaining possession of properties permitted by law, are restricted in the future.

In addition, the Issuer is subject to the risk of insufficiency of funds on any Interest Payment Date as a result of payments being made late by Borrowers (for example, where such funds relate to a preceding Collection Period but are received after the Servicer has calculated the collections relating to such Collection Period).

The above risks could adversely affect the Issuer's ability to make payments on the Notes but is mitigated to some extent by certain liquidity and credit enhancement features of the transaction, including those described in the section entitled "*Credit Structure*". However, no assurance can be made as to the effectiveness or sufficiency of such liquidity and credit enhancement features, or that such features will protect the Noteholders from any or all risks of loss.

*Yield to maturity and the Issuer's ability to redeem the Notes on its scheduled redemption dates or its final maturity dates may be affected by the rate of prepayment on the Mortgage Loans.*

The yield to maturity of the Notes will depend on, inter alia, the amount and timing of payment of principal and interest on the Mortgage Loans, whether or not any Additional Mortgage Loans are acquired by the Issuer, the quantity of Additional Mortgage Loans acquired and the timing of the acquisition by the Issuer of the Additional Mortgage Loans, and the price paid by the holders of the Notes. Prepayments on the Mortgage Loans may result from refinancing, sales of Properties by Borrowers voluntarily or as a result of enforcement proceedings under the relevant Mortgages, as well as the receipt of proceeds under the insurance policies.

The yield to maturity of the Notes may be adversely affected by, amongst other things, 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 economic, social and other factors, including prevailing mortgage market interest rates, the availability of alternative financing programmes, the competitiveness of replacement products, the impact of whether the Mortgage Loan imposes an early repayment charge on the Borrower, the end of any fixed rate periods which a particular Borrower may currently be on, local, regional, national macro-economic conditions, home-owner mobility, natural disasters, wars and widespread health crises or the fear of such crises such as an epidemic or pandemic (such as Coronavirus (COVID-19), measles, SARS, Ebola or other epidemic diseases). However, the rate of prepayment cannot be predicted. Generally, when market interest rates increase, Borrowers are less likely to prepay their Mortgage Loans, while conversely, when market interest rates decrease, Borrowers are generally more likely to prepay their Mortgage Loans. Borrowers may also prepay Mortgage Loans when they refinance their Mortgage Loans or sell their properties (either voluntarily or as a result of enforcement action taken). Subject to the terms and conditions of the relevant Mortgage Loans, a Borrower may also "overpay" principal at any time.

In addition, the yield to maturity of the Notes may be adversely affected if the Seller is required, per the terms of the Mortgage Sale Agreement, to repurchase a Mortgage Loan or Mortgage Loans under a Mortgage Account and the relevant Collateral Security from the Issuer because, for example, one of the Mortgage Loans does not comply in all material respects with the Loan Warranties, then the payment received by the Issuer for such repurchase will have the same effect as a prepayment of a Mortgage Loan or all the Mortgage Loans under the Mortgage Account as appropriate. If the Legal Title Holder consents to a Further Mortgage Advance or a Product Switch which does not meet the Product Switch Criteria, then the Seller will be required to repurchase such Product Switch Mortgage Loan which may result in Principal Receipts in the form of repurchase proceeds payable by the Seller instead being used prematurely to repay the Notes. **Provided that** the Product Switch

Criteria are met on the Product Switch Effective Date, the relevant Product Switch Mortgage Loan will not be subject to a repurchase obligation by the Seller on or before the 11<sup>th</sup> Business Day of the next calendar month. Because these and other relevant factors are not within the control of the Issuer, no assurance can be given as to the level of prepayments that the Portfolio will experience. Accelerated pre-payments will generally lead to a reduction in the weighted average life of the Notes.

In addition, if the conditions for the purchase of Additional Mortgage Loans by the Issuer are not met or there are no Additional Mortgage Loans available for the Seller to sell to the Issuer during the Additional Sale Period, or there are fewer Additional Mortgage Loans sold to the Issuer during the Additional Sale Period than there are funds available for this purpose in the Pre-Funding Principal Reserve Ledger, then the Issuer will not be able to purchase such Additional Mortgage Loans or, as the case may be, fully utilise the amounts standing to the credit of the Pre-Funding Principal Reserve Ledger during the Additional Sale Period, which may result in:

- (i) amounts standing to the credit of the Pre-Funding Principal Reserve Ledger instead being applied pro rata in redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (but not the Class X Notes) on the first Interest Payment Date after the Final Additional Sale Date which, in turn, may lead to a reduction in the weighted average life of, and yield on, the Notes; and
- (ii) amounts standing to the credit of the Pre-Funding Revenue Reserve Ledger instead being used to pay amounts in accordance with the Pre-Enforcement Revenue Priority of Payments on the first Interest Payment Date after the Final Additional Sale Date, which may result in, inter alia, the redemption of the Class X Notes which, in turn, may lead to a reduction in the weighted average life of, and yield on, the Notes.

There can be no assurance that any Additional Mortgage Loans will be offered for sale to the Issuer. The fewer Additional Mortgage Loans that are acquired by the Issuer, the greater the yield to maturity of the Notes will be adversely affected.

In addition, redemption rates on the Retirement Interest Only Mortgage Loans may increase in line with decreasing life expectancy of the Borrowers. This is because Retirement Interest Only Mortgage Loans are repayable on death of the last remaining Borrower. If life expectancy increases, this may ultimately result in the weighted average life of the Notes increasing.

Payments and prepayments of principal on the Mortgage Loans will be applied to reduce the Principal Amount Outstanding of the Notes on a pass-through basis on each Interest Payment Date in accordance with the Pre-Enforcement Principal Priority of Payments (see "*Cashflows*") or used to fund a Senior Expenses Deficit or used to fund any Ported Mortgage Loan Consideration.

At any time on or after the Optional Redemption Date, the Issuer may, subject to certain conditions, redeem all of the Notes. In addition, the Issuer may, subject to the Conditions, redeem all of the Notes if (i) a change in tax law results in the Issuer (in the case of the Notes or the Swap Agreement) or the Swap Provider (in the case of the Swap Agreement) being required to make a deduction or withholding for or on account of tax in respect of the Notes; or (ii) a change in or the adoption of any new law, rule, direction guidance or regulations which requires or will require the manner in which the UK Retained Interest and/or EU Retained Interest held by the Risk Retention Regulatory Change Option Holder to be restructured, increased or to become non-compliant with respect to any risk retention requirements under the UK Securitisation Framework and/or the EU Securitisation Regulation or other applicable law, rule, direction, guidance or regulation after the Closing Date.

Pursuant to the:

- (i) Deed Poll, the Option Holder has the option, at any time from, and including, the Collection Period Start Date immediately preceding the Optional Redemption Date, to effect a third party sale of the

Mortgage Loans in consideration for the Optional Purchase Price as detailed in the section "*Early Redemption of the Notes*". The Option Holder has no obligation to exercise its rights in respect of the Call Option. A number of factors may be relevant to a decision whether or not to exercise the Call Option at the relevant time. This may adversely affect the yield to maturity on the Notes if the Call Option is exercised; and

- (ii) Risk Retention Regulatory Change Deed Poll, the Risk Retention Regulatory Change Option Holder has the option, at any time on or after the occurrence of a Risk Retention Regulatory Change Event, to effect a third party sale of the Mortgage Loans in consideration for the Risk Retention Regulatory Change Option Purchase Price as detailed in the section "*Early Redemption of the Notes*". The Risk Retention Regulatory Change Option Holder has no obligation to exercise its rights in respect of the Risk Retention Regulatory Change Option. A number of factors may be relevant to a decision whether or not to exercise the Risk Retention Regulatory Change Option at the relevant time. This may adversely affect the yield to maturity on the Notes if the Risk Retention Regulatory Change Option is exercised.

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

## **2 Risks relating to the underlying assets**

### *Decline in property prices may adversely affect the performance and market value of the Notes*

The value of the Collateral Security in respect of the Mortgage Loans may be affected by, amongst other things, a decline in the property values in the UK. If the residential property market in the UK should experience an overall decline in property values, such a decline could in certain circumstances result in the value of the Collateral Security being significantly reduced and, in the event that the Collateral Security is required to be enforced, may result in an adverse effect on payments on the Notes.

The Issuer cannot guarantee that the value of a Property will remain at the same level as on the date of origination of the related Mortgage Loan. Downturns in the UK economy generally have a negative effect on the property market. The London property market has been particularly affected by recent macro-political uncertainty (See the section entitled Risk Factors – *Risks Related to the Availability of Funds to Pay the Notes - The timing and amount of payments in respect of the Mortgage Loans could be affected by the various factors which may adversely affect payments on the Notes*" above, for further details). Approximately 33.19 per cent. of the Provisional Portfolio by aggregate Principal Balance comprises Mortgage Loans that are secured against properties located in Greater London and the South East.

In addition, any natural disasters, impacts of climate change (including, but not limited to, increased flood risk or coastal erosion), wars or widespread health crises or the fear of such crises (such as an epidemic or pandemic), governmental policies and actions or inactions in response to such crises or such potential crises (including, but not limited to, COVID-19, measles, SARS, Ebola, H1N1, Zika, avian influenza, swine flu (or any strain of the foregoing), or other epidemic and/or pandemic diseases), whether in the UK or in any other jurisdictions, may lead to a deterioration of the economic conditions in the UK and also globally and may reduce the value of Properties securing Mortgage Loans in the Portfolio and/or negatively impact the ability of affected Borrowers to make timely payments of interest and repayments of principal on their Mortgage Loans.

As at the date of this Prospectus, it is not possible to determine the impact that the nature and extent of UK Government responses in the formulation of fiscal and monetary policies, the regulatory landscape and/or any related matters may have on general economic conditions in the UK and whether such impact will have a materially adverse effect on the performance of the UK housing market and/or result in a decline in overall property values in the UK.

A fall in Property prices resulting from a deterioration in the property market could result in losses being incurred on Mortgage Loans in the Portfolio where the net recovery proceeds are insufficient to redeem in full the outstanding Mortgage Loan. If the value of the Collateral Security backing the Mortgage Loans is reduced this may ultimately result in losses to Noteholders if the Collateral Security is required to be enforced and the resulting proceeds are insufficient to make payments on all Notes.

Borrowers may have insufficient equity to refinance their Mortgage Loans with lenders other than the Legal Title Holder and may have insufficient resources to pay amounts in respect of their Mortgage Loans as and when they fall due. The ability of a Borrower to refinance the relevant Mortgage Loan will be affected by a number of factors (as to which see the section entitled "*Refinancing capacity of Borrowers*" below). This could lead to higher delinquency rates and losses which in turn may adversely affect payments on the Notes.

In the event that house price growth accelerates faster than earnings growth, there is a risk that such scenario may stretch housing cost affordability (including mortgage financing (or refinancing)) leaving households more vulnerable to shocks, such as increases in interest rates and this could ultimately lead to higher losses on Mortgage Loans.

There is the potential for housing market activity and prices to decline should there be a deterioration in the labour market, if strains in the financial system re-emerge and there is a further tightening of monetary policy (for example by impairing the flow of credit to the wider economy via increases in interest rates which are passed on to the Borrowers) or other factors (including, but not limited to pandemics or epidemics) cause a deterioration in economic conditions. This risk is particularly relevant to Interest-Only Mortgage Loans in the Portfolio. See also "*Deterioration in Economic Conditions*" below.

*There is no guarantee that the Provisional Portfolio will be the Portfolio as at the Closing Date*

The information in the section headed "*Characteristics of the Provisional Portfolio*" has been extracted from the systems of the Legal Title Holder as at 30 April 2025 (the "**Portfolio Reference Date**"), reflecting the Principal Balance of the Mortgage Loans on 30 April 2025 (the "**Provisional Portfolio**"). For the avoidance of doubt, all statistical and other information contained in this Prospectus with respect to the Portfolio Reference Date refer to such statistical and other information in respect of the Mortgage Loans as at 30 April 2025.

As at the Portfolio Reference Date, the Provisional Portfolio comprised 1,053 Mortgage Loans with an aggregate Principal Balance of £188,830,974. Having removed any mortgage loans that are no longer eligible or that will have been redeemed in full as at the Closing Date, the Closing Date Portfolio to be sold to the Issuer on the Closing Date will include all remaining loans in the Provisional Portfolio.

The characteristics of the Portfolio as at the Closing Date will vary from those set out in the tables in this Prospectus as a result of, amongst other things, repayments and redemptions of mortgage loans prior to the Closing Date. There is therefore a risk that there could be a material difference between the characteristics of the Provisional Portfolio and those of the Portfolio, or a material change in the characteristics of the Provisional Portfolio between the Portfolio Reference Date and the Closing Date.

#### *Deterioration in Economic Conditions*

The Seller and the Legal Title Holder operate solely in the UK and any deterioration in economic conditions, including as a result of Brexit or rising geopolitical tensions, resulting in increased supply chain problems, unemployment rates, loss of earnings, increased short or long-term interest rates, including as a result of any further tightening of monetary policy, increased consumer and commercial bankruptcy filings, a decline in the strength of national or local economies, the associated implications of a local, regional or national lockdown due to an epidemic or a pandemic, increased inflation or other outcomes (including geopolitical and economic risks relating to the introduction of global tariffs and the full-scale invasion of Ukraine by Russia which has impacted the UK economy, by pushing up energy and oil prices and increasing inflation (and the cost of living)



further) which negatively impact household and business incomes, including pensions, could have an adverse effect on the ability of Borrowers to make payments on their Mortgage Loans, decrease loan redemption levels, increase loan delinquency rates and increase loan losses, which may also result in losses on the Notes.

*Increases in prevailing market interest rates may adversely affect the performance of the Portfolio*

The UK economy is experiencing a range of economic effects with uneven impacts. As at the date of this Prospectus, the UK has recently experienced high energy prices, above target inflation and increases in the cost of living, termed by many as a "cost of living crisis" (the cost of living in the UK having recently risen at its fastest rate in 30 years), which could lead to further economic stress as consumers reduce their household expenditure leading to a negative impact on businesses (in particular those in the retail and service sectors). Developments such as consumer energy price inflation and disruption to global supply chains alongside elevated global demand for goods and supply shortages of specific goods have led to recent inflationary pressure. After a period, during which the UK has benefited from a historically low interest rate climate as the Bank of England attempted to limit the slowdown in economic activity in the UK since the global financial crisis, the Bank of England's Monetary Policy Committee has reversed its policy in response to recent inflationary pressure. Although the Bank of England's base rate has recently been reducing, further inflationary pressure may result in further interest rate increases over time. In addition, new mortgage rates have increased significantly in recent years for all UK lenders. Further interest rate increases could adversely affect Borrowers' disposable income and ability to meet their payment obligations under their Mortgage Loans, particularly against a background of price rises for essential goods, and thus arrears and default levels on the Mortgage Loan may increase. If inflationary pressure on prices combines 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.

In response to a rise in the cost of living and continued industrial action by certain public sector workers, the UK Government has increased the pay for certain public sector workers. Increases in public sector pay may contribute to prolonging high levels of inflation and may need to be paid for through increases in taxation which may have a further negative impact on the economy as consumers further reduce their expenditure.

Further increases in interest rates may result in Borrowers with a Mortgage Loan for which the related interest rate adjusts following an initial fixed rate being exposed to increased monthly payments as and when the related mortgage interest rate increases following the end of the relevant fixed 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 period, may ultimately result in higher delinquency rates and losses in the future.

Borrowers seeking to avoid these increased monthly payments by refinancing their Mortgage Loans may no longer be able to find available replacement loans at comparably low interest rates. Any decline in housing prices may also leave Borrowers with insufficient equity in their homes to permit them to refinance. In addition, the introduction of global tariffs and the full-scale invasion of Ukraine by Russia could also impact interest rates.

These events, alone or in combination, may contribute to higher delinquency rates and losses on the Portfolio. Ultimately, if the timing and payment of the Mortgage Loans is adversely affected by any of the risks described above, the ability of the Issuer to meet its obligations and, among other things, make payments under the Notes could be reduced or delayed.

*Geographic Concentration Risks*

Mortgage Loans in the Portfolio may also be subject to geographic concentration risks within certain regions of Great Britain. To the extent that specific geographic regions in Great Britain have experienced, or may

experience in the future, weaker regional economic conditions (due to local, national and/or global macroeconomic factors) and weaker property markets than other regions in Great Britain, a concentration of the Mortgage Loans in such a region may exacerbate the risks relating to the Mortgage Loans described in this section. Certain geographic regions in Great Britain rely on different types of industries. Any downturn in a local economy or particular industry may adversely affect the regional employment levels and consequently the repayment ability of the Borrowers that are not retired in that region or the region that relies most heavily on that industry. Government actions taken in response to a downturn may include cuts in public benefits (including pensions) 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. Private businesses may also reduce hiring or implement layoffs or reduce hours of work, which would potentially affect Borrowers that are not retired. In addition, self-employed Borrowers may see a reduction in volume of work and/or income. Different geographic areas of Great Britain might be impacted differently by any economic downturn and by any government action taken in relation to it.

For example, in Scotland, the Scotland Act 2016 (which came into force on 23 March 2016) devolves, amongst other things, 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. Since 6 April 2018, the rates and thresholds for income tax that apply to the non-savings and non-dividend income of Scottish taxpayers have, for the first time, differed from those applied throughout the rest of the UK. At that time, the basic rate of tax was split into three tiers (a starter rate, a basic rate and an intermediate rate). The higher and top rates of tax have also both increased, most recently in April 2024 to 42% and 48% respectively. In addition, a new advanced rate was introduced from 6 April 2024 which sits between the higher and top rates and which attracts a rate of 45%. The changes mean that certain taxpayers in Scotland pay a higher level of tax than borrowers in the same income bracket in England and Wales. This may affect some borrowers' ability to pay amounts when due on the Scottish Mortgage Loans which, in turn, may adversely affect the ability of the Issuer to make payments under the Notes.

In addition, any natural disasters, impacts of climate change (including, but not limited to, increased flood risk or coastal erosion), wars or widespread health crises (or the fear of such crises such as a pandemic or epidemic), governmental policies and actions or inactions in response to such crises or such potential crises (including, but not limited to, COVID-19, measles, SARS, Ebola, H1N1, Zika, avian influenza, swine flu (or any strain of the foregoing), or other epidemic and/or pandemic diseases) in a particular region may lead to a deterioration of the economic conditions and reduce the value of affected Properties securing Mortgage Loans in the Portfolio and/or negatively impact the ability of affected Borrowers to make timely payments on the Mortgage Loans.

Governmental action or inaction in respect of, or responses to, any widespread health crises or such potential crises (such as those mentioned previously), whether in the UK or in any other jurisdiction, may lead to a deterioration of economic conditions both globally and also within the UK. This may result in a loss being incurred upon sale of the relevant Property and/or otherwise affect receipts on the Mortgage Loans.

For an overview of the geographical distribution of the Mortgage Loans as at the Portfolio Reference Date, see "*Characteristics of the Provisional Portfolio—Geographical distribution*". Given the unpredictable effect such factors may have on the local, regional, national or global economy, no assurance can be given as to the impact of any of the matters described in this risk factor and, in particular, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes.

#### *Searches, Investigations and Warranties in Relation to the Mortgage Loans*

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

Neither the Note Trustee, the Security Trustee, the Arranger, the Joint Lead Managers nor the Issuer has undertaken, or will undertake, any investigations, searches or other actions of any nature whatsoever in respect of any Mortgage Loan or its Collateral Security in the Portfolio and each relies instead on the warranties given in the Mortgage Sale Agreement by the Seller. The primary remedy of the Issuer against the Seller if any of the warranties made by the Seller are materially breached or prove to be materially untrue as at the Closing Date and are not capable of being remedied or are not remedied by the Seller within 45 calendar days of receipt by the Seller of a notice from the Issuer that such conditions are not satisfied in accordance with the Mortgage Sale Agreement, is that the Seller shall be required to repurchase the relevant Mortgage Loan and its Collateral Security in accordance with the repurchase provisions in the Mortgage Sale Agreement. However, there can be no assurance that the Seller will have the financial resources to honour such obligations under the Mortgage Sale Agreement. Furthermore, although the Seller and the Servicer have undertaken, pursuant to the Mortgage Sale Agreement and Servicing Deed, to notify the Issuer (and, if applicable, the Servicer) upon becoming aware of a material breach of any Loan Warranty, there shall be no obligation on the part of the Seller or the Servicer to monitor compliance of the Mortgage Loans with the Loan Warranties following the Closing Date. This may affect the quality of the Mortgage Loans and their Collateral Security in the Portfolio and accordingly the ability of the Issuer to make payments due on the Notes.

*The Legal Title Holder to initially retain legal title to the Mortgage Loans and risks relating to set-off*

The sale by the Seller to the Issuer of the English Mortgage Loans and their Collateral Security (until legal title is conveyed) takes effect in equity only.

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

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

Further, prior to the insolvency of the Legal Title Holder, unless (i) notice of the assignment was given to a Borrower who is a debtor of the Legal Title Holder in respect of an English Mortgage Loan and its Collateral Security, and (ii) an assignation of a Scottish Mortgage Loan and its Collateral Security is effected by the Legal Title Holder to the Issuer and notice thereof is then given to the relevant Borrower who is a debtor of the Legal Title Holder in respect of the Scottish Mortgage Loan and its Collateral Security, equitable or independent set-

off rights may accrue in favour of the Borrower against his or her obligation to make payments to the Legal Title Holder under the relevant Mortgage Loan. These rights may result in the Issuer receiving reduced payments on the Mortgage Loans. The transfer of the benefit of any Mortgage Loans to the Issuer will continue to be subject to any prior rights the Borrower may become entitled to after the transfer. Where notice of the assignment or assignation is given to the Borrower, however, some rights of set-off (being those rights that are not connected with or related to the relevant Mortgage Loan) may not arise after the date notice is given. For the purposes of this Prospectus, references herein to "**set-off**" shall be construed to include analogous rights in Scotland.

Until notice of the assignment or assignation is given to Borrowers, the Issuer would not be able to enforce any Borrower's obligations under a Mortgage Loan or Collateral Security itself but would have to join the Legal Title Holder as a party to any legal proceedings. Borrowers will also have the right to redeem their Mortgages by repaying the relevant Mortgage Loan directly to the Legal Title Holder. However, the Legal Title Holder will undertake, pursuant to the Mortgage Sale Agreement, to hold any money repaid to them in respect of relevant Mortgage Loans to the order of the Issuer.

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

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

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

#### *Repurchase of Mortgage Loans subject to Further Mortgage Advances and Mortgage Loans in breach of Loan Warranty*

While there is no obligation on the Legal Title Holder to make Further Mortgage Advances, a Borrower may request or, the Legal Title Holder may in its discretion offer a Borrower a Further Mortgage Advance from time to time. Should a Further Mortgage Advance be agreed in relation to any Mortgage Loan following an application by the Borrower or an offer by the Legal Title Holder, the Issuer (or the Legal Title Holder on its behalf) shall serve upon the Seller and the Legal Title Holder (with a copy to the Security Trustee) a repurchase notice requiring the Seller to repurchase the related Mortgage Loan and the Collateral Security on the date the Further Mortgage Advance is being made (see further "*Summary of the Key Transaction Documents—Mortgage Sale Agreement—Further Mortgage Advances, Product Switches and Porting*").

Where the Seller is required to repurchase a Mortgage Loan subject to a Further Mortgage Advance or because one of the Loan Warranties are not true in any material respect, there can be no assurance that the Seller will have the financial resources to honour its repurchase obligations under the Mortgage Sale Agreement. These circumstances may affect the quality of the Mortgage Loans and their Collateral Security in the Portfolio and accordingly the ability of the Issuer to make payments on the Notes.

#### *Product Switches*

While there is no obligation on the Legal Title Holder to make Product Switches, a Borrower may request or, the Legal Title Holder (or so long as the relevant Mortgage Loan is serviced by a member of the LiveMore

Group, the Servicer on behalf of the Legal Title Holder) may in its discretion offer a Borrower a Product Switch from time to time. Any Mortgage Loan which has been the subject of a Product Switch following an application by the Borrower or an offer by the Legal Title Holder (or the Servicer on its behalf) will be notified by the Legal Title Holder (or the Servicer on its behalf) to the Issuer in a Product Switch Notice detailing each Product Switch Mortgage Loan completed in the previous calendar month. The Legal Title Holder (or the Servicer on its behalf) shall certify in the Product Switch Notice whether or not the relevant Product Switch Mortgage Loan satisfies the Product Switch Criteria. Following receipt of a Product Switch Notice, the Issuer shall serve upon the Seller a repurchase notice requiring the Seller to repurchase each Product Switch Mortgage Loan (and its Collateral Security) which is identified in the Product Switch Notice as not satisfying the Product Switch Criteria on the date specified in the repurchase notice provided that such Mortgage Loans shall be repurchased by the Seller on or before the 11<sup>th</sup> Business Day of the next calendar month. If the Product Switch Criteria is satisfied in respect of a Product Switch Mortgage Loan on the relevant Product Switch Effective Date (as certified in the relevant Product Switch Notice), such Product Switch Mortgage Loan will be retained in the Portfolio unless the Seller elects to repurchase such Product Switch Mortgage Loan.

See further "*Summary of the Key Transaction Documents–Mortgage Sale Agreement–Repurchase by the Seller*".

Where the Seller is required to repurchase a Product Switch Mortgage Loan there can be no assurance that the Seller will have the financial resources to honour its repurchase obligations under the Mortgage Sale Agreement. These circumstances may affect the quality of the Mortgage Loans and their Collateral Security in the Portfolio and accordingly the ability of the Issuer to make payments on the Notes.

#### *Standard Interest-only Mortgage Loans*

14.67 per cent. of the Provisional Portfolio by aggregate Principal Balance comprises Mortgage Loans that are Standard Repayment Mortgage Loans and 56.81 per cent. of the Provisional Portfolio by aggregate Principal Balance comprises Mortgage Loans that are Standard Interest-only Mortgage Loans (see "*The Mortgage Loans–Characteristics of the Mortgage Loans–Repayment Terms*"). With Standard Interest-only Mortgage Loans, where the Borrower is only required to pay interest during the term of such Standard Interest-only Mortgage Loan with the capital being repaid in a lump sum at the end of the term, it is generally recommended that borrowers ensure that some repayment mechanism, including sale of the security property, is in place to ensure that funds will be available to repay the capital at the end of the term.

The ability of such Borrower to repay a Standard Interest-only Mortgage Loan at maturity will often depend on such Borrower's ability to refinance or sell the Property or to obtain funds from another source such as pension policies, personal equity plans ("**PEPs**"), new individual savings accounts ("**NISAs**") or endowment policies.

Borrowers of Standard Interest-only Mortgage Loans may not make payment of the premiums due on any relevant investment or life policy taken out in relation to repayment of the relevant Standard Interest-only Mortgage Loan in full or on time, which policies may therefore lapse, and/or no further benefits may accrue thereunder. In certain cases, the policy may be surrendered but not necessarily in return for a cash payment and any cash received by the Borrower may not be applied in paying amounts due under the Standard Interest-only Mortgage Loan. The value of such investments at any point in time may also be subject to the performance of the underlying assets and may fluctuate based on market conditions. Thus, the ability of a Borrower to repay a Standard Interest-only Mortgage Loan at maturity without resorting to the sale of the underlying property depends on such Borrower's responsibility in ensuring that sufficient funds are available from a given source such as pension policies, PEPs, NISAs or endowment policies, as well as the financial condition of the Borrower, tax laws and general economic conditions at the time. In the case of the Provisional Portfolio, the repayment mechanism elected by the majority of Borrowers is sale of the security property as part of down-sizing. This presents a particular risk in the event that there is a falling market and the Mortgage Loan is in

negative equity. If a Borrower of any type cannot repay a Standard Interest-only Mortgage Loan either through the proceeds of an investment policy or from the sale of the property for sufficient funds or by any other means and a loss occurs, this may affect repayments on the Notes if the resulting Principal Deficiency Ledger entry cannot be cured from Available Revenue Receipts being first applied for such purpose, in each case in accordance with the Pre-Enforcement Revenue Priority of Payments.

Should a Borrower elect, subject to the consent of the Legal Title Holder and the Servicer, to amend the terms of its Mortgage Loan from a Standard Interest-only Mortgage Loan to a Standard Repayment Mortgage Loan, the relevant Mortgage Loan would remain with the Issuer as part of the Portfolio, resulting in the Issuer and Noteholders receiving principal payments on the relevant Mortgage Loan and the relevant Notes respectively, earlier than would otherwise be the case. See further "*Risk Factors—Risks Related to the Availability of Funds to pay the Notes—The timing and amount of payments in respect of the Mortgage Loans could be affected by the various factors which may adversely affect payments on the Notes*" above.

#### *Refinancing capacity of Borrowers*

The only security that exists in relation to a Mortgage Loan in the Portfolio will be the Mortgage in respect of the Property. The ability of a Borrower to refinance the Mortgage Loan will be affected by a number of factors, including the value of the Property, the Borrower's equity in the Property, the Borrower's age and employment status, the financial condition and payment history of the Borrower, tax laws and prevailing general economic conditions. In recent times and in response to increases in regulation, mortgage lenders have maintained stricter conditions to the advancing of mortgage loans which are secured on the Borrower's residence. In addition, in periods of economic downturns mortgage lenders usually apply further more restrictive conditions to advancing mortgage loans leading to Borrowers being less likely to meet lending criteria for refinancing. The inability of the Borrowers to refinance their respective Properties may ultimately result in a reduction of amounts available to the Issuer and adversely affect its ability to make payments under the Notes.

#### *Exposure to Vulnerable Customers*

The weighted average age of the youngest Borrower is 63.71 years which may result in the Provisional Portfolio having a greater exposure to vulnerable, or potentially vulnerable customers. A vulnerable customer is someone who, due to their personal circumstances, is especially susceptible to harm. All customers are at risk of becoming vulnerable, but this risk is increased by having characteristics of vulnerability. These could be poor health, such as cognitive impairment, life events such as new caring responsibilities, low resilience to cope with financial or emotional shocks and low capability, such as poor literacy or numeracy skills. A vulnerable customer may be more inclined to incur payment difficulties. The FCA expects firms to provide their customers with a level of care that is appropriate given the characteristics of the customers themselves. The level of care that is appropriate for vulnerable consumers, including the Servicer's approach to arrears management and forbearance, may be different from that for other firms. Additionally, the Servicer's ability to repossess and sell the underlying security property may be affected if the Borrower is vulnerable. The inability of vulnerable Borrowers to make monthly payments, or the Servicer's inability to repossess and sell the underlying security property of non-performing vulnerable Borrowers may ultimately result in a reduction of amounts available to the Issuer and adversely affect its ability to make payments under the Notes.

#### *Contractual Payment Holidays*

The Terms and Conditions of the Mortgage Loans provide for Borrowers in financial difficulty following an unexpected change in their circumstances to request a single payment break, which if approved by the Servicer, will result in interest payments being suspended for a maximum period of six months. At the end of the payment break, the suspended interest payments can either be capitalised, and the monthly interest payment recalculated, or paid by the Borrower as a lump sum. A Borrower may be entitled to request a payment break if a) there is more than one person named as a Borrower on the Mortgage Loan, and one of the Borrowers moves into long

term care, has a terminal illness, or dies and this results in financial difficulty for the remaining Borrower, or b) the youngest or sole remaining Borrower is aged 85 or over and is in financial difficulty. If a large number of Borrowers request a payment break and these are approved by the Servicer, this may ultimately result in a reduction of amounts available to the Issuer and adversely affect its ability to make payments under the Notes. 0.00 per cent. of the Provisional Portfolio by aggregate Principal Balance comprises Mortgage Loans that are subject to a payment break granted pursuant to the Terms of Conditions of the Mortgage Loans.

#### *Increase in Life Expectancy via Lower Mortality or Morbidity*

Retirement Interest only Mortgage Loans are repayable on either a) sale of the security property, b) death of the last remaining Borrower or c) move into long-term care of the last remaining Borrower. This means that the maturity date of Retirement Interest only Mortgage Loans is inherently uncertain. An increase in life expectancy could potentially result in an extension of the term of Retirement Interest only Mortgage Loans. If life expectancy increases, this may ultimately result in the weighted average life of the Notes increasing.

#### *Ported Loans resulting from Borrowers downsizing*

The weighted average age of the youngest Borrower is 63.71 years, which may result in a larger number of Borrowers requesting to port their Mortgage Loan to a new property for the purpose of downsizing. Under the Mortgage Conditions of certain of the Mortgage Loans, upon the application of a Borrower, the Legal Title-Holder may grant to such Borrower a loan on substantially the same commercial terms as the existing Mortgage Loan between the Legal Title-Holder and the Borrower but such new loan will be secured by a new mortgage on a different property to that on which the Mortgage with respect to the Mortgage Loan was secured. The "portable" feature of the Mortgage Loan as set out in the Mortgage Conditions allows a Borrower to redeem its existing Mortgage Loan and thereafter enter into a new loan on substantially similar commercial terms with respect to a different property and is designed to be used where a Borrower wishes to sell the property that is secured on and purchase a new property. However the Legal Title Holder shall ensure that, where the Loan to Value of the Mortgage Loan has increased as a result of the port, the Borrower shall be required to make a repayment of principal to ensure that the Loan to Value of the Mortgage Loan remains less than or equal to the Loan to Value immediately prior to the port taking place.

In the event that a Borrower requests that its Mortgage Loan be "ported" as described above, and such request is approved, the Seller shall substitute or procure the substitution of the existing Mortgage Loan for the Ported Mortgage Loan and the Issuer shall acquire from the Seller the Ported Mortgage Loan for a consideration equal to (subject to and in accordance with the Mortgage Sale Agreement) the existing Mortgage Loan.

#### *Large exposure to older Borrowers who have less ability to earn additional income in times of financial stress*

The weighted average age of the youngest Borrower is 63.71 years, which may result in exposure to a larger number of Borrowers who do not have the ability to increase their income during times of financial stress. If a sufficient number of Borrowers enter financial difficulty and are not able to increase their income, this may result in a reduction of amounts available to the Issuer and adversely affect its ability to make payments under the Notes.

#### *Accuracy of property valuations*

Property valuations are conducted for all Mortgage Loans in the Portfolio as part of the underwriting process. All of the Mortgage Loans in the Portfolio have property valuations at the time of origination. Property valuations are only an estimate of the value of a property at the time the valuation is completed. The Legal Title Holder relies on property valuations in determining loan to value ratios, which informs its underwriting and servicing decisions.

A Valuation has been conducted in respect of each Property securing the Mortgage Loans in the Portfolio. If such valuations overvalue the Properties securing the Mortgage Loans in the Portfolio, the Loan to Value ratios of the Mortgage Loans in the Portfolio may actually be higher than what the Legal Title Holder's records reflect, which could materially adversely affect the amounts received by the Issuer from the sale of the Property which could, in turn, have an adverse effect on the Issuer's ability to make payments in respect of the Notes.

*Accuracy and completeness of information about customers and their Properties*

In deciding whether to extend credit to mortgage loan applicants, the Legal Title Holder relies on information furnished to them by customers and other third parties, such as credit reference agencies, solicitors, valuers and accountants, including employment, income and other financial information. The Legal Title Holder also relies on representations of customers as to the accuracy and completeness of, and explanations for, that information. While the Legal Title Holder has a practice of independently verifying certain information about customers (such as identity and income information) that it uses in making lending decisions and upon agreeing to loan modifications, it is not possible to verify all the information furnished. There is also the risk that the information on Borrowers, their Properties and/or their Mortgage Loans is not accurately captured or complete in the systems of the Legal Title Holder and/or the status is not appropriately updated during the course of their Mortgage Loan, either due to system deficiencies or human error. The Legal Title Holder relies on some manual processing and input from its personnel. Whilst the Legal Title Holder has certain controls in place it may not always be able to identify input or classification errors. Input or classification errors may result in improper monitoring of certain metrics, including in respect of the Mortgage Loans in the Portfolio. If any of the information provided is unintentionally, intentionally or negligently misrepresented and such misrepresentation is not detected prior to the funding, modification or servicing of a Mortgage Loan or such information is not accurately captured in the Legal Title Holder's systems or the Delegated Servicer's systems in relation to servicing of a Mortgage Loan, the future recoverability of the Mortgage Loan and its related Collateral Security may be adversely impacted, which could materially adversely affect the amounts received by the Issuer which could, in turn, have an adverse effect on the ability of the Issuer to make payments in respect of the Notes.

The shift to more staff working from home from time to time in the UK following COVID-19 has also presented the Legal Title Holder with new challenges and operating risks, such as a potentially weakened control environment, making it more difficult to ensure colleagues are following correct processes and procedures, are treating customers consistently and are following security protocols and protecting data correctly.

Financial crime in the financial services sector is an ongoing threat for lenders and borrowers that is increasing and becoming increasingly more sophisticated and the Legal Title Holder's procedures may not be sufficient to prevent more sophisticated cases of fraud, money laundering or terrorism related activities. As of the date of this Prospectus, the Legal Title Holder has not been the victim of customer, broker or intermediary fraud, however, as the scale of the Legal Title Holder's operations grows, the Legal Title Holder may encounter instances of customer, broker or intermediaries fraud. In addition, regulators are increasingly focused on financial crime prevention and may issue guidance on know-your-customer ("KYC") measures generally as a result of specific circumstances.

Although the Legal Title Holder has controls and processes designed to help them identify misrepresented or incorrect information in its loan origination and servicing processes, including KYC checks, financial crime checks, underwriting checks and, prior to any loan offer being issued, a pre-offer call with each applicant (being a conversation with each applicant by an underwriter to ensure the applicant understands their loan), no assurance can be given that the Legal Title Holder's controls and processes will identify all misrepresented or incorrect information. The Legal Title Holder's controls aimed at detecting and preventing financial crime (such as the use of their services for money laundering or terrorism-related activities) may not perform accurately or eliminate all instances where the Legal Title Holder's services could be used for fraud or other financial crime by its customers or by its employees or the employees of the Delegated Servicer. Financial crime in the financial



services sector is an ongoing threat for lenders and borrowers that is growing and becoming increasingly more sophisticated.

The procedures of the Legal Title Holder, the Servicer and the Delegated Servicer may not be sufficient to prevent more sophisticated attempts of fraud. Notwithstanding that the Legal Title Holder continues to invest in technology to help support its financial crime protection architecture, implement new data governance frameworks and have first and second lines of defence functions that include financial crime, there can be no assurance that significant weaknesses in the Legal Title Holder's, the Servicer's or the Delegated Servicer's controls and processes used to detect financial crime, do not exist or will not exist in the future.

Regulators are increasingly focused on financial crime prevention and the impact of non-compliance is becoming increasingly severe. In a worst case scenario, this could result in the removal of the Legal Title Holder's, Servicer's or Delegated Servicer's operating license, criminal charges, significant fines, reputational damage and individual loss of the authorised status for members of their management.

Failure of the Legal Title Holder's, Servicer's or Delegated Servicer's financial crime prevention controls and other information processes could result in a breach of applicable regulation and harm the Legal Title Holder's, Servicer's or Delegated Servicer's reputation, which in turn could have a material adverse effect on the Legal Title Holder's, Servicer's or Delegated Servicer's business, results of operations and financial condition.

The Legal Title Holder also uses a number of third party data providers to help it assess the credit quality of the customer (for instance, credit performance history, the income and secured debt expenses of the customer (to assess affordability) and the nature and value of the underlying Property (to assess the security supporting the relevant Mortgage Loan)). Such data is used both in the Legal Title Holder's underwriting assessment and for the purposes of the Legal Title Holder's portfolio analysis. The Legal Title Holder does not independently review the accuracy of the third party data, which if inaccurate, could have affected its respective underwriting decisions in relation to the Mortgage Loans or could affect its respective servicing decisions in relation to the Mortgage Loans and how it reports loan information.

#### *Insurance Contracts*

The contracts and policies of the Seller and/or the Legal Title Holder in relation to insurance are described under "*The Mortgage Loans–Insurance Contracts*". It is a requirement of the Legal Title Holder that the Borrower has in place, at the date of completion, buildings insurance against loss by fire, flood and such other risks as is usual for residential property, and all premium due thereon must be fully paid. Additionally, Borrowers are required to sign a declaration confirming that they will keep the property insured in the future. There is a risk that Borrowers do not keep the property insured in the future. As neither the Seller nor the Legal Title Holder have other insurance policies in place covering Properties secured by the Mortgage Loans in the Portfolio, this may ultimately result in a reduction of amounts available to the Issuer and adversely affect the Issuer's ability to redeem the Notes.

#### *Financial Services Compensation Scheme not applicable*

Any investment in the Notes does not have the status of a bank deposit in England and Wales and is not within the scope of the UK Financial Services Compensation Scheme and accordingly, the Notes will not confer any entitlement to compensation under that scheme. As such, each of the Classes of the Notes are an obligation of the Issuer only and any potential investors should be aware that they will not be able to have recourse to the UK Financial Services Compensation Scheme in relation to an investment in the Notes.

#### *Limitations on enforcement*

No Noteholder or Certificateholder shall be entitled to proceed directly against the Issuer or any other party to any of the Transaction Documents to enforce the performance of any of the Conditions, the Residual Certificate

Conditions or the provisions of the Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer, unless the Note Trustee or, as the case may be, the Security Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, provided that no Noteholder shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer in any circumstances.

Prospective investors should therefore be aware that there are limitations on enforcement against the Issuer and that the proceeds of enforcement may not be enough to make all the payments due on the Notes and the Residual Certificates.

### ***Mortgage Loans are subject to certain legal and regulatory risks***

Certain regulatory risks exist in relation to the Mortgage Loans, including in relation to the legal and regulatory considerations relating to the Mortgage Loans and their Collateral Security, changes in law, regulation, the possibility of complaints by Borrowers in relation to terms of the Mortgage Loans and in relation to the policies and procedures of the Legal Title Holder. If any of these risks materialise they could have an adverse effect on the Legal Title Holder, the Seller and the Issuer and could adversely affect the ability of the Issuer to make payments on the Notes. Further detail on certain considerations in relation to the regulation of mortgages in the UK is set out in the section headed "*Information Relating to the Regulation of Mortgages in the UK*" below and certain specific risks are set out below:

*Unfair Relationships.* If a court determined that there was an unfair relationship between the Legal Title Holder and the Borrowers in respect of the Mortgage Loans and ordered that financial redress was made in respect of such Mortgage Loans, such redress may adversely affect the ability of the Issuer to make payments under the Notes. Further detail is included in the section headed "*Information Relating to the Regulation of Mortgages in the UK-Unfair relationships*" below.

*Distance Marketing of Financial Services.* The Financial Services (Distance Marketing) Regulations 2004 allow, in certain specified circumstances, a borrower to cancel a credit agreement it has entered into with lenders where certain required information has not been provided. If a significant proportion of the Mortgage Loans are treated as being cancellable under these regulations, there could be an adverse effect on the Issuer's receipts in respect of the Mortgage Loans, affecting the Issuer's ability to make payments in full on the Notes when due. A regulated mortgage contract under the FSMA, if originated by a UK lender (who is authorised by the FCA) from an establishment in the United Kingdom, will not be cancellable under the Distance Marketing Regulations, but will be subject to related pre-contract disclosure requirements in MCOB. Failure to comply with MCOB pre-contract disclosure could result in, among other things, disciplinary action by the FCA and possible claims for damages under Section 138D of FSMA from the Legal Title Holder. Further detail is included in the section headed "*Information Relating to the Regulation of Mortgages in the UK-Distance Marketing*" below.

*The CRA.* The CRA provides that a consumer may, in certain circumstances, challenge a term in an agreement on the basis that it is unfair. The broad and general wording of the CRA makes any assessment of the fairness of terms largely subjective and makes it difficult to predict whether or not a term would be held by a court to be unfair.

If any term of the Mortgage Loans is found to be unfair for the purpose of the CRA, this may reduce the amounts available to meet the payments due in respect of the Notes. No assurance can be given that any changes in legislation, guidance or case law on unfair terms will not have a material adverse effect on the Seller, the Legal Title Holder, the Issuer and/or the Servicer and their respective businesses and operations. There can be no assurance that any such changes (including changes in regulators' responsibilities) will not affect the Mortgage Loans. Further detail in relation to the CRA is included in the section headed "*Information Relating to the Regulation of Mortgages in the UK*" below.

*Mortgage repossession.* The protocols for mortgage repossession and the Home Owner and Debtor Protection (Scotland) Act 2010 may have adverse effects in relation to the ability of the Legal Title Holder to repossess properties in markets experiencing above average levels of possession claims. Delays in the initiation of responsive action in respect of the Mortgage Loans may result in lower recoveries and may adversely affect the ability of the Issuer to meet its obligations under the Notes. Further detail is included in the section headed "*Information Relating to the Regulation of Mortgages in the UK-Mortgage repossession*" below.

*Breathing Space Regulations.* The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 came into force on 4 May 2021 (the Breathing Space Regulations). The Breathing Space Regulations established a scheme which gives eligible individuals in England and Wales the ability to apply for a breathing space or mental health crisis moratorium during which creditors may not demand payment of interest or fees that accrue, or enforce a debt owed by the applicant. The Breathing Space Regulations do not apply to mortgages, except for arrears which are uncapitalised at the date of the application for breathing space under the Breathing Space Regulations. There is a risk that delays in the initiation of enforcement action in respect of the Mortgage Loans may result in lower recoveries and may adversely affect the ability of the Issuer to meet its obligations under the Notes. Further detail is included in the section headed "*Information Relating to the Regulation of Mortgages in the UK-Breathing Space Regulations*" below.

*Consumer Protection from Unfair Trading Regulations 2008:* The CPUTR prohibits certain practices which are deemed unfair within the terms of the CPUTR. Breach of the CPUTR may lead to liability for misrepresentation or breach of contract in relation to the underlying credit agreements, which may result in irrecoverable losses on amounts to which such agreements apply and which may adversely affect the ability of the Issuer to meet its obligations under the Notes. The Digital Markets, Competition and Consumers Act 2024 ("DMCCA") revokes and restates the CPUTR in Part 4 of the DMCCA with certain amendments. The new regime commenced on 6 April 2025. Unless subject to a right of redress under section 233 (which affords a consumer rights such as unwinding a contract and damages under secondary regulation in the context of the prohibited practices of "misleading action" and "aggressive practice"), contracts will remain enforceable under the DMCCA. 'Enforcers' under the DMCAA have enhanced powers. Further detail in relation to the CPUTR and the DMCCA is included in the section headed "*Information Relating to the Regulation of Mortgages in the UK - Consumer Protection from Unfair Trading Regulations 2008 and the Digital Markets, Competition and Consumers Act 2024*" below.

*Broker commissions:* certain of the Mortgage Loans were originated through intermediaries. In line with market practice, the Originator may have paid commissions to such intermediaries in the form of a fee. There is a risk that where these commissions have not been disclosed a Borrower may, depending on the circumstances of the case, have a claim against the Legal Title Holder in respect of the affected Mortgage Loan. The non-disclosure or partial disclosure of commissions by intermediaries has recently received renewed focus owing to the motor finance consumer credit Court of Appeal case *Johnson v FirstRand Bank Limited*, *Wrench v FirstRand Bank Limited* and *Hopcraft v Close Brothers* [2024] EWCA Civ 1106. The Supreme Court heard the appeal case against the Court of Appeal's decision in April 2025 and it is expected to hand down its judgment in July 2025. However, the MCOB rules have required the disclosure of the existence and amount of broker commissions for Regulated Mortgage Contracts from 31 October 2004. Accordingly, the risk of non-disclosure of broker commissions is low in the context of the Mortgage Loans which are originated under the MCOB rules. If there were any successful non-disclosure of broker commission claims (in terms of the existence or amount of such broker commission) or unfair relationship claims made by Borrowers in respect of any Mortgage Loans and the court ordered that financial redress or rescission be made in respect of such Mortgage Loans, such redress or rescission may adversely affect the ultimate amount received by the Issuer in respect of the relevant Mortgage Loans and the realisable value of the Portfolio and/or the Issuer's ability to make payment in full on the debt

when due. Please see further the section headed "*Information Relating to the Regulation of Mortgages in the UK - Broker Commissions*" below.

### 3 Other Risks Relating to the Notes and the Structure

#### *Subordination*

The Class A Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, as provided in the Conditions and the Transaction Documents.

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

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

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

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

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

The Class X Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as provided in the Conditions and the Transaction Documents **provided however**, that, on each Interest Payment Date prior to the Optional Redemption Date, Available Revenue Receipts will be applied towards repayment of principal amounts outstanding on the Class X Notes pursuant to the Pre-Enforcement Revenue Priority of Payments.

The Residual Certificates rank *pro rata* and *pari passu* without preference or priority among themselves in relation to Residual Payments at all times, and are subordinate to all rights of payment in respect of the Notes, as provided in the terms and conditions of the Residual Certificates (the "**Residual Certificates Conditions**") and the Transaction Documents.

In addition to the above, payments on the Notes and the Residual Certificates are subordinate to payments of certain fees, costs and expenses payable to the other Secured Creditors (including, amongst others, the Note Trustee, the Security Trustee, the Issuer Account Bank, the Servicer, the Replacement Servicer Facilitator, the Cash Administrator, the Paying Agents, the Registrar, the Corporate Services Provider, the Swap Provider and the Agent Bank) and certain third parties. For further information on the likely costs payable to such Secured Creditors, please see "*Fees*".

To the extent that the Issuer does not have sufficient funds to satisfy its obligations to all its creditors, the holders of the lower ranking Notes and the Residual Certificates will be the first to see their claims against the Issuer unfulfilled. However, there is no assurance that these subordination provisions will protect the holders of the more senior Classes of Notes (including the Most Senior Class of Notes) from all or any risk of loss.

The priority of the Notes and the Residual Certificates are further set out in "Cashflows–Application of Available Principal Receipts prior to the service of an Enforcement Notice on the Issuer" and "Cashflows–Distributions following the service of an Enforcement Notice on the Issuer".

There is no assurance that these subordination rules will protect the holders of Notes from all or any risk of loss.

#### *Deferral of Interest Payments on the Notes*

If, on any Interest Payment Date, the Issuer has insufficient funds to make payment in full of all amounts of interest (including any accrued interest thereon) that would otherwise be payable absent the deferral provisions applicable in respect of any Class of Notes after having paid or provided for items of higher priority in the Pre-Enforcement Revenue Priority of Payments, or by means of the application of any Liquidity Reserve Fund Release Amounts or Principal Addition Amounts, then the Issuer will, unless such Class of Notes are (i) the Class A Notes or (ii) if the Most Senior Class of Notes are not the Class A Notes, the Most Senior Class of Notes (except that (A) the Issuer shall be entitled to defer to the next Interest Payment Date any Deferred Interest which has accrued in respect of a Class of Notes which is not the Class A Notes prior to such Class of Notes becoming the Most Senior Class of Notes and (B) where the Class X Notes are the Most Senior Class of Notes interest deferral shall always apply) ("**Deferred Interest Exempt Notes**"), be entitled under Condition 17 (*Subordination by Deferral*) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date or such earlier date on which the relevant Class of Notes become due and payable in full in accordance with the Conditions ("**Deferred Interest**"). Any such deferral in accordance with the Conditions will not constitute a Potential Event of Default or an Event of Default. Any amounts of Deferred Interest in respect of a Class of Notes shall accrue interest ("**Additional Interest**") at the same rate and on the same basis as scheduled interest in respect of the corresponding Class of Notes, but shall not be capitalised. Such Deferred Interest and Additional Interest shall, in any event, become payable on the next Interest Payment Date (unless and to the extent that Condition 17.1 (*Interest*) applies) or on such earlier date as the relevant Class of Notes become due and payable in full in accordance with the Conditions **provided that** where the Most Senior Class of Notes is not the Class A Notes the Issuer shall be entitled to defer any Additional Interest to the next Interest Payment Date.

For the avoidance of doubt, no such deferral of interest shall be permitted in relation to the Class A Notes, and failure to pay timely interest on the Class A Notes shall constitute an Event of Default under the Notes which may result in the Security Trustee enforcing the Security.

#### *Weighted average life of the Notes*

The weighted average lives of the Notes refer to the average amount of time that elapses from the date of issuance of the Notes to the Noteholders to the date of distribution to such Noteholders of payments in net reduction of principal under the Notes (assuming no losses on the Mortgage Loans and weighted by the principal amortisation of the Notes on each Interest Payment Date).

The weighted average lives of the Notes will be directly influenced by, amongst other things, the actual rate of redemption of the Mortgage Loans, which, in turn, is influenced by the Borrowers' ability to redeem the Mortgage Loans. Where certain Borrowers are able to redeem the Mortgage Loans only through refinancing, the actual rate of redemption may be reduced if such Borrowers experience difficulties in refinancing the relevant Mortgage Loans. Any failure to make timely redemption of the Mortgage Loans will reduce the CPR (as defined in "*Weighted Average Lives of the Notes*") and increase the average weighted lives of the Notes.

In addition, the weighted average lives of the Notes, should it not be called on or after the Optional Redemption Date, will be influenced by, *inter alia*, the amount of Available Revenue Receipts used as Enhanced Amortisation Amounts in accordance with item (u) of the Pre-Enforcement Revenue Priority of Payments.

For other factors and assumptions which may affect the weighted average lives of the Notes, see "*Weighted Average Lives of the Notes*". For a discussion on prepayments affecting the weighted average lives of the Notes, see above risk factor "*Yield to maturity and the Issuer's ability to redeem the Notes on its scheduled redemption dates or its final maturity dates may be affected by the rate of prepayment on the Mortgage Loans*".

#### **4 Risks Related to Changes to the Structure and Documents**

##### *Meetings of Noteholders and Certificateholders, Modifications and Waivers*

The Conditions, the Residual Certificates Conditions and the Transaction Documents contain provisions for calling meetings of (or other means of seeking consent from) Noteholders and Certificateholders to consider matters affecting their interests generally. These provisions permit decisions of defined majorities to bind all Noteholders and Certificateholders, including Noteholders and Certificateholders who did not attend and vote at the relevant meeting (or who did not otherwise give their consent in the prescribed manner) and Noteholders and Certificateholders who voted in a manner contrary to the majority. Such binding decisions of defined majorities may also occur by way of a sufficient number of Noteholders and Certificateholders providing their consent either in writing or, in the case of the holders of the Notes, by way of electronic consents submitted through the electronic communications systems of the clearing system(s).

The Conditions and the Residual Certificates Conditions also provide that the Note Trustee or, as the case may be, the Security Trustee (acting on the instructions of the Note Trustee), may agree, without the consent of the Noteholders, the Certificateholders or the other Secured Creditors (but, in the case of the Security Trustee only, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document), to (i) (other than in respect of a Basic Terms Modification) any modification of the Conditions, the Residual Certificates Conditions or any of the Transaction Documents which is not, in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders or, if there are no Notes then outstanding, the Certificateholders or (ii) any modification which, in the Note Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error. The Note Trustee may also (and may direct the Security Trustee to), without the consent of the Noteholders or the Certificateholders, if it is of the opinion that such determination, waiver or authorisation will not be materially prejudicial to the interests of the Most Senior Class of Notes or if no Notes are outstanding, the Certificateholders, or if there are no Notes then outstanding and no Residual Certificates then in issue, the Secured Creditors, determine that a Potential Event of Default or an Event of Default shall not, or shall not subject to any specified conditions, be treated as such or waive or authorise any breach or proposed breach of the Conditions, the Residual Certificates Conditions or any of the Transaction Documents. See Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and Residual Certificates Condition 12 (*Meetings of Certificateholders, Modification, Waiver and Substitution*).

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

The Conditions and the Residual Certificates Conditions also specify that certain categories of amendments (including changes to majorities required to pass resolutions or quorum requirements) would be classified as Basic Terms Modifications. Investors should note that a Basic Terms Modification is required to be sanctioned by an Extraordinary Resolution of the holders of the relevant affected Class or Classes of Notes and/or Residual Certificates then in issue, as applicable which are affected by such Basic Terms Modifications.

Further, the Note Trustee and/or the Security Trustee (as the case may be) may also be obliged, in certain circumstances, to agree to amendments to the Conditions, the Residual Certificates Conditions and/or the Transaction Documents for the purpose of (i) complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, (ii) complying with

any changes in the requirements of, and/or enabling the Issuer, the Seller and/or the Legal Title Holder to comply with any obligation in respect of, the UK Securitisation Framework or the EU Securitisation Regulation (including but not limited to (A) risk retention, transparency and/or investor due diligence requirements and/or (B) the UK STS Requirements and the treatment of the Notes as a simple, transparent and standardised securitisation and/or (C) such other requirement which the Issuer and/or Legal Title Holder has in its discretion elected to comply with under the EU Securitisation Regulation), (iii) enabling the Notes to be (or to remain) listed on Euronext Dublin, (iv) enabling the Issuer or any of the other Transaction Parties to comply with sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto ("FATCA"), (v) complying with any changes in the requirements of the EU CRA Regulation and/or the UK CRA Regulation after the Closing Date, (vi) changing the base rate on the Notes from SONIA to an Alternative Base Rate (and such other amendments as are necessary or advisable in the reasonable judgment of the Issuer (or the Servicer on its behalf) to facilitate such change) to the extent there has been or there is reasonably expected to be a material disruption or cessation to SONIA in accordance with the detailed provisions of Condition 13.6(a)(vi)(A), (vii) changing the base rate that then applies in respect of the Swap Agreement to an alternative base rate as is necessary or advisable in the commercially reasonable judgment of the Issuer (or the Servicer on its behalf) and the Swap Provider solely as a consequence of a Base Rate Modification and solely for the purpose of aligning the base rate of the Swap Agreement to the base rate of the Notes following such Base Rate Modification and making any associated amendment, (viii) to comply with any requirements which apply to it under Regulation (EU) 648/2012, known as the European Market Infrastructure Regulation as amended ("EU EMIR") and/or EU EMIR as it forms part of domestic law of the UK by virtue of the EUWA ("UK EMIR"); (ix) effect the appointment of the replacement Servicer selected by the Replacement Servicer Facilitator (or in each case any affiliate or related entity to the replacement Servicer) or another third party substitute servicer, as applicable, to act as Servicer of the Mortgage Loans, provided that the conditions to the appointment of a substitute or successor servicer set out in the Servicing Deed are satisfied; (x) in order to facilitate the appointment of a replacement Cash Administrator appointed by the Issuer in accordance with the terms of the Cash Administration Agreement, subject to receipt by the Note Trustee and Security Trustee of a certificate issued by the Issuer certifying to the Note Trustee and the Security Trustee the requested amendments are to be made solely for the purpose of facilitating the appointment of a replacement Cash Administrator appointed by the Issuer in accordance with the terms of the Cash Administration Agreement and have been drafted solely to that effect; or (xi) in order to enable the Issuer to enter into a back-up servicing agreement with a back-up servicer (the "**Proposed Back-Up Servicing Agreement**"); and making any modification (other than in respect of a Notes Basic Terms Modification or a Certificates Basic Terms Modification) to the Notes Conditions, the Certificates 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 (or the Servicer on its behalf) considers necessary in order to facilitate the entry into a Proposed Back-Up Servicing Agreement, provided that the Issuer (or the Servicer on its behalf) certifies in writing to the Note Trustee and the Security Trustee that the requested amendments are to be made solely for the purpose of facilitating the entry into the Proposed Back-Up Servicing Agreement and have been drafted solely to that effect (each a "**Proposed Amendment**"), without the consent of Noteholders or Certificateholders, as applicable, pursuant to and in accordance with the detailed provisions of Condition 13.6 (*Additional Right of Modification*) and Residual Certificates Condition 12.6 (*Additional Right of Modification*).

In relation to any such Proposed Amendment, the Issuer is required to give at least 30 calendar days' notice to the Noteholders of each Class and the Certificateholders of the proposed modification in accordance with Condition 16 (*Notice to Noteholders*), Residual Certificates Condition 14 (*Notice to Certificateholders*) (as applicable) and (in the case of the Notes) by publication on Bloomberg on the "**Company News**" screen relating to the Notes. However, Noteholders should be aware that, in relation to each Proposed Amendment, unless Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior

Class of Notes then outstanding have contacted the Issuer and the Note Trustee in writing (or, in the case of the Notes only, otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the modification, the modification will be passed without Noteholder consent.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have notified the Issuer and the Note Trustee in writing (or, in the case of the Notes only, otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding is passed in favour of such modification in accordance with Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

There can be no assurance that the effect of such modifications to the Transaction Documents will not adversely affect the interests of the holders of one or more or all Classes of Notes or the Residual Certificates.

The full requirements in relation to the modifications discussed above are set out in Condition 13.6 (*Additional Right of Modification*) and Residual Certificates Condition 12.6 (*Additional Right of Modification*).

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

Upon the occurrence of an Event of Default, the Note Trustee in its absolute discretion may, and if so directed in writing by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes (or if there are no Notes then outstanding, the Residual Certificates then in issue) or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes (or if there are no Notes then outstanding, the Residual Certificates then in issue) shall (subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction), give an Enforcement Notice to the Issuer that all Classes of the Notes are immediately due and payable at their respective Principal Amount Outstanding, together with accrued interest or (in the case of Certificateholders) all Residual Payments pursuant to the Residual Certificates shall immediately become due and payable, as applicable, as provided in the Trust Deed.

Each of the Note Trustee and the Security Trustee may, at any time, at its discretion and without notice, take such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Notes, the Residual Certificates or the Trust Deed (including the Conditions and the Residual Certificates Conditions) or (in the case of the Security Trustee) the Deed of Charge or (in either case) of the other Transaction Documents to which it is a party and at any time after the service of an Enforcement Notice, the Security Trustee may, at its discretion and without notice, take such steps, actions or proceedings as it may think fit to enforce the Security. However, neither the Note Trustee nor the Security Trustee shall be bound to take any such proceedings, actions or steps (including, but not limited to, the giving of an Enforcement Notice by the Note Trustee in accordance with the Trust Deed, Condition 11 (*Events of Default*) or Residual Certificates Condition 10 (*Events of Default*) unless:

- (a) it shall have been directed (or in the case of the Note Trustee directed to direct the Security Trustee) to do so by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding (or if there are no Notes then outstanding, the Residual Certificates) or directed in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding (or if there are no Notes then outstanding, at least 25 per cent. of the number of the Residual Certificates then in issue); and
- (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.



If neither the Note Trustee nor the Security Trustee use their discretion where they have not been directed as described above, it may adversely affect the ability of the Issuer to make payments on the Notes following the service of an Enforcement Notice.

See further Condition 12 (*Enforcement*) and Residual Certificates Condition 11 (*Enforcement*).

In addition, each of the Note Trustee and the Security Trustee benefits from indemnities given to them by the Issuer pursuant to the Transaction Documents.

#### *Conflict between Noteholders, Certificateholders and other Secured Creditors*

So long as any of the Notes are outstanding, neither the Security Trustee nor the Note Trustee shall have regard to the interests of the other Secured Creditors, subject to the provisions of the Trust Deed and Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and Residual Certificates Condition 12 (*Meetings of Certificateholders, Modification, Waiver and Substitution*). Noteholders should be aware that the interests of Secured Creditors (and amounts payable to such Secured Creditors) ranking higher in the Post-Enforcement Priority of Payments than the relevant Class of Notes (such as the interests of the Swap Provider) shall prevail (and rank in priority to it).

In respect of the interests of the Certificateholders, the Trust Deed contains provisions requiring the Note Trustee not to have regard to the interests of the Certificateholders as regards all powers, trusts, authorities, duties and discretions of the Note Trustee, and requiring the Note Trustee except where expressly provided otherwise to have regard only to the interests of the Noteholders for so long as there is any Class of Notes outstanding.

#### *Conflict between Noteholders*

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

If, in the Note Trustee's opinion, however, there is or may be a conflict between the interests of the holders of one or more Classes of Notes, on the one hand, and the interests of the holders of one or more Classes of Notes, on the other hand, then the Note Trustee will be required to have regard only to the interests of the holders of the relevant affected Class of Notes ranking *pari passu* with or in priority to the other relevant Classes of Notes in the Post-Enforcement Priority of Payments.

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

As a result, holders of the Notes other than the Most Senior Class of Notes may not have their interests taken into account by the Note Trustee or the Security Trustee when the Note Trustee exercises (or directs the Security Trustee to exercise) any discretion conferred upon it where there is a conflict of interest.

#### *Certain material interests*

Certain of the parties to the Transaction Documents (each a "**Transaction Party**") and their respective affiliates are acting in a number of capacities in connection with the transaction described herein. Those Transaction Parties and any of their respective affiliates acting in such capacities will have only the duties and responsibilities expressly agreed to by each such entity in the relevant capacity and will not, by reason of it or any of its affiliates acting in any other capacity, be deemed to have other duties or responsibilities or be deemed

to be held to a standard of care other than as expressly provided with respect to each such capacity. In no event shall such Transaction Parties or any of their respective affiliates be deemed to have any fiduciary obligations to any person by reason of their respective affiliates acting in any capacity.

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

- (a) may from time to time be a Noteholder and/or Certificateholder or have other interests with respect to the Notes or Residual Certificates and they may also have interests relating to other arrangements with respect to a Noteholder or a Note, a Certificateholder or a Residual Certificate;
- (b) may receive (and will not have to account to any person for) fees, brokerage and commission or other benefits and act as principal with respect to any dealing with respect to any Notes or Residual Certificates;
- (c) may purchase all or some of the Notes or the Residual Certificates and resell them in individually negotiated transactions with varying terms;
- (d) may be, or have been, involved in a broad range of transactions including, without limitation, banking, lending, advisory, dealing in financial products, credit derivative and liquidity transactions, investment management, corporate and investment banking and research in various capacities in respect of the Notes, the Residual Certificates, the Issuer or any other Transaction Party or any related entity, both on its own account and for the account of other persons; and
- (e) may have positions in or may have arranged financing in respect of the Notes or the Mortgage Loans in the Portfolio and may have provided or may be providing investment banking services and other services to the other Transaction Parties or the Seller.

Prospective investors should be aware that:

- (i) each Joint Lead Managers Related Person in the course of its business (including in respect of the interests described above) may act independently of any other Joint Lead Managers Related Person or Transaction Party;
- (ii) to the maximum extent permitted by applicable law, the duties of each Joint Lead Managers Related Person in respect of the Notes and/or the Residual Certificates are limited to the relevant contractual obligations set out in the Transaction Documents (if any) and, in particular, no advisory or fiduciary duty is owed to any person. No Joint Lead Managers Related Person shall have any obligation to account to the Issuer, any Transaction Party or any Noteholder for any profit as a result of any other business that it may conduct with either the Issuer or any Transaction Party;
- (iii) a Joint Lead Managers Related Person may have or come into possession of information not contained in this Prospectus that may be relevant to any Noteholder or Certificateholder or to any decision by a potential investor to acquire the Notes or the Residual Certificates and which may or may not be publicly available to potential investors ("**Relevant Information**");
- (iv) to the maximum extent permitted by applicable law, no Joint Lead Managers Related Person is under any obligation to disclose any Relevant Information to any other Joint Lead Managers Related Person, to any Transaction Party or to any potential investor and this Prospectus and any subsequent conduct by a Joint Lead Managers Related Person should not be construed as implying that such Joint Lead Managers Related Person is not in possession of such Relevant Information; and
- (v) each Joint Lead Managers Related Person may have various potential and actual conflicts of interest arising in the ordinary course of its businesses, including in respect of the interests described above. For

example, a Joint Lead Managers Related Person's dealings with respect to any of the Notes and/or a Residual Certificate, the Issuer or a Transaction Party, may affect the value of the Notes or a Residual Certificate.

These interests may conflict with the interests of a Noteholder or Certificateholder and the Noteholder or Certificateholder may suffer loss as a result. To the maximum extent permitted by applicable law, a Joint Lead Managers Related Person is not restricted from entering into, performing or enforcing its rights in respect of the Transaction Documents, the Notes, the Residual Certificates, or the interests described above and may otherwise continue or take steps to further or protect any of those interests and its business even where to do so may be in conflict with the interests of Noteholders and the Certificateholders, and each Joint Lead Managers Related Person may in so doing so act in its own commercial interests and without notice to, and without regard to, the interests of any such person.

Nothing in the Transaction Documents shall prevent any of the Transaction Parties from rendering services similar to those provided for in the Transaction Documents to other persons, firms or companies or from carrying on any business similar to or in competition with the business of any of the parties to the Transaction Documents.

## **5 Counterparty Risk**

### *The Servicer*

LMC has been appointed by the Issuer as the Servicer to service the Mortgage Loans originated by it. Day to day management of the Mortgage Loans has been delegated by the Servicer to the Delegated Servicer, Pepper (UK) Limited. While the Servicer is under a contract to perform certain mortgage settlement and related administration services under the Servicing Deed, there can be no assurance that they will be willing or able to perform these services in the future.

If the appointment of the Servicer is terminated under the Servicing Deed, including as a result of a Servicer Termination Event, it would be necessary for the Issuer (with the consent of the Security Trustee) to give notice in writing to the Replacement Servicer Facilitator of such occurrence and request it to identify a replacement servicer. The Issuer (or after the service of an Enforcement Notice, the Security Trustee) shall, upon being notified of a suitable replacement servicer, appoint a replacement servicer with experience of servicing residential property loans in the United Kingdom, provided that such appointment is on substantially the same terms as those set out in the Servicing Deed and the then current ratings of the Notes are not adversely affected thereby. The ability of a replacement servicer to fully perform the required services would depend on the information, software and records available at the time of the relevant appointment.

There can be no assurance that a substitute servicer with sufficient experience of servicing the Mortgage Loans would be found who would be willing and able to service the Mortgage Loans on the terms of the Servicing Deed. In addition, as described below, any substitute servicer will be required, inter alia, to be authorised under the Financial Services and Markets Act 2000 ("FSMA") in order to service the Mortgage Loans. The ability of a substitute servicer to fully perform the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a substitute servicer may affect payments on the Mortgage Loans and hence the Issuer's ability to make payments when due on the Notes.

The Servicer has no obligation to advance payments not yet received due to the Borrowers failing to make such payments in a timely fashion.

The Servicer has the ability under the Servicing Deed to delegate its obligations and delegates day to day management of the Mortgage Loans to the Delegated Servicer. Notwithstanding any such delegation to any

party of its obligations under the Servicing Deed, the Servicer will remain ultimately responsible for the performance of such obligations under the Servicing Deed.

However, notwithstanding the above, no assurance can be given that a replacement Servicer will be identified by the Replacement Servicer Facilitator upon the occurrence of a Servicer Termination Event or that such replacement will be completed. Investors should also note that while no Back-Up Servicer has been appointed in respect of the Transaction as at the Closing Date, the Issuer may appoint a Back-Up Servicer in the future subject to certain conditions.

In the context of the above, when the identity of the Servicer changes, the counterparty exposure of the Issuer, the Noteholders and the Certificateholders to the Servicer may also change. As this right may be exercised whenever a Servicer Termination Event occurs, the identity of the Servicer may change more than once during the duration of the Notes and Certificates.

As a result of the risk highlighted in the preceding paragraph, the inclusion of this right of replacement may mean that the value of the Notes or Certificates from time to time may be lower than their value would otherwise have been had no such replacement right been included.

#### *Early termination payments under the Swap Transaction in certain circumstances*

Subject to the following, the Swap Agreement will provide that, upon the occurrence of certain events, the Swap Transaction may terminate and a termination payment by either the Issuer or the Swap Provider may be payable. The amount of such payment may reflect, among other things, the cost of entering into a replacement transaction at the time and third party market data such as rates, prices, yields and yield curves, or similar information derived from internal sources of the party making the determination. Any termination payment due by the Issuer (other than (where applicable) in respect of any Hedge Subordinated Amounts), to the extent such termination payment is not satisfied by amounts standing to the credit of the Swap Collateral Account which are available to meet such termination payment in accordance with the Swap Collateral Account Priority of Payments, will rank prior to payments in respect of the Notes. As such, if any termination amount is payable and is not satisfied by amounts applied in accordance with the Swap Collateral Account Priority of Payments, payment of such termination amounts may lead to a shortfall in amounts available to pay interest and principal on all the Notes.

Any additional amounts required to be paid by the Issuer following termination of the Swap Transaction (including any extra costs incurred in entering into a replacement swap or swaps that are not otherwise provided for) to the extent not satisfied by amounts applied in accordance with the Swap Collateral Account Priority of Payments will also rank prior to payments in respect of the Notes. This may lead to a shortfall in amounts available to pay interest on the Notes and, following service of an Enforcement Notice on the Issuer (which has not been revoked), interest and principal on the Notes.

No assurance can be given as to the ability of the Issuer to enter into one or more replacement swap transactions, or if one or more replacement swap transactions are entered into, as to the ultimate creditworthiness of the Swap Provider for the replacement swap transactions. The Swap Provider is not obliged to provide any collateral in relation to its obligations under the Swap Agreement unless downgraded by a Rating Agency below the Required Swap Ratings and this may mean that on a Swap Provider's insolvency, if no collateral has been provided under the terms of the Credit Support Annex, the Issuer will be treated as an unsecured creditor of the Swap Provider.

U.S. bank regulators have adopted rules and interpretative guidance setting forth limitations on certain insolvency-related default rights of parties to certain "qualified financial contracts" ("QFCs"), including many swaps, foreign currency forward contracts and other derivatives, entered into with counterparties that have been designated as global systemically important banking organizations, along with certain of such entities' subsidiaries and affiliates (each, a "**Covered Entity**"). Such rules and guidance (the "QFC Stay Rules")

generally require: (i) the Covered Entity to ensure that any stays imposed as a result of the entry of such entity into certain liquidation proceedings are contractually acknowledged by the counterparty to the QFC (in particular, where the relevant QFC is governed by non-U.S. law and/or the counterparty is located in a non-U.S. jurisdiction); and (ii) the Covered Entity to not agree in its QFCs to certain types of cross-defaults that are related, directly or indirectly, to the entry into a receivership, insolvency, liquidation, resolution or similar proceeding of certain affiliates of the Covered Entity. Under the Swap Agreement, the Issuer has agreed to be bound by the QFC Stay Rules, as is required to allow the Swap Provider which is a Covered Entity to comply with its obligations under QFC Stay Rules. As a result of the application of such rules, the Issuer may be required to accept limitations in its insolvency-related default rights against the Swap Provider. Furthermore, in an insolvency proceeding relating to a Covered Entity, the rights of the Issuer to force an early termination of a QFC with such Covered Entity could be subject to substantial delay due to the impact of a stay imposed upon the commencement of such bankruptcy proceeding, which delay could result in the Issuer incurring losses under the QFC. Any of the factors and circumstances described above may have an adverse effect on the ability of the Issuer to make payments due under the Notes.

#### *Change of Counterparties*

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

These criteria include requirements imposed under the FSMA and requirements in relation to the counterparty risk assessment short-term and long-term unguaranteed and unsecured ratings ascribed to such party by the Rating Agencies. If the party concerned ceases to satisfy the applicable criteria, including the ratings criteria set out in the relevant Transaction Documents and described in this Prospectus, then the rights and obligations of that party (including the right or obligation to receive monies on behalf of the Issuer) may be required to be transferred to another entity which does satisfy the applicable criteria. In these circumstances, the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the relevant Transaction Document and the cost to the Issuer may therefore increase. This may reduce amounts available to the Issuer to make payments of interest on the Notes.

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

#### *Claims against third parties*

The Seller has assigned its causes and rights of actions against solicitors and valuers to the Issuer pursuant to the Mortgage Sale Agreement, to the extent they are assignable. The Seller and Legal Title Holder have, pursuant to the Mortgage Sale Agreement, undertaken, where appropriate, to participate or join in any action against such solicitor or valuer, provided that the Issuer first indemnifies the Seller or the Legal Title Holder, as applicable, for the costs of taking such action, and subject to any limitations or conditions contained in the relevant documentation under which the Seller acquired title to the related Mortgage Loan. Any failure by, or inability of, any Seller or the Legal Title Holder to take action against third parties may have an adverse effect on the Issuer's ability to make payments of interest and/or principal in respect of the Notes.

#### *Issuer Reliance on Other Third Parties*

The Issuer is also party to contracts with a number of other third parties who have agreed to perform services in relation to the Issuer and/or the Notes and/or the Residual Certificates. In particular, but without limitation, the Corporate Services Provider has agreed to provide certain corporate services to the Issuer pursuant to the Corporate Services Agreement, the Issuer Account Bank has agreed to provide the Deposit Account and the

Swap Collateral Account to the Issuer pursuant to the Bank Account Agreement, the Collection Account Bank has agreed to provide the Collection Account, the Swap Provider has agreed to enter into the Swap Transaction pursuant to the terms of the Swap Agreement, the Servicer has agreed to service the Portfolio pursuant to the Servicing Deed, the Replacement Servicer Facilitator has agreed to provide certain services, in the event that the appointment of the Servicer is terminated pursuant to the Servicing Deed, the Cash Administrator has agreed to provide cash management services pursuant to the Cash Administration Agreement, and the Paying Agents, the Registrar and the Agent Bank have all agreed to provide services with respect to the Notes and the Residual Certificates pursuant to the Agency Agreement.

#### *Swap Provider and Interest Rate Risk*

The Issuer is subject to the risk of a mismatch between the rate of interest payable in respect of the Mortgage Loans and the rate of interest payable in respect of the Notes. 100 per cent. by Principal Balance of the Mortgage Loans in the Portfolio pay or will pay a fixed rate of interest for a specific period of time (the "**Fixed Rate Loans**"). However, the Issuer's liabilities under the Notes are based on Compounded Daily SONIA for the relevant period.

To provide a hedge against the possible variance between:

- (a) the fixed rates of interest payable on the Fixed Rate Loans (including any Relevant Product Switch Mortgage Loan which remains in the Portfolio on the Interest Payment Date following the Collection Period during which such Product Switch Mortgage Loan has its Product Switch Effective Date) in the Portfolio; and
- (b) the rate of interest under the Notes being calculated by reference to Compounded Daily SONIA,

the Issuer will enter into a Swap Transaction with the Swap Provider under the Swap Agreement on the Closing Date (see "*Credit Structure–Interest Rate Risk for the Notes*").

A failure by the Swap Provider to make timely payments of amounts due under the Swap Transaction will constitute a default under the Swap Agreement (after giving effect to any applicable grace period). The Swap Agreement provides that the Sterling amounts owed by the Swap Provider on any payment date under the Swap Transaction (which corresponds to an Interest Payment Date) may be netted against the Sterling amounts owed by the Issuer on the same payment date under the Swap Transaction. Accordingly, if the amounts owed by the Issuer to the Swap Provider on a payment date in respect of the Swap Transaction are greater than the amounts owed by the Swap Provider to the Issuer on the same payment date under the Swap Transaction, then the Issuer will pay the difference to the Swap Provider on such Interest Payment Date in respect of the Swap Transaction; if the amounts owed by the Swap Provider to the Issuer on a payment date are greater than the amounts owed by the Issuer to the Swap Provider on the same payment date in respect of the Swap Transaction, then the Swap Provider will pay the difference to the Issuer on such Interest Payment Date; and if the amounts owed by both parties are equal on a payment date in respect of the Swap Transaction, neither party will make a payment to the other on such Interest Payment Date in respect of the Swap Transaction. To the extent that the Swap Provider defaults in its obligations under the Swap Agreement to make payments to the Issuer in Sterling, on any payment date (which corresponds to an Interest Payment Date), under the Swap Transaction the Issuer will be exposed to the possible variance between various fixed rates payable on the Fixed Rate Loans in the Portfolio and the floating interest payable on the Notes. Furthermore, should the Compounded Daily SONIA fall below zero, the Issuer may have to make payments to the Swap Provider in respect of both the Fixed Amount and the Floating Amount (each as defined in the Swap Agreement), which in turn may result in insufficient funds being made available to the Issuer for the Issuer to meet its obligations to the Noteholders and Secured Creditors.

The Issuer pays a fixed amount which is equal to the relevant notional amount applicable for any given Swap Calculation Period (as defined herein) multiplied by a fixed rate and the relevant day count fraction. The fixed

rate applicable to the amounts payable by the Issuer is not intended to be an exact match of the interest rates that the Issuer receives in respect of the Fixed Rate Loans in the Portfolio. Furthermore, the notional amount of the Swap Transaction will be amortised as set out in a pre-agreed table to the Swap Transaction. The rate of amortisation will be based on the expected repayment profile of the Fixed Rate Loans assuming a constant prepayment rate of zero per cent. However, the prepayment rate of the Fixed Rate Loans may be higher or lower than the assumed constant prepayment rate. In addition, Mortgage Loans subject to a Further Mortgage Advance, Port or Product Switch or which have breached a Loan Warranty may be repurchased by the Seller from the Issuer (in accordance with the terms of the Mortgage Sale Agreement). In such circumstances, there would be a mismatch between the aggregate notional amounts applicable to each of the remaining Swap Calculation Periods up to the termination date of the Swap Transaction and the outstanding principal balance of the Fixed Rate Loans. Since (i) the fixed rate under the Swap Transaction may not match the interest rates applicable to the Fixed Rate Loans in the Portfolio; and/or (ii) the aggregate notional amounts applicable to each of the remaining Swap Calculation Periods up to the termination date of the Swap Transaction may be higher or lower than the outstanding principal balance of the Fixed Rate Loans, there may be circumstances in which the amount payable by the Issuer under the relevant Swap Transaction exceeds or falls short of the amount that the Issuer receives in respect of the Fixed Rate Loans in the Portfolio. This may result in over or under hedging and insufficient funds being made available to the Issuer for the Issuer to meet its obligations to the Secured Creditors.

The Issuer has not entered into any interest rate swap or other hedging transaction in relation to Mortgage Loans other than Fixed Rate Loans (but, for the avoidance of doubt, excluding Fixed Rate Loans from the date on which the interest rate applicable in respect thereof becomes the Reversionary Rate), and as a result there is no hedge in respect of the risk of any variances in the Reversionary Rate (as defined in "*The Mortgage Loans – Interest Rate Types*"), charged on any Mortgage Loans in the Portfolio and interest set by reference to Compounded Daily SONIA on the Notes. As such, the Issuer is subject to the risk of a mismatch between the rate of interest payable in respect of such Mortgage Loans and the rate of interest payable in respect of the Notes, which in turn may result in insufficient funds being made available to the Issuer for the Issuer to meet its obligations to the Noteholders and Secured Creditors.

Additionally, if the LiveMore Variable Rate falls below the VR Floor, the Seller, after a remediation period, may be obliged to pay to the Issuer an amount which would compensate the Issuer for the LiveMore Variable Rate falling below the VR Floor. This particularly mitigates the risk of amounts received in respect of Variable Rate Mortgage Loans not being sufficient to make payments of interest on the Notes.

One or more interest rate swaps may be terminated if the applicable base rate in respect of the Notes is changed such that the Alternative Base Rate is different from the Floating Rate Option (as defined in the Swap Agreement).

In addition, in accordance with the Product Switch Swap Condition, where a Product Switch Mortgage Loan is a Relevant Product Switch Mortgage Loan, on or prior to the Interest Payment Date following the Collection Period during which such Product Switch Mortgage Loan has its Product Switch Effective Date, the Issuer will need to enter into a Product Switch Interest Rate Swap or effect a Product Switch Interest Rate Swap Adjustment in respect of such Relevant Product Switch Mortgage Loan which meets the conditions set out in the Product Switch Swap Condition in order for such Product Switch Mortgage Loan to remain in the Portfolio. The Swap Provider shall not be obliged to enter into any Swap Transaction or agree to any Product Switch Interest Rate Swap Adjustment.

In the event that any payment made by the Swap Provider under the Swap Agreement is subject to any withholding or deduction for or on account of tax as a result of a change in law and consequently the Swap Agreement is terminated, this may adversely impact the ability of the Issuer to meet its obligations under the Notes in full.

## 6 Legal Title Holder and Servicer Risks

*Adverse legal or regulatory developments or exposure to legal or regulatory risk could have a material adverse effect on the Legal Title Holder's, the Seller's and the Servicer's ability to perform their roles under the securitisation*

UK firms are subject to on-going regulation and to legal and regulatory risks, including the effects of changes in the laws, regulations, policies, voluntary codes of practice and interpretations thereof in the UK and the EU. The legal and regulatory environment is uncertain and rapidly evolving.

The response of the UK Government, HM Treasury and UK regulators to the COVID-19 pandemic (see *"Information Relating to the Regulation of Mortgages in the UK FCA responses to coronavirus and the cost of living crisis"*) resulted in a number of rapid changes to the regulatory environment, which were implemented at short notice with limited consultation. Similar measures may be reintroduced should another pandemic occur but this will likely depend on the severity of its impact on the UK. Other factors such as Brexit, as noted below, will lead to a period of regulatory change, the full scope and implications of which have not yet been determined. In addition, the FCA periodically reviews certain market sectors to assess compliance against its statutory objectives: if it deems certain practices to be contrary to its objectives, it may introduce regulatory reforms.

In recent years, the UK Government, the FCA (including its predecessors) and other regulators in the UK, the EU or overseas have become more interventionist in application, monitoring and supervision and may intervene further in relation to areas of industry risk already identified, or in new areas in which the Legal Title Holder, the Seller and the Servicer operate (which may involve a focus on a principles-based approach or prescriptive rules, or a mix of both). Additional costs associated with such requirements could affect the business of the Legal Title Holder, the Seller and the Servicer and increase their costs. Implementation of legal and regulatory developments and/or increased regulatory oversight (for example in respect of conduct issues) could result in additional costs or limit, restrict or change the way that the Legal Title Holder, the Seller and the Servicer conduct their business, including reducing the amounts that can be collected on the Mortgage Loans or regulating the amount of interest that can be charged on a Mortgage Loan. For example, regulators are increasingly guiding mortgage lenders to exercise greater "forbearance" in relation to arrears, including accepting repayment plan offers based around lower periodic repayments or no payments for a period of time, reducing interest rates, extending maturity and refraining from placing customers under undue pressure in relation to the repayment of their loans, among other forbearance measures. There is also material political scrutiny of loans where interest is charged by reference to the lender's standard variable rate ("SVR"). While a proposal ratified by the House of Lords to cap SVRs was rejected by the House of Commons, there is a risk that this position could change.

The FCA has introduced a consumer duty on regulated firms ("**Consumer Duty**" – see section entitled *"Information Relating to the Regulation of Mortgages in the UK"*), which sets a higher level of consumer protection in retail financial markets. The rules, which are 'outcomes' based and in nature, may result in claims to the Financial Ombudsman Service by customers or in regulatory action by the FCA affecting the Legal Title Holder, the Seller and the Servicer. In May 2025, the FCA released a consultation paper (CP 25/11). Proposals include removing certain existing mortgage conduct rules to provide lenders with more flexibility during the sales process and removing existing guidance (FG 13/7 relating to maturing interest-only mortgages and FG 24/2 relating to financial hardship) on the basis that the same borrower protection is provided under existing rules and/or the Consumer Duty. The consultation closes on the 4 June 2025 with final rules expected later in 2025. Depending on what would be considered a "good consumer outcome" for Borrowers in particular situations under the Consumer Duty, could affect the level and standards of servicing of the regulated mortgage contracts which are in the Portfolio.



Future changes in laws, regulations, policy and guidance and the impact of increased oversight by regulators are difficult to predict but such matters could materially adversely affect the Legal Title Holder, the Seller, the Servicer and their businesses (for example their operations, systems and controls) and this could in turn have a material adverse effect on the Notes.

The Legal Title Holder, the Seller and the Servicer are exposed to various forms of legal and regulatory risk in their current, past and future operations, including the risk of acting in breach of legal or regulatory principles or requirements, or other claims of alleged misconduct on the part of the Legal Title Holder, the Seller and the Servicer, any of which could have a material adverse effect on their results, their relations with their customers and their ability to perform their obligations under the Transaction and this could in turn have a material adverse effect on the Notes

Many of the regulatory obligations to which the Legal Title Holder, the Seller and the Servicer are subject are based on, or are derived from, UK and/or EU measures. Depending on the outcome of finalised negotiations with the EU regarding equivalence determinations and the extent to which UK law and regulation now diverges from EU measures, some or all of the regulatory framework applicable to the Legal Title Holder, the Seller and the Servicer may be amended or modified—see "*Macro-Economic and Market Risks—The relationship of the UK with the EEA may affect the market value and/or liquidity of the Notes in the secondary market*" below.

There can be no assurance that future changes will not be made to the regulatory regime to which the Legal Title Holder, the Seller and the Servicer are subject and such changes in laws and regulations (including the pace and complexity of such changes) and the impact of increased oversight by regulators are difficult to predict and could impact existing terms applicable to the Mortgage Loans resulting in reduced amounts being recovered under the Mortgage Loans and/or materially adversely affect the business of the Legal Title Holder, the Seller and the Servicer and their ability to perform their obligations under the Transaction Documents. These factors may be material and result in adverse consequences for Noteholders' investment in the Notes.

## **7 Macro-Economic and Market Risks**

*Lack of liquidity in the secondary market may adversely affect the market value of the Notes*

The ability of the Issuer to redeem all of the Notes in full, including following the occurrence of an Event of Default in relation to the Notes while any of the Mortgage Loans are still outstanding, may depend upon whether the Mortgage Loans can be realised to obtain an amount sufficient to redeem the Notes.

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. Any investor in the Notes must be prepared to hold their Notes for an indefinite period of time or until the Final Maturity Date or, alternatively, be prepared that they may only be able to sell the Notes at a discount to their original purchase price.

The secondary market for mortgage-backed securities has, in the past, experienced disruptions as a result of, among other things, reduced investor demand for such securities. This has resulted in the secondary market for mortgage-backed securities similar to the Notes experiencing limited liquidity during such disruptions. In the future, 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. It is not known whether such disruptions to the market will reoccur and the potential impact of any such re-occurrence.

In addition, potential investors should be aware that global markets have recently been negatively impacted by the introduction of global tariffs and the full-scale invasion of Ukraine by Russia and the war in the Middle

East, prevailing global market conditions and reduced growth expectations for the Organisation for Economic Co-operation and Development economies, which could affect any secondary market for instruments similar to the Notes. Additionally, these uncertainties have been exacerbated in the UK and the European Union by developments such as consumer energy price inflation and disruption to global supply chains. This, alongside elevated global demand for goods and supply shortages of specific goods, has led to recent inflationary pressure and rises in UK interest rates. Continuing inflationary pressure may result in further interest rate increases over time.

#### *Central Bank Eligibility*

While central bank schemes (such as the Bank of England's Discount Window Facility and the Sterling Monetary Framework and the European Central Bank liquidity scheme), may provide an important source of liquidity in respect of eligible securities, the relevant eligibility criteria for eligible collateral which apply and which will apply in the future under such facilities could adversely impact secondary market liquidity for mortgage-backed securities in general, regardless of whether the Notes are an eligible security for the purpose of such facilities. Investors should make their own conclusions and seek their own advice with respect to whether or not the Notes constitute eligible collateral for the purposes of any of the central bank liquidity schemes. No assurance is given that any Class of Notes will be eligible for any specific central bank liquidity schemes in any jurisdiction and as at the Closing Date the Notes are not expected to be eligible securities for the purpose of the Eurosystem facilities.

#### *Bank of England funding scheme eligibility*

Certain investors in the Notes may wish to consider the use of the Notes as eligible securities for the purposes of schemes such as the Bank of England's Discount Window Facility or Sterling Monetary Framework. Recognition of the Notes as eligible securities for the purposes of these schemes will depend upon satisfaction of the eligibility criteria as specified by the Bank of England and at the discretion of the Bank of England. If the Notes do not satisfy such criteria, there is a risk that the Notes will not be eligible collateral under such schemes.

None of the Issuer, the Arranger, the Joint Lead Managers, the Legal Title Holder, the Seller, the Servicer, the Cash Administrator, the Issuer Account Bank, the Security Trustee, the Note Trustee, the Principal Paying Agent, the Agent Bank or the Registrar gives any representation, warranty, confirmation or guarantee to any investor in the Notes that the Notes of any Class will, either upon issue, or at any time during their life, satisfy all or any requirements for eligibility and be recognised as eligible collateral for such schemes. Any potential investor in the Notes should make its own determinations and seek its own advice with respect to whether or not the Notes of any Class constitute eligible collateral for such schemes. No assurance can be given that the Notes of any Class will be eligible securities for the purposes of these schemes and no assurance can be given that any of the relevant parties have taken any steps to register such collateral.

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

The recent increases in interest rates by the Bank of England and any further increases in interest rates may adversely affect the ability of Borrowers to pay interest or repay principal on their Mortgage Loans. If the costs of servicing a Mortgage Loan exceeds what a Borrower can afford, it may result in the Borrower being unable to meet their obligations under the Mortgage Loan and result in losses on such Mortgage Loan. This could be exacerbated if, for example, interest rates increase faster than expected by Borrowers (particularly following periods of low interest rates, which initially make borrowing more affordable and may lead to increases in property prices). Borrowers with a Mortgage Loan for which the related interest rate adjusts following a fixed rate for a specific period, may be exposed to increased monthly payments if the related mortgage interest rate adjusts upwards following the end of the fixed rate period. This increase in Borrowers' monthly payments

following the end of the fixed rate period may ultimately result in higher delinquency rates and losses in the future. Borrowers seeking to avoid increased monthly payments by refinancing their mortgage loans may no longer be able to find available replacement loans at comparably low interest rates. Any decline in property prices may also leave borrowers with insufficient equity in their property (which is the amount by which the market value of a house or property exceeds the balance of the outstanding mortgage or mortgages on such property), resulting in a reduced ability to refinance their loans or to use the sale of their property as an exit strategy for their Mortgage Loan. Moreover, if the amount of equity that a Borrower holds in their property decreases such Borrowers may be less likely or may be unable to redeem their Mortgage Loan and may also, where equity is minimal, have an increased incentive to default on their Mortgage Loans. In addition, there has been an increase in the overall rate of inflation which may continue to remain higher for a sustained period resulting in further increases to the cost of living for Borrowers. A sharp increase in energy prices and the overall rate of inflation, particularly since the introduction of global tariffs, the full-scale invasion of Ukraine by Russia and the war in the Middle East, together with rising interest rates, could adversely impact the Borrowers' ability to repay the Mortgage Loans and/or their ability to meet the affordability requirements of any replacement loan. These events, alone or in combination, may contribute to higher delinquency rates, slower prepayment speeds and higher losses which could have an adverse effect on the Issuer's ability to make payments under the Notes.

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

Investors should be aware that the market continues to develop in relation to the Sterling Overnight Index Average ("SONIA") as a reference rate in the capital markets and its adoption as an alternative to the London Inter-Bank Offered Rate. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). As a result, the market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to Notes that reference a SONIA rate as specified in this Prospectus. Interest on Notes which reference a SONIA rate is only capable of being determined at the end of the relevant Observation Period and shortly prior to the relevant Interest Payment Date.

It may be difficult for investors in the Notes which reference a SONIA rate to reliably estimate the amount of interest which will be payable on such Notes suitably in advance of the relevant Interest Payment Date, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of such Notes. Further, if the Notes become due and payable under the Conditions, the Rate of Interest payable shall be determined on the date the Notes become due and payable and shall not be reset thereafter.

In addition, the manner of adoption or application of SONIA reference rates in the bond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA 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 the Notes referencing SONIA.

*Changes or uncertainty in respect of SONIA may affect the value of Mortgage Loans and the Notes and the liquidity of the Notes or the payment of interest thereunder*

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

Under Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**"), which came into force from 1 January 2018, in general, subject to certain transitional provisions, certain requirements apply with respect to the

provision of a wide range of benchmarks (including SONIA), the contribution of input data to a benchmark and the use of a benchmark within the EU. In particular, the EU Benchmarks Regulation, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevents certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

Continuing benchmark reform and other pressures may cause such benchmarks to disappear entirely or to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted.

In particular, prospective investors should be aware that:

- (a) any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including SONIA) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be, potentially reducing the amount of interest which would be paid to investors; and
- (b) while an amendment may be made under Condition 13.6(a)(vi) (*Additional Right of Modification*) and/or the corresponding provision in the Trust Deed to change the SONIA rate on the Notes to an alternative base rate under certain circumstances broadly related to SONIA disruption or discontinuation and subject to certain conditions, there can be no assurance that any such amendment will be made or, if made, that it will (i) fully or effectively mitigate interest rate risks or result in an equivalent methodology for determining the interest rates on the Notes or (ii) be made prior to any date on which any of the risks described in this risk factor may become relevant; and
- (c) if SONIA is discontinued, and whether or not an amendment is made under Condition 13.6(a)(vi) (*Additional Right of Modification*) and/or the corresponding provision in the Trust Deed to change the SONIA rate on the Notes as described in paragraph (b) above, there can be no assurance that the applicable fall-back provisions under the Swap Agreement would operate so as to ensure that the base floating interest rate used to determine payments under the Swap Transaction is the same as that used to determine interest payments under the Notes, or that any such amendment made under Condition 13.6(a)(vi) (*Additional Right of Modification*) would allow the Swap Transaction to fully or effectively mitigate interest rate risks on the Notes.

An Extraordinary Resolution or Ordinary Resolution relating to any changes to the reference rate may be passed by the negative consent of the relevant Noteholders.

In addition, it should be noted that broadly divergent interest rate calculation methodologies may develop and apply as between the Mortgage Loans and/or the Notes 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.

When implementing any Base Rate Modification, the Note Trustee and the Security Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person, and shall act and rely solely and without further investigation on any certificate (including, but not limited to, a Base Rate Modification

Certificate) or other evidence (including, but not limited to, a Rating Agency Confirmation) provided to them by the Issuer or the Servicer, as the case may be, pursuant to Condition 13.6 (*Additional Right of Modification*) and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person.

More generally, any of the above matters (including an amendment to change the SONIA rate as described in paragraph (b) above) or any other significant change to the setting or existence of SONIA could affect the ability of the Issuer to meet its obligations under the Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms in making any investment decision with respect to the Notes.

Changes in the manner of administration of SONIA could result in adjustment to the Conditions, early redemption, delisting of the Notes or other consequences in relation to the Notes. No assurance may be provided that relevant changes will be made to SONIA or any other relevant benchmark rate and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to the Notes.

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

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

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

The EUWA and secondary legislation made under powers provided in the EUWA ensure that there is a functioning statute book in the UK. While the UK introduced a temporary permission regime to allow EEA firms to continue to do business in the UK for a limited period of time, once the passporting regime fell away, the majority of EEA states have not introduced similar transitional regimes. The Trade and Cooperation Agreement is only part of the overall package of agreements reached. Other supplementing agreements included a series of joint declarations on a range of important issues where further cooperation is foreseen, including financial services. The declarations state that the EU and the UK will discuss how to move forward with equivalence determinations in relation to financial services. It should be noted that even if equivalence arrangements for certain sectors of the financial services industry are agreed, market access is unlikely to be as comprehensive as the market access that the UK enjoyed through its EU membership.

Prospective investors should also note that the regulatory treatment, including the availability of any preferential regulatory treatment, of the Notes may be affected.

No assurance can be given that any of the matters outlined above would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or liquidity of the Notes in the secondary market.

No assurance can be given that any of these factors would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value or liquidity of the Notes in the secondary market.

#### *Ratings of the Notes and confirmation of ratings*

The ratings expected to be assigned to the Notes by each Rating Agency are based, amongst other things, on the terms of the Transaction Documents and other relevant structural features of this transaction, including (but not limited to) the short-term deposit rating, senior unsecured debt rating and/or long-term counterparty risk assessment of the Issuer Account Bank and the Collection Account Bank.

The ratings expected to be assigned to the Notes by Moody's address, *inter alia*, the likelihood of (a) full and timely payment of interest due to the holders of the Class A Notes on each Interest Payment Date, (b) full and timely payment of interest due to the holders of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class X Notes on each Interest Payment Date where such class is the Most Senior Class of Notes and (c) full and ultimate payment of principal due to the holders of the Notes on or prior to the Final Maturity Date.

The ratings expected to be assigned to the Notes by S&P address, *inter alia*, the likelihood of (a) full and timely payment of interest due to the holders of the Class A Notes on each Interest Payment Date, (b) full and timely payment of interest due to the holders of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class X Notes on each Interest Payment Date where such class is the Most Senior Class of Notes and (c) full and ultimate payment of principal due to the holders of the Notes on or prior to the Final Maturity Date.

The Residual Certificates will not be rated by the Rating Agencies.

The expected ratings of the Notes assigned on the Closing Date are set out under "*Ratings*". A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation if, in its judgement, circumstances (including without limitation, a reduction in the perceived creditworthiness of parties, include a reduction in the credit rating of the Issuer Account Bank) in the future so warrant. A Rating Agency may also change its criteria and/or methodology at any time and the application of its revised criteria and/or methodology may lead it to lower, withdraw or qualify its rating of the Notes.

There is no assurance that any such ratings assigned to the Notes will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies as a result of changes in or unavailability of information or if, in the judgement of the Rating Agencies, circumstances so warrant. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the value of the Notes.

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

#### *Rating Agencies' confirmations*

The terms of certain Transaction Documents provide that certain actions to be taken by the Issuer and/or the other parties to the Transaction Documents are contingent on such actions not having an adverse effect on the ratings assigned to the Notes. In such circumstances, the Note Trustee or the Security Trustee may require the Issuer to seek a Rating Agency Confirmation from the Rating Agencies. The Conditions provide that if a Rating Agency Confirmation or other response by a Rating Agency is a condition to any action or step under any

Transaction Document and a written request for such Rating Agency Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer and (i) (A) one Rating Agency (such Rating Agency, a "**Non-Responsive Rating Agency**") indicates that it does not consider such Rating Agency Confirmation or response necessary in the circumstances or that it does not, as a matter of practice or policy, provide such Rating Agency Confirmation or response or (B) within 30 calendar days of delivery of such request, no Rating Agency Confirmation or response is received and/or such request elicits no statement by such Rating Agency that such Rating Agency Confirmation or response could not be given; and (ii) one Rating Agency gives such Rating Agency Confirmation or response based on the same facts, then such condition to receive a Rating Agency Confirmation or response from each Rating Agency shall be modified so that there shall be no requirement for the Rating Agency Confirmation or response from the Non-Responsive Rating Agency if the Servicer on behalf of the Issuer provides to the Note Trustee and the Security Trustee a certificate signed by two directors certifying and confirming that each of the events in sub-paragraphs (i)(A) or (B) and (ii) has occurred following the delivery by or on behalf of the Issuer of a written request to each Rating Agency.

Where a Rating Agency Confirmation is a condition to any action or step under any Transaction Document and it is deemed to be modified as a result of a Non-Responsive Rating Agency either (i) having indicated that it does not consider such Rating Agency Confirmations or response necessary or, as a matter of policy, does not provide such Rating Agency Confirmations or (ii) not having responded to the relevant request from the Issuer within 30 calendar days, there remains a risk that such Non-Responsive Rating Agency may subsequently downgrade, qualify or withdraw the then current ratings of the Notes as a result of the action or step. Such a downgrade, qualification or withdrawal to the then current ratings of the Notes may have an adverse effect on the value of the Notes.

The Note Trustee and the Security Trustee shall be entitled to rely without liability to any person on any certificate delivered to it in connection with a Non-Responsive Rating Agency pursuant to Condition 18 (*Non-Responsive Rating Agency*). The Note Trustee and the Security Trustee shall not be required to investigate any action taken by the Issuer or such Non-Responsive Rating Agency and shall treat the applicable condition or requirement to receive a Rating Agency Confirmation or response from each Rating Agency as having been modified with the consent of all Noteholders and all parties to the relevant Transaction Documents so that there shall be no requirement for such Rating Agency Confirmation or response from the Non-Responsive Rating Agency.

*Credit ratings assigned to the Notes may not reflect all the risks associated with an investment in the Notes*  
One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. See section "*Certain Regulatory Requirements-EU CRA Regulation and UK CRA Regulation*" for further details.

The ratings S&P is expected to give to the Notes are endorsed by S&P Global Ratings Europe Limited, which is a credit rating agency established in the EU. The ratings Moody's is expected to give to the Notes are endorsed by Moody's Deutschland GmbH, which is a credit rating agency established in the EU.

Each of Moody's Deutschland GmbH and S&P Global Ratings Europe Limited is included in the list of credit rating agencies published by ESMA on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the EU CRA Regulation.

If the status of the rating agency rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

### *Limited Secondary Market for Mortgage Loans*

The ability of the Issuer to redeem all of the Notes in full, including following the occurrence of an Event of Default (as defined in the Conditions) in relation to the Notes while any of the Mortgage Loans are still outstanding, may depend upon whether the Mortgage Loans can be realised to obtain an amount sufficient to redeem the Notes. There is not, at present, an active and liquid secondary market for mortgage loans of this type in the United Kingdom. There can be no assurance that a secondary market for the Mortgage Loans will develop or, if a secondary market does develop, that it will provide sufficient liquidity of investment for the Mortgage Loans to be realised or that if it does develop it will continue for the life of the Notes. The Issuer, and following the occurrence of an Event of Default, the Security Trustee, may not, therefore, be able to sell the Mortgage Loans for an amount sufficient to discharge amounts due to the Secured Creditors (including the Noteholders) in full should they be required to do so.

## **8 Legal and Regulatory Risks Relating to the Structure and The Notes**

### *Noteholders' interests may be adversely affected by a change of law*

The transactions described in this Prospectus (including the issue of the Notes) and the ratings which are to be assigned to the Notes are based on the relevant law and administrative practice in effect as at the date hereof, and having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to such law (including any change in regulation which may occur without a change in primary legislation), administrative practice or tax treatment after the date of this document. In addition, it should be noted that regulatory requirements (including any applicable retention, due diligence or disclosure obligations) may be amended.

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

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

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in multiple measures for increased regulation which are at various stages of implementation and which may have an adverse impact on the regulatory position of certain investors in securitisation exposures and/or on the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. None of the Issuer, the Arranger, the Joint Lead Managers, the Seller, the Legal Title Holder, any other member of the LiveMore Group, the Issuer Account Bank, the Security Trustee, the Note Trustee, the Principal Paying Agent, the Cash Administrator, the Agent Bank or the Registrar makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory treatment of their investment on the Closing Date or at any time in the future.

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

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

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

Investors should note in particular that the Basel Committee on Banking Supervision ("BCBS") has approved a series of significant changes to the Basel framework for prudential regulation (such changes being referred to by the BCBS as Basel III, and referred to, colloquially, as Basel III in respect of reforms finalised prior to 7



December 2017 and Basel IV in respect of reforms finalised on or following that date). The Basel III/IV reforms, which include revisions to the credit risk framework in general and the securitisation framework in particular, may result in increased regulatory capital and/or other prudential requirements in respect of securitisation positions. The BCBS continues to work on new policy initiatives. National implementation of the Basel III/IV reforms may vary those reforms and/or their timing. It should also be noted that changes to prudential requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe.

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

Investors in the Notes are responsible for analysing their own regulatory position and prudential regulation treatment applicable to the Notes and should consult their own advisers in this respect.

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

The EU Securitisation Regulation applies in general (subject to certain grandfathering) from 1 January 2019 and, from 9 April 2021, the EU Securitisation Regulation applies as amended by Regulation (EU) 2021/557. However, some legislative measures necessary for the full implementation of the EU Securitisation Regulation regime have not yet been finalised and compliance with certain requirements is subject to the application of transitional provisions. In addition, further amendments are expected to be introduced to the EU Securitisation Regulation regime as a result of its wider review on which, under Article 46 of the EU Securitisation Regulation, the European Commission published a report on 10 October 2022 outlining a number of areas where legislative changes may be introduced in due course.

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

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

Since 1 November 2024, a new securitisation regulatory framework has applied in the UK under the Securitisation Regulations 2024 (SI 2024/102) (the “**SR 2024**”), the Securitisation Part of the rulebook of published policy of the PRA (the “**PRA Securitisation Rules**”) and the securitisation sourcebook of the handbook of rules and guidance adopted by the FCA (“**SECN**” and, together with the PRA Securitisation Rules, the SR 2024 and the relevant provision of the FSMA, the “**UK Securitisation Framework**”). The UK Securitisation Framework largely mirrors the EU Securitisation Regulation (with some adjustments) and includes SECN 4 (the “**FCA Due Diligence Rules**”), Article 5 of Chapter 2 of the PRA Securitisation Rules (the “**PRA Due Diligence Rules**”) and regulations 32B, 32C and 32D of the SR 2024 (the “**OPS Due Diligence Rules**” and, together with the FCA Due Diligence Rules and the PRA Due Diligence Rules, the “**UK Due Diligence Rules**”), and SECN 6, SECN 11 (including its Annexes) and SECN 12 (including its Annexes) (the “**FCA Transparency Rules**”).

Please note that some divergence between EU and UK regimes exists already and the risk of more divergence in the future between EU and UK regimes cannot be ruled out.

The EU Securitisation Regulation and/or the UK Securitisation Framework requirements will apply to the Notes. As such, certain European-regulated institutional investors or UK-regulated institutional investors, which include relevant credit institutions, investment firms, authorised alternative investment fund managers, insurance and reinsurance undertakings, certain undertakings for the collective investment of transferable securities and certain regulated pension funds (institutions for occupational retirement provision), are required

to comply under Article 5 of the EU Securitisation Regulation or the UK Due Diligence Rules, as applicable, with certain due diligence requirements prior to holding a securitisation position and on an ongoing basis while holding the position. Among other things, prior to holding a securitisation position, such institutional investors are required to verify under their respective EU or UK regime certain matters with respect to compliance of the relevant transaction parties with credit granting standards, risk retention and transparency requirements and, on transactions notified as EU STS or UK STS, compliance of that transaction with the EU or UK STS requirements, as applicable.

If the relevant European- or UK-regulated institutional investor elects to acquire or holds the Notes having failed to comply with one or more of these requirements, as applicable to them under their respective EU or UK regime, this may result in the imposition of a penal capital charge on the Notes for institutional investors subject to regulatory capital requirements or a requirement to take a corrective action, in the case of a certain type of regulated fund investors.

Aspects of the requirements of the EU Securitisation Regulation and the UK Securitisation Framework and what is or will be required to demonstrate compliance to national regulators remain unclear. Prospective investors should therefore make themselves aware of the requirements applicable to them in their respective jurisdictions and are required to independently assess and determine the sufficiency of the information described in this Prospectus generally for the purposes of complying with such due diligence requirements under the EU Securitisation Regulation (and any corresponding national measures which may be relevant) or the UK Securitisation Framework.

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

It is expected that in due course the EU Securitisation Regulation regime will be amended as a result of the wider review 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 EU Reporting Requirements, as the October Report includes a mandate to ESMA to review the Article 7 EU Technical Standards. As at the date of this Prospectus, ESMA has commenced an informal consultation on the review of the Article 7 EU Technical Standards, although it is unclear as to what amendments may be made or when any such amendments will take effect.

Prospective investors should note that the obligation of the Seller to comply with the EU Reporting Requirements is strictly contractual and the Seller has elected to comply with such requirements in its discretion and such obligations apply until such time when the Seller is able to certify to the Issuer and the Note Trustee that a competent EU authority has confirmed that the satisfaction of SECN 6.2, will also satisfy the EU Reporting Requirements due to the application of an equivalence regime or similar analogous concept. In addition, in the event that, after the Closing Date, there are any amendments or changes to the EU Reporting Requirements, and the Seller is or would be unable to comply with the EU Reporting Requirements (as if such provisions were applicable to it) following such amendments or changes coming into effect, the Seller may elect not to comply with the EU Reporting Requirements as so amended or changed. Investors should therefore note that if the Seller is unable to comply with any amendments or changes to the EU Reporting Requirements that come into effect after the Closing Date, then the EU Reporting Requirements may no longer be complied with following such changes or amendments coming into effect.

There can be no assurance that the information in this Prospectus or to be made available to investors in accordance with such undertakings will be adequate for any prospective institutional investors to comply with

their due diligence obligations under the EU Securitisation Regulation or the UK Securitisation Framework (as applicable).

Non-compliance with the UK Securitisation Framework and/or the EU Securitisation Regulation could adversely affect the regulatory treatment of the Notes and the market value and/or liquidity of the Notes in the secondary market.

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

*Simple, transparent and standardised securitisations (STS) and UK STS designation – UK STS designation impacts on regulatory treatment of the Notes*

The UK Securitisation Framework (and the UK CRR) includes provisions that implement the revised securitisation framework developed by BCBS (with adjustments) and provides, among other things, for harmonised foundation criteria and procedures applicable to securitisations seeking designation as a simple, transparent and standardised transaction (a "**UK STS Securitisation**").

The designation as a UK STS Securitisation impacts on the potential ability of the Notes to achieve better or more flexible regulatory treatment from the perspective of the applicable UK regulatory regimes, such as the prudential regulation of UK CRR firms and UK Solvency II firms, and from the perspective of the UK EMIR regime, as to which investors are referred to "*Regulatory Requirements - STS designation impacts on regulatory treatment of the Notes*" section below and the risk factor entitled "*Impact of EU EMIR and/or UK EMIR on the Swap Transaction*"

It is intended that a UK STS Notification will be submitted to the FCA by the Seller, as originator. The UK STS Notification, once notified to the FCA, will be made available on the Reporting Websites, with the short-form (anonymised) particulars of such UK STS Notification being made available on the FCA STS Register website.

The Seller and the Issuer have used the services of PCS UK to carry out the UK STS Verification (and to provide additional assessments with regard to the status of the Notes for the purposes of Article 243 and Article 270 of the UK CRR and Articles 7 and 13 of the UK LCR Regulation (the "**UK STS Additional Assessments**")). It is expected that the UK STS Verification and the UK STS Additional Assessments prepared by PCS UK will be available on its website at <https://www.pcsmarket.org/sts-verification-transactions/>. For the avoidance of doubt, the website of PCS UK and the contents of that website do not form part of this Prospectus.

It is important to note that the involvement of PCS UK is not mandatory and the responsibility for compliance with the UK Securitisation Framework (or, if applicable, the EU Securitisation Regulation) remains with the relevant institutional investors, originators, sponsors and issuers, as applicable in each case. A UK STS Verification (and/or UK STS Additional Assessments) will not absolve such entities from making their own assessments with respect to the UK Securitisation Framework (or, if applicable the EU Securitisation Regulation) and other relevant regulatory provisions, and an UK STS Verification (and/or UK STS Additional Assessments) cannot be relied on to determine compliance with the foregoing regulations in the absence of such assessments by the relevant entities.

The UK STS status of the Notes is not static and investors should verify the current status on the FCA STS Register website, which will be updated where the Notes are no longer considered to be UK STS compliant following a decision of the FCA or 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. Institutional investors that are subject to the due diligence requirements of the UK Securitisation Framework (or, if applicable, the EU

Securitisation Regulation) need to make their own independent assessment and may not solely rely on any UK STS Verification, the UK STS Notification, any UK STS Additional Assessments or other disclosed information.

No assurances can be provided that the securitisation transaction described in this Prospectus does or will continue to qualify as a UK STS securitisation under the UK Securitisation Framework. The relevant institutional investors are required to make their own assessment with regard to compliance of the securitisation with the UK STS Requirements and such investors should be aware that non-compliance with the UK STS Requirements and the change in the UK STS status of the 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. In addition, non-compliance may result in various sanctions and/or remedial measures being imposed on the relevant transaction parties, including the Seller, which may have an impact on the availability of funds to pay the Notes.

Note that designation as UK STS securitisation does not meet, as at the date of this Prospectus, the STS requirements of the EU Securitisation Regulation, and, as such, better or more flexible regulatory treatment under the relevant EU regulatory regimes (in particular, under the EU CRR, the EU LCR Regulation and the EU Solvency II regime) will not be available. While it is possible that in due course, as part of the wider 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, no assurances can be made that such equivalence regime will be introduced or that, when introduced, it will benefit the EU regulatory treatment of the Notes.

In addition, further amendments are expected to be introduced to the EU Securitisation Regulation regime as a result of the wider review on which, under Article 46 of the EU Securitisation Regulation, the European Commission published a report on 10 October 2022 outlining a number of areas where legislative changes may be introduced in due course. EU investors who are uncertain as to the requirements that will need to be complied with in order to avoid consequences of non-compliance should seek guidance from their regulator and/or take independent advice.

The UK Securitisation Framework requirements, and (to a certain extent, as described further below) the EU Securitisation Regulation requirements, will apply to the Notes. However, potential investors should note that none of the Issuer, the Seller, the Legal Title Holder or the Servicer is bound to comply with the requirements of the EU Securitisation Regulation unless, and to the extent that, it has agreed to be so bound as a contractual matter pursuant to the terms of the Transaction Documents. The Seller has agreed to so comply in respect of certain articles of the EU Securitisation Regulation as in force at the Closing Date only, as described under "*Certain Regulatory Requirements*" and "*General Information*". As such, certain European-regulated institutional investors and certain UK-regulated institutional investors, as applicable, which include relevant credit institutions, investment firms, authorised alternative investment fund managers, insurance and reinsurance undertakings, certain undertakings for the collective investment of transferable securities and certain regulated pension funds (institutions for occupational retirement provision), are required to comply, pursuant to Article 5 of the EU Securitisation Regulation or SECN 4.2. (as applicable), with certain due diligence requirements prior to holding a securitisation position and on an ongoing basis while holding the position. Among other things, such requirements restrict a relevant European-regulated or UK-regulated institutional investor (as applicable) (other than the originator, sponsor, or original lender) from investing in asset-backed securities unless (i) that institutional investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters (including, among other things, the position of its note in the relevant priorities of payment and the structural features of the securitisation), (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that, amongst other things,

it will retain, on an on-going basis, a qualifying material net economic interest of not less than 5 per cent. in respect of the relevant securitisation determined in accordance with SECN 5.2 (referred to as the UK Retention Requirement) or Article 6 of the EU Securitisation Regulation (referred to as the EU Retention Requirement) (as applicable to such investor), and (iii) that institutional investor is able to demonstrate that it verified that the Reporting Entity or Seller (as applicable) has made available and will make available, as applicable (A) with respect to the UK Securitisation Framework, information which it is required to make available in accordance with SECN 4.2.1R(1)(e) or (B) with respect to the EU Securitisation Regulation, information which it has undertaken to make available for the purposes of Article 5(1)(e) of the EU Securitisation Regulation.

A European-regulated or UK-regulated institutional investor (other than the originator, sponsor or original lender) holding a securitisation position is required to at least establish appropriate written procedures that are proportionate to the risk profile of the securitisation position and, where relevant, to its trading and non-trading book, in order to monitor, on an ongoing basis, compliance with its due diligence requirements and the performance of the securitisation position and of the underlying exposures.

If the relevant European-regulated or UK-regulated institutional investor elects to acquire or holds the Notes having failed to comply with one or more of these requirements, as is applicable to such investor under either the EU or UK regime, this may result in the imposition of a penal capital charge on the Notes for institutional investors subject to regulatory capital requirements or a requirement to take a corrective action, as in the case of a certain type of regulated fund investors. Aspects of the requirements of the EU Securitisation Regulation and the UK Securitisation Framework and what is or will be required to demonstrate compliance to national regulators remain unclear. Prospective investors should therefore make themselves aware of the requirements applicable to them in their respective jurisdiction(s) and are required to independently assess and determine the sufficiency of the information described in this Prospectus generally for the purposes of complying with such due diligence requirements under the EU Securitisation Regulation or the UK Securitisation Framework and any corresponding national measures which may be relevant.

Prospective investors are themselves responsible for knowing, assessing and monitoring requirements of the UK Securitisation Framework, the EU Securitisation Regulation, any relevant national measures or any other legal, regulatory or other requirements applicable to them, the consequences of any non-compliance with those requirements (including, among other things, any negative effect on the regulatory position of, and the capital charges on, the Notes and liquidity and price of the Notes) and, where appropriate, for taking independent advice on those requirements and consequences.

In particular, each prospective investor is required independently to assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with the UK Securitisation Framework, the EU Securitisation Regulation, any relevant national measures or any other applicable legal, regulatory or other requirements and none of the Issuer, the Seller, the Legal Title Holder, the Arranger, the Joint Lead Managers, the Note Trustee, the Security Trustee or any of the other Transaction Parties: (i) makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes, (ii) has any liability to any prospective investor or any other person for any insufficiency of such information or any failure of the transactions contemplated herein to comply with or otherwise satisfy the requirements of the UK Securitisation Framework, the EU Securitisation Regulation, any relevant national measures or any other applicable legal, regulatory or other requirements, or (iii) shall have any obligation to ensure compliance with the requirements of the UK Securitisation Framework, the EU Securitisation Regulation, any relevant national measures or any other applicable legal, regulatory or other requirements (other than the obligations of the applicable Transaction Parties in respect of the UK Securitisation Framework and the EU Securitisation Regulation described in "*Certain Regulatory Requirements*" below).

### *Insolvency proceedings and subordination provisions*

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a hedging counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty (so-called "flip clauses"). Such provisions are similar in effect to the terms which will be included in the Transaction Documents relating to the subordination of any Hedge Subordinated 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 U.S. bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a U.S. bankruptcy of the counterparty. However, a subsequent 2016 U.S. Bankruptcy Court decision held that in certain circumstances flip clauses are protected under the U.S. Bankruptcy Code and therefore enforceable in bankruptcy. The 2016 decision was affirmed on 14 March 2018 by the U.S. District Court for the Southern District of New York, which 2018 decision was further affirmed on 11 August 2020 by the U.S. Court of Appeals for the Second Circuit. The implications of this conflict remain unresolved.

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

In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, such actions could adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

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

### *English law security and insolvency considerations*

The Issuer will enter into the Deed of Charge pursuant to which it will grant the Security in respect of certain of its obligations, including its obligations under the Notes (as to which, see "*Summary of the Key Transaction Documents–Deed of Charge*"). In certain circumstances, including the occurrence of certain insolvency (or certain pre-insolvency) events in respect of the Issuer, the ability to realise the Security may be delayed and/or the value of the Security impaired. In particular, it should be noted that significant changes to the UK insolvency regime have been enacted under the Corporate Insolvency and Governance Act 2020 which received Royal

Assent on 25 June 2020 and came into effect on 26 June 2020. The changes include, among other things: (i) the introduction of a new moratorium regime that certain eligible companies can obtain which will prevent creditors taking certain action against the company for a specified period; (ii) a ban on operation of or exercise of *ipso facto* clauses preventing (subject to exemptions) termination, variation or exercise of other rights under a contract due to a counterparty entering into certain insolvency or restructuring procedures; and (iii) a new compromise or arrangement under Part 26A of the Companies Act 2006 (the "**Restructuring Plan**") that provides for ways of imposing a restructuring on creditors and/or shareholders without their consent (so-called cross-class cram-down procedure), subject to certain conditions being met and with a court adjudicating on the fairness of the restructuring proposal as a whole in determining whether or not to exercise its discretionary power to sanction the Restructuring Plan. While the Issuer is expected to be exempt from the application the new moratorium regime and the ban on *ipso facto* clauses, there is no guidance on how the new legislation will be interpreted and the Secretary of State may, through regulation, modify the exceptions. For the purposes of the Restructuring Plan, it should also be noted that there are currently no exemptions, but the Secretary of State may, through regulation, provide for the exclusion of certain companies providing financial services and the UK Government has expressly provided for changes to the Restructuring Plan to be effected through secondary legislation, particularly in relation to the cross-class cram-down procedure. It is therefore possible that aspects of the legislation may change. While the transaction structure is designed to minimise the likelihood of the Issuer becoming insolvent and/or subject to pre-insolvency restructuring proceedings, no assurance can be given that any modification of the exceptions from the application of the new insolvency reforms referred to above will not be detrimental to the interests of the Noteholders and, there can be no assurance that (i) the Issuer will not become insolvent and/or the subject of insolvency or pre-insolvency restructuring proceedings; and/or (ii) the Noteholders would not be adversely affected by the application of insolvency laws (including English and, if applicable, Scottish insolvency laws or the laws affecting the rights of creditors generally).

In addition, it should be noted that, to the extent that the assets of the Issuer are subject only to a floating charge (including any fixed charge recharacterised by the courts as a floating charge – see the section entitled "*Fixed charges may take effect under English law as floating charges*" below), in certain circumstances under the provisions of Sections 174A, 176ZA and 176A of the Insolvency Act 1986, certain floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Deed of Charge may be used to satisfy any expenses of the insolvency proceeding, claims of unsecured creditors or creditors who otherwise take priority over floating charge recoveries. While certain of the covenants given by the Issuer in the Transaction Documents are intended to ensure it has no significant creditors other than the secured creditors under the Deed of Charge, it will be a matter of fact as to whether the Issuer has any other such creditors at any time.

Any such reduction in floating charge realisations upon the enforcement of the Security could adversely affect Noteholders.

#### *Fixed charges may take effect under English law as floating charges*

The law in England and Wales relating to the characterisation of fixed charges is unsettled. There is a risk that a court could determine that the fixed charges purported to be granted by the Issuer 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 (although it should be noted that there is no equivalent concept of recharacterisation of fixed security as floating charges under Scots law), then, as a matter of law, certain claims would have priority over the claims of the Security Trustee in respect of the floating charge assets.

The interest of the Secured Creditors in property and assets over which there is a floating charge will rank behind the expenses of any administration or liquidator and the claims of certain preferential creditors on enforcement of the Security. Section 250 of the Enterprise Act 2002 abolishes Crown Preference in relation to

all insolvencies (and thus reduces the categories of preferential debts that are to be paid in priority to debts due to the holder of a floating charge) but section 176A of the Insolvency Act 1986 requires a prescribed part (up to a maximum amount of £800,000) of the floating charge realisations available for distribution to be set aside to satisfy the claims of unsecured creditors. This means that the expenses of any administration, the claims of preferential creditors and the beneficiaries of the prescribed part will be paid out of the proceeds of enforcement of the floating charge ahead of amounts due to Noteholders. The prescribed part will not be relevant to property subject to a valid fixed security interest or to a situation in which there are no unsecured creditors.

If any claims have priority over the claims of the Security Trustee in respect of the floating charge assets, this could adversely affect Noteholders.

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

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

As a result of the changes described above, upon the enforcement of the floating charge security granted by the Issuer, floating charge realisations which would otherwise be available to satisfy the claims of the Secured Creditors under the Deed of Charge will be reduced by at least a significant proportion of any liquidation expenses.

Any such reduction in floating charge realisations could adversely affect Noteholders.

*For Notes being issued under the Social Bond Guidelines, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor*

Prospective investors in the Notes should consider that this transaction has been structured in contemplation of complying with the Social Bond Guidelines. The Social Bond Guidelines include Social Bond Principles. Social Bond Principles include social projects that provide or promote access to essential services and/or socioeconomic advancement and empowerment.

In particular, investors should note that it is the Seller's intention to apply the purchase price proceeds it receives in respect of the sale of the Mortgage Loans (financed by the Issuer out of the proceeds raised from the issuance of the Notes) in accordance with ICMA's published Social Bond Guidelines and Social Bond Principles, and to utilise such proceeds to repay funding arrangements relating to the origination of Mortgage Loans as part of the Seller's and the Legal Title Holder's usual funding cycle. The Mortgage Loans have been originated for a specific target of the population which comprises an Eligible Social Project.

Prospective investors should determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer that the use of such proceeds for an Eligible Social Project will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect social impact of any projects or uses, the subject of or related to, any Eligible Social Projects.



Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "social" or equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "social" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, the Legal Title Holder's Eligible Social Project will meet any or all investor expectations regarding such 'social' or other equivalently-labelled performance objectives or that any adverse social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, the Legal Title Holder's Eligible Social Project.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection now or in the future with the issue of any Notes and in particular with any Eligible Social Project to fulfil any social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Prospectus. Any such opinion or certification is not, will not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Notes. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "social" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect social impact of any projects or uses, the subject of or related to, any Eligible Social Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

Any such event or failure to apply the proceeds for such Eligible Social Project as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer and/or the Legal Title Holder is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. None of the Arranger or the Joint Lead Managers will verify or monitor the proposed use of proceeds of the Notes issued.

None of the Arranger or the Joint Lead Managers makes any representation as to the suitability of the Notes to fulfil social and sustainability criteria required by prospective investors. The Arranger and the Joint Lead Managers have not undertaken, nor are responsible for, any assessment of the Social Bond Framework and any verification of whether the Notes or the Social Bond Framework achieve any of ICMA's Social Bond Principles. Investors should refer to the Legal Title Holder's Social Bond Framework, the Legal Title Holder's website and the Second Party Opinion for information. The Second Party Opinion provider has been appointed by the Legal

Title Holder. For the avoidance of doubt, none of the Social Bond Framework, the Legal Title Holder's website or the Second Party Opinion form part of this Prospectus.

### *Banking Act 2009*

The Banking Act 2009 (the "**Banking Act**") includes provision for a special resolution regime pursuant to which specified UK authorities have extended tools to deal with the failure (or likely failure) of certain UK incorporated entities, including authorised deposit-taking institutions and certain authorised investment firms, and powers to take certain resolution actions in respect of third country institutions. In addition, powers may be used in certain circumstances in respect of UK established banking group companies, where such companies are in the same group as a relevant UK or third country institution. The Swap Provider, the Issuer Account Bank and Collection Account Bank are relevant Transaction Parties for these purposes.

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

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

If an instrument or order were to be made under the provisions of the Banking Act currently in force in respect of a relevant entity as described above, such as the Issuer Account Bank or the Collection Account Bank, such instrument or order may (amongst other things) affect the ability of such entity to satisfy its obligations under the Transaction Documents and/or result in the cancellation, modification or conversion of certain unsecured liabilities of such entity under the Transaction Documents or in other modifications to such documents. In particular, modifications may be made pursuant to powers permitting (i) certain trust arrangements to be removed or modified, (ii) contractual arrangements between relevant entities and other parties to be removed, modified or created where considered necessary to enable a transferee in the context of a property or share transfer to operate the transferred business effectively and (iii) in connection with the modification of an unsecured liability through use of the bail-in tool, the discharge of a relevant entity from further performance of its obligations under a contract. In addition, powers may apply to require a relevant instrument or order (and related events) to be disregarded in determining whether certain widely defined "default events" have occurred. 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.

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

Lastly, as a result of the EU's Bank Recovery and Resolution Directive 2014/59/EU, which provides for the establishment of an EEA-wide framework for the recovery and resolution of credit institutions and investment

firms and any other relevant national implementing measures, it is possible that an institution with its head office located in an EEA state and/or certain banking 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.

#### *Withholding Tax under the Notes*

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

In the event that any withholding or deduction for or on account of any tax is imposed in respect of payments on the Notes, neither the Issuer nor any other person is obliged to gross up or otherwise compensate the Noteholders for such withholding or deduction. However, in such circumstances with respect to the Notes, the Issuer will, in accordance with Condition 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*), either appoint a Paying Agent in another jurisdiction or, use its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another jurisdiction, in each case, in order to prevent such an imposition with respect to the Notes.

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

In the event that any withholding or deduction for or on account of any tax is imposed in respect of payments on the Notes, this could result in investors receiving less interest and/or principal than expected.

#### *UK Taxation Position of the Issuer*

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

#### *Effects of the Volcker Rule on the Issuer*

The enactment of the Dodd-Frank Act, which was signed into law on 21 July 2010, imposed a new regulatory framework over the U.S. financial services industry and the U.S. consumer credit markets in general. Section 619 of the Dodd-Frank Act added a new Section 13 to the Bank Holding Company Act of 1956 (together with the final rules and regulations promulgated thereunder, the "**Volcker Rule**"). The Volcker Rule generally prohibits "banking entities" (which are broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund" and (iii) entering into certain relationships with a "covered fund", subject to certain exceptions and exclusions.

The Issuer has been structured so as not to constitute a "covered fund" for the purposes of the Volcker Rule. In reaching this conclusion, although other statutory or regulatory exclusions and/or exemptions under (i) the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**" other than the exemptions to

the definition of "investment company" under Section 3(c)(1) and 3(c)(7) of the Investment Company Act and (ii) the Volcker Rule may be available, the parties have relied on the determination that the Issuer may rely on the loan securitisation exclusion provided for by section 248.10(c)(8) of the Volcker Rule. Any prospective investor in the Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule in respect of any investment in the Notes and should conduct its own analysis to determine whether the Issuer is a "covered fund" for its purposes.

The Issuer's failure to comply with the requirements of the Volcker Rule may adversely affect its business, financial condition, liquidity and results of operations. Although the parties have relied on the determination that the Issuer would satisfy the elements of the loan securitization exclusion, there are no assurances that the Issuer will qualify for any specific Volcker Rule exclusion. The general effects of the Volcker Rule remain uncertain. There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving as the Federal Reserve and other federal banking agencies consider whether and how to revise and apply the Volcker Rule. Congress may implement statutory changes to the Volcker Rule, regulators in the United States may promulgate further regulatory, administrative or interpretive changes surrounding the Volcker Rule, and courts in the United States may issue judicial decisions impacting the Volcker Rule. No assurance can be given as to the impact of such changes on the Notes and/or the Residual Certificates and prospective investors should be aware that the Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any adverse determinations regarding the Issuer constituting a "covered fund" may require certain investors to divest their interest in any nonconforming Notes and/or the Residual Certificates resulting in losses. In addition, the Issuer may need to be restructured to avoid "covered fund" status.

#### *U.S. Risk Retention Requirements*

The U.S. Risk Retention Rules, which were promulgated under Section 15G of the Securities Exchange Act of 1934 and which implement the credit risk retention requirements of Section 941 of the Dodd-Frank Act, generally requires the "sponsor" of a "securitization transaction" (as such terms are defined by the U.S. Risk Retention Rules) to acquire and retain (either directly and/or through one or more of its "majority-owned affiliates" (as defined by the U.S. Risk Retention Rules)) at least 5 per cent. of the "credit risk" of "securitized assets", as such terms are defined in the U.S. Risk Retention Rules, and generally prohibit a retaining sponsor from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the sponsor is required to retain. The U.S. Risk Retention Rules came into effect on 24 December 2016 with respect to all classes of asset-backed securitizations. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

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

- (1) the transaction is not required to be and is not registered under the Securities Act;
- (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the "**ABS interests**" (as defined in Section 2 of the U.S. Risk Retention Rules) (being in this case, collectively, the Notes and the Residual Certificates) are issued) of all classes of ABS interests in the securitization transaction are sold or transferred to, or for the account or benefit of, "U.S. persons" (as defined in the U.S. Risk Retention Rules, "**Risk Retention U.S. Persons**");
- (3) neither the sponsor nor the issuer of the securitization transaction is organised under the laws of (x) the U.S. or (y) any state thereof, or the District of Columbia, Puerto Rico, the Virgin Islands or any other

possession of the U.S. (collectively (in this clause (y)), "**U.S. States**") or is an unincorporated branch or office (wherever located) of an entity organised under the laws of the United States or any U.S. State or is an unincorporated branch or office located in the United States or any U.S. State of a non-U.S. entity; and

- (4) no more than 25 per cent. of the underlying collateral (as determined based on unpaid principal balance) was acquired, directly or indirectly, from (x) a majority-owned affiliate of the sponsor or issuer that is organised under the laws of the United States or any U.S. State or (y) an unincorporated branch or office of the sponsor or issuer that is located in the United States or any U.S. State.

The Portfolio will be comprised of Mortgage Loans and their collateral security, all of which are originated by the Legal Title Holder, being a company incorporated in England. See the section entitled "*The Originator, the Servicer and the Legal Title Holder*".

Prior to any Notes offered and sold by the Issuer being purchased by, or for the account or benefit of, any Risk Retention U.S. Person, the purchaser of such Notes must first disclose to the Seller, the Arranger and the Joint Lead Managers that it is a Risk Retention U.S. Person and obtain the written consent of the Seller in the form of a U.S. Risk Retention Consent. The terms of the Notes provide that, except with the prior written consent of the Seller and where such sale falls within the exemption provided by section 20 of the U.S. Risk Retention Rules, on the Closing Date, the Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any "**U.S. person**" as defined in the U.S. Risk Retention Rules. Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of "U.S. person" under Regulation S, and that persons who are not "**U.S. persons**" under Regulation S may be U.S. persons under the U.S. Risk Retention Rules. The definition of "U.S. person" in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h)(ii), which are different than comparable provisions from Regulation S.

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

- (a) any natural person resident in the United States;
- (b) any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any U.S. State or of the United States;
- (c) any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);
- (d) any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);
- (e) any agency or branch of a foreign entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- (h) any partnership, corporation, limited liability company, or other organisation or entity if:
  - (i) organised or incorporated under the laws of any foreign (*i.e.*, non-U.S.) jurisdiction; and
  - (ii) formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act.

Each holder of a Note or a beneficial interest therein acquired on the Closing Date, by its acquisition of a Note or a beneficial interest therein, will be deemed to represent to the Issuer, the Seller, the Arranger and the Joint Lead Managers that it (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained a U.S. Risk Retention Consent, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein). Non-compliance with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action which may adversely affect the Notes and the ability of the Seller to perform their obligations under the Notes. Furthermore, such non-compliance could negatively affect the value and secondary market liquidity of the Notes.

The Seller has advised the Issuer that it will not provide a U.S. Risk Retention Consent to any investor if such investor's purchase would result in more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) (as determined by fair value, using the fair value measurement framework under U.S. GAAP) of all Classes of Notes to be sold or transferred to Risk Retention U.S. Persons on the Closing Date. Consequently, on the Closing Date, the Notes may only be purchased by persons that (a) are not Risk Retention U.S. Persons or (b) have obtained a U.S. Risk Retention Consent from the Seller.

Each of the Seller, the Issuer, the Arranger and the Joint Lead Managers have agreed that none of the Arranger or the Joint Lead Managers or any person who controls any of them or any director, officer, employee, agent or affiliate of the Arranger or the Joint Lead Managers shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section 20 of the U.S. Risk Retention Rules, and none of the Arranger or the Joint Lead Managers or any person who controls it or any director, officer, employee, agent or affiliate of the Arranger or the Joint Lead Managers accepts any liability or responsibility whatsoever for any such determination.

There can be no assurance that the requirement to obtain the Seller's written consent prior to the sale of any Notes or Residual Certificates by the Issuer to, or for the account or benefit of, any Risk Retention U.S. Person will be complied with or will be requested by such Risk Retention U.S. Persons.

There can be no assurance that the exemption provided by Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available or, if such exemption is available, that it shall remain available until the Final Maturity Date of the Notes. No assurance can be given as to whether a failure by the Seller to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) may give rise to regulatory action which may adversely affect the Notes, the Residual Certificates or the market value of the Notes and the Residual Certificates. Furthermore, the impact of the U.S. Risk Retention Rules on the securitization market generally is uncertain, and a failure by the Seller to comply with the U.S. Risk Retention Rules could therefore materially adversely affect the market value and secondary market liquidity of the Notes and the Residual Certificates.

None of the Issuer, the Seller, the Legal Title Holder, the Arranger, the Joint Lead Managers, the Issuer Account Bank, the Security Trustee, the Note Trustee, the Cash Administrator, the Principal Paying Agent, the Agent Bank, the Registrar or any of their respective affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Closing Date or at any time in the future. Investors should consult their own advisors as to the U.S. Risk Retention Rules.

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

## *European Market Infrastructure Regulation*

### *Impact of derivative reforms on the Swap Transaction*

As noted above, the Notes will have the benefit of certain derivative instruments, namely the Swap Transaction. In this regard, it should be noted that the derivatives markets are subject to extensive regulation in a number of jurisdictions, including in Europe pursuant to Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories as amended ("**EU EMIR**") and/or EU EMIR as it forms part of domestic law of the UK by virtue of the EUWA ("**UK EMIR**"). The UK government has indicated that UK EMIR will be repealed and replaced with domestic legislation under the Financial Services and Markets Act 2023.

It is possible that such regulation 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 Transaction, such additional requirements, corresponding increased costs and/or related limitations on the ability 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.

With respect to the risks referred to above, see also "*Impact of EU EMIR and/or UK EMIR on the Swap Transaction*" below for further details.

### *Impact of EU EMIR and/or UK EMIR on the Swap Transaction*

EU EMIR and UK EMIR prescribe a number of regulatory requirements for counterparties to derivatives contracts including (i) a mandatory clearing obligation for certain classes of OTC derivatives contracts (the "**Clearing Obligation**"); (ii) collateral exchange, daily valuation and other risk mitigation requirements for OTC derivatives contracts not subject to clearing (the "**Risk Mitigation Requirements**"); and (iii) certain reporting requirements. In general, the application of such regulatory requirements in respect of the Swap Transaction will depend on the classification of the counterparties to such derivative transaction.

Pursuant to EU EMIR and UK EMIR, counterparties can be classified as: (a) financial counterparties ("**FCs**") (which, include a sub-category, "**Small FCs**", for those FCs whose activity is below the "clearing threshold"), and (b) non-financial counterparties ("**NFCs**"). The category of "**NFC**" is further split into: (i) non-financial counterparties whose trading exceeds the "clearing threshold" ("**NFC+s**"), and (ii) non-financial counterparties whose trading falls below the "clearing threshold" ("**NFC-s**"). While FCs (other than Small FCs) and NFC+ entities may be subject to the Clearing Obligation, that obligation does not apply to NFC- entities or Small FCs. To the extent that the relevant derivatives transactions are not subject to clearing, the Risk Mitigation Requirements may apply to FC and NFC+ entities.

The Issuer is currently an NFC- under UK EMIR and a third country equivalent NFC- under EU EMIR, although a change in its position cannot be ruled out. In the context of EU EMIR, the calculation of the "clearing threshold" may be impacted by reforms to EU EMIR as a result of Regulation (EU) 2024/2987 of the European Parliament and of the Council of 27 November 2024 ("**EMIR 3**"). It is possible that this may impact the classification of the Issuer and, consequently, which obligations apply. However, these changes are not yet in effect and will only enter into effect upon the entry into force of (yet to be developed) secondary legislation which is not currently expected to be finalised and become applicable until at least 2026.

Should the status of the Issuer change to NFC+ or FC under UK EMIR and/or third country equivalent NFC+ or FC under EU EMIR, this may result in the application of the Clearing Obligation or the Risk Mitigation Requirements, although it seems unlikely that the Swap Transaction 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.

It should also be noted that the relevant daily valuation obligation should not apply in respect of the Swap Transaction entered into prior to the relevant application date, unless such a swap is materially amended on or after that date. In respect of UK EMIR, it should also be noted that, given the intention to seek the UK STS designation for the Notes, should the status of the Issuer change to a NFC+ or FC, another exemption from the Clearing Obligation and a partial exemption from the collateral exchange obligation may be available for the Swap Transaction, provided the applicable conditions are satisfied.

Prospective investors should note that there is some uncertainty with respect to the ability of the Issuer to comply with the Clearing Obligation and the margin requirement were they to be applicable, which may (i) lead to regulatory sanctions, (ii) adversely affect the ability of the Issuer to continue to be party to the Swap Transaction (possibly resulting in a restructuring or termination of the Swap Transaction) or to enter into the Swap Transaction and/or (iii) significantly increase the cost of such arrangements, thereby negatively affecting the ability of the Issuer to hedge certain risks.

As a result, the amounts available to the Issuer to meet its obligations may be reduced, which may in turn result in investors' receiving less interest or principal than expected.

The Issuer will be required to continually comply with UK EMIR while it is party to any interest rate swaps, including the Swap Transaction, including any additional provisions or technical standards which may come into force or become applicable after the Closing Date, and this may necessitate amendments to the Transaction Documents and/or to the terms and conditions applying to the Notes and the Residual Certificates and/or the entry into further agreements. It should be noted that, as described above under "*Risks Related to Changes to the Structure and Documents—Meetings of Noteholders and Certificateholders, Modifications and Waivers*", EU EMIR-related and/or UK EMIR-related amendments may be made to the Transaction Documents and/or to the terms and conditions applying to the Notes and the Residual Certificates, subject to receipt by the Note Trustee and the Security Trustee of a certificate issued by (i) the Issuer or (ii) the Servicer on behalf of the Issuer certifying to the Note Trustee and the Security Trustee the requested amendments are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under EU EMIR and/or UK EMIR as amended and have been drafted solely to that effect, following which the Note Trustee shall be obliged, without further investigation, without liability to any person, and without any consent or sanction of the Noteholders, to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification), to concur with the Issuer in entering into any further agreements and/or making any modification to the Conditions or any other Transaction Document to which either the Note Trustee or the Security Trustee is a party in order to enable the Issuer to comply with any requirements which apply to it under EU EMIR and/or UK EMIR, subject to the provisos and conditions described more fully in Condition 13.6 (*Additional Right of Modification*) and Residual Condition 12.6 (*Additional Right of Modification*).

In respect of any variation, novation, amendment, supplement, modification or waiver in respect of any of the Transaction Documents, the Terms and Conditions of the Notes or the Residual Certificates Conditions that would adversely affect the Swap Provider in respect of any of the following: (i) the amount, timing or priority of any payments or deliveries due to be made by or to the Swap Provider under the Terms and Conditions of the Notes, the Residual Certificates Conditions or any Transaction Document; (ii) the Issuer's ability to make payments or deliveries to the Swap Provider or any Priority of Payments in relation to the Swap Provider under the Transaction Documents; (iii) the Swap Provider's rights in relation to any security (howsoever described, and including as a result of changing the nature or the scope of, or releasing such security) granted by the Issuer in favour of the Security Trustee on behalf of the Secured Creditors; (iv) the Swap Provider's status as a Secured Creditor; (v) Condition 8 (*Redemption*) or any additional redemption rights in respect of the Notes; (vi) the first proviso to Clause 24.1 (*Modification to the Transaction Documents*) of the Trust Deed or the first proviso to Condition 13.5 (*Modification to the Transaction Documents*); (vii) any requirement under the Transaction Documents to obtain the Swap Provider's prior consent; (viii) the operation of the Swap Collateral Accounts



(including but not limited to the effectiveness of the segregation and the application of amounts and securities to and from the Swap Collateral Accounts) pursuant to the Cash Administration Agreement; (ix) the amount the Swap Provider would have to pay or would receive to replace itself under the terms of the Swap Agreement, in the reasonable opinion of the Swap Provider, in connection with such replacement, as compared to what the Swap Provider would have been required to pay or would have received had such modification, amendment, supplement or waiver not been made; (x) the undertakings of the Issuer as set out in the Trust Deed and the Master Definitions and Construction Schedule or Condition 5 (*Covenants*) related to a refinancing of the Notes or the sale, transfer or disposal of the assets of the Issuer in circumstances not expressly permitted or provided for in the Transaction Documents as at the Closing Date, either (x) the prior written consent of the Swap Provider (such consent not to be unreasonably withheld or delayed) or (y) written notification from the Issuer to the Note Trustee, the Security Trustee and the Swap Provider that the Swap Provider's consent is not needed as the modifications do not have any of the effects described in (i) to (x) above, is also required prior to such variation, novation, amendment, supplement, modification or waiver being made.

#### *Financing of the risk retention piece*

On or after the Closing Date, the Retention Holder may obtain funding on a full recourse basis (as against the Retention Holder) to finance the acquisition of some or all of the Retention Notes (the "**Repo Notes**") required to be retained by it as originator in compliance with the UK Securitisation Framework and (as such legislation is in force as at the Closing Date) the EU Securitisation Regulation (the "**Retention Financing**"). Such financing may be in the form of repo transaction documented under a Global Master Repurchase Agreement. The scheduled term of the Retention Financing may be shortly after the Final Maturity Date of the Notes. Such financing may be provided directly or indirectly by a funding vehicle which is a special purpose vehicle (each a "**Retention Lender**"). Although the Retention Holder will transfer legal and beneficial title to the Repo Notes to the Retention Lender as part of the Retention Financing, the Retention Holder would retain the economic risk in the Repo Notes but not legal ownership of such Repo Notes.

If either the Retention Holder or the Retention Lender defaults in the performance of its obligations under the Retention Financing and the non-defaulting party elects to terminate the Retention Financing, the Retention Holder may not be entitled to have the Repo Notes (or equivalent securities) transferred back to it and instead a cash settlement amount would be payable. In exercising its rights pursuant to the Retention Financing, a Retention Lender would not be required to have regard to the UK Retention Requirement or the EU Retention Requirement and in addition will have no duties or obligations to consider the effect on any such actions on the Noteholders. Any such termination of the Retention Financing may therefore cause the transaction described in this Prospectus to be non-compliant with the UK Retention Requirement and/or the EU Retention Requirement.

In such an event, Notes held by Noteholders could be subject to an increased regulatory capital charge levied by a relevant regulator with jurisdiction over any such Noteholder, and the price and liquidity of the Notes held by any Noteholders in the secondary market could be negatively impacted.

It should also be noted that the terms of any Retention Financing may mean that certain parties to a Retention Financing (but not the Retention Holder itself) could benefit from a situation where credit losses are incurred on the Repo Notes subject to such Retention Financing (noting that any such parties would not be a party to the Transaction Documents and, as a result, would have no direct rights to control or influence the performance of the transactions contemplated by the Transaction Documents).

None of the Issuer, the Arranger, any Joint Lead Manager, the Principal Paying Agent, the Issuer Account Bank, the Cash Administrator, the Note Trustee, the Security Trustee or any of their respective affiliates makes any representation, warranty or guarantee that the Retention Financing will comply with the UK Retention Requirement or the EU Retention Requirement.

It should further be noted that such Retention Financing may be provided or arranged in a separate capacity by one or more of the Arranger and/or Joint Lead Managers or certain of their affiliates and any such party may derive fees and other revenues from the provision or arrangement of any such financing.

*Certain Conflicts of Interest – The Retention Holder*

The Retention Holder will enter into the Retention Financing, as to which see "*Financing of the risk retention piece*" above. Noteholders should also be aware that any incurrence of debt by the Retention Holder, including that used to finance the acquisition of the Repo Notes, could potentially lead to an increased risk of the Retention Holder becoming insolvent and therefore unable to fulfil its obligations in its capacity as Retention Holder.

*Certain Conflicts of Interest – Citigroup Inc. and its Affiliates*

Citigroup Inc. and its affiliates are part of a global investment banking and securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, they actively make markets in and trade financial instruments for their own account and for the accounts of customers in the ordinary course of their business.

The financial services that Citigroup Inc. and/or its affiliates may provide also include providing or arranging financing and, as such, Citigroup Inc. and its affiliates may provide or arrange financing to the Retention Holder (as to which see "*Financing of the risk retention piece*" above in respect of the Retention Financing contemplated as of the Closing Date). As also described above, if it is a lender under any such retention financing (which is not currently envisaged to be the case in respect of the Retention Financing), Citigroup Inc. and its affiliates could seek to enforce its security over all or some of the Repo Notes and, directly or indirectly, take possession or sell such Repo Notes to a third party. In addition, the Citigroup Inc. and its affiliates may derive fees and other revenues from the provision or arrangement of any such financings.

*Certain Conflicts of Interest – The Retention Financing Parties*

The Retention Holder will enter into the Retention Financing, as to which see "*Financing of the risk retention piece*" above. Noteholders should also be aware that the terms of the Retention Financing are such that certain parties to it would benefit from a situation where credit losses are incurred on the Repo Notes. As of the Closing Date such parties are not otherwise parties to the Transaction Documents and, as such, have no direct rights to control or influence the performance of the transactions contemplated by the Transaction Documents. Furthermore, when exercising its rights in connection the Retention Financing, the relevant parties have no duties or obligations to consider the effect of any such actions to the Noteholders.

## **9 Risks Relating to the Characteristics of the Notes**

*The minimum denomination of the Notes may adversely affect payments on the Notes if issued in definitive form*

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

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

#### *Book-Entry Interests*

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

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

Except as noted in the previous paragraph, payments of principal and interest on, and other amounts due in respect of, the Global Note in respect of any Notes will be made by the Principal Paying Agent to a nominee of the Common Safekeeper. Upon receipt of any payment from the Principal Paying Agent, Euroclear and Clearstream, Luxembourg, as applicable, will promptly credit participants' accounts with payment in amounts proportionate to their respective ownership of Book-Entry Interests as shown on their records. The Issuer expects that payments by participants or indirect payments to owners of Book-Entry Interests held through such participants or indirect participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers registered in "street name", and will be the responsibility of such participants or indirect participants. None of the Issuer, the Note Trustee, the Security Trustee, any Paying Agent nor the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, the Book-Entry Interests or for maintaining, supervising or reviewing any records relating to such Book-Entry Interests.

Unlike Noteholders, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by or on behalf of the Issuer for consents or requests by or on behalf of the Issuer for waivers or other actions from Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg (as the case may be) and, if applicable, their participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Notes, holders of Book-Entry Interests will be restricted to acting through Euroclear and Clearstream, Luxembourg unless and until Registered Definitive Notes are issued in accordance with the relevant provisions described herein under "*Terms and Conditions of the Notes*". There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

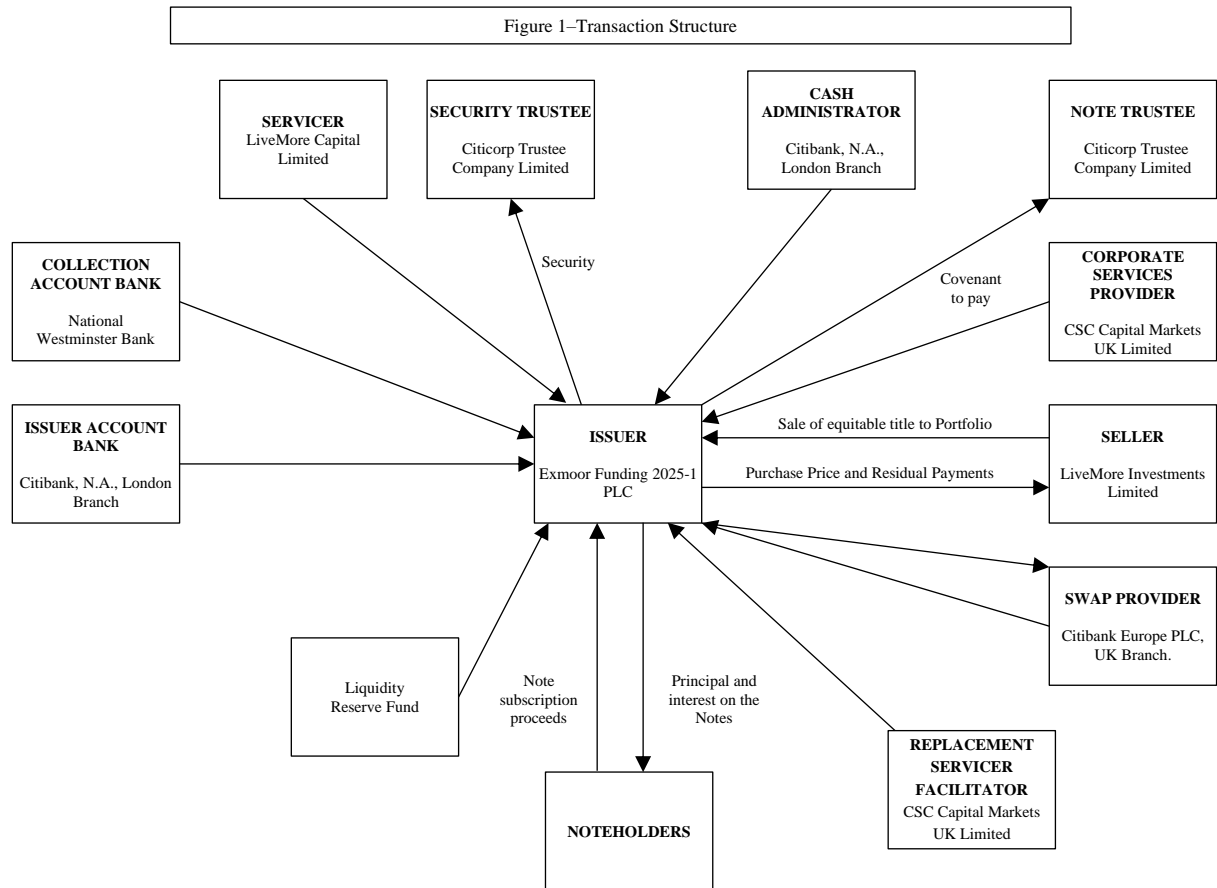
Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Note Trustee, the Security Trustee, any Paying Agent, the Registrar nor any of their agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their

respective participants or account holders of their respective obligations under the rules and procedures governing their operations.

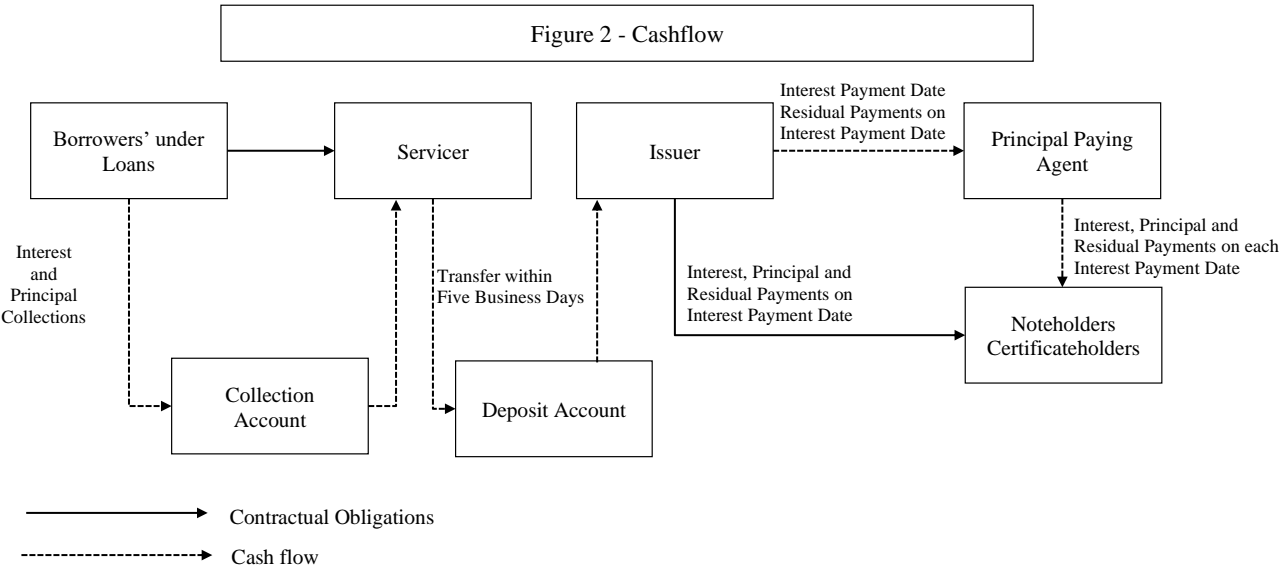
The lack of Notes in physical form could also make it difficult for a Noteholder to pledge such Notes if Notes in physical form are required by the party demanding the pledge and hinder the ability of the Noteholder to recall such Notes because some investors may be unwilling to buy Notes that are not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

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

## Structure Diagrams Diagrammatic Overview of the Transaction



Diagrammatic Overview of Ongoing Cash Flows



## Ownership Structure Diagram of the Issuer

Figure 3—Ownership Structure

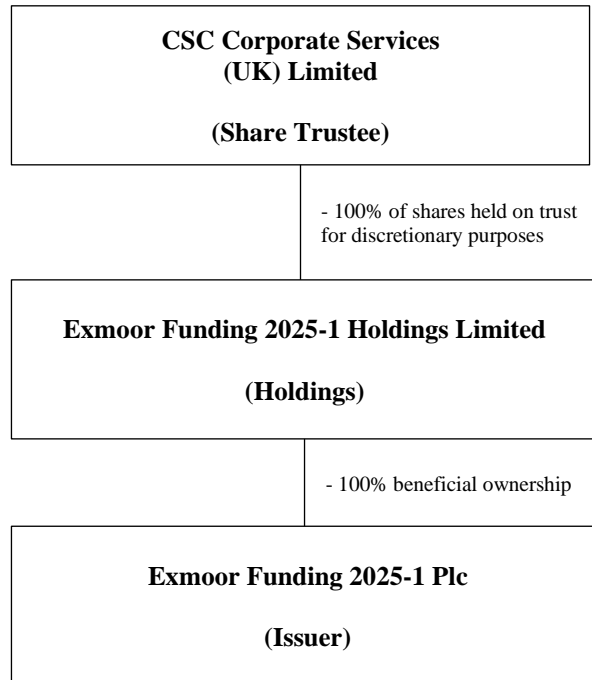


Figure 3 illustrates the ownership structure of the special purpose companies that are parties to the Transaction Documents, as follows:

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

## Transaction Parties

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

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

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

| Party  | Name                                   | Address  | Document under which appointed/Further Information  |
|--|--|--|---|
| "Issuer"                                     | Exmoor Funding 2025-1 Plc              | 10 <sup>th</sup> Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | See the section entitled " <i>The Issuer</i> " for further information.   |
| "Holdings"                                   | Exmoor Funding 2025-1 Holdings Limited | 10 <sup>th</sup> Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | See the section entitled " <i>Holdings</i> " for further information.   |
| "Seller"                                     | LiveMore Investments Limited           | Threeways House, Clipstone Street, London, England W1W 5DW                 | See the section entitled " <i>Summary of the Key Transaction Documents—Mortgage Sale Agreement</i> " and " <i>The Seller and Retention Holder</i> " for further information.  |
| "Legal Title Holder", "LMC" and "Originator" | LiveMore Capital Limited               | Threeways House, Clipstone Street, London, England W1W 5DW                 | See the section entitled " <i>Summary of the Key Transaction Documents—Servicing Deed</i> " and " <i>The Originator, the Servicer and the Legal Title Holder</i> " for further information.   |
| "Servicer"                                   | LiveMore Capital Limited               | Threeways House, Clipstone Street, London, England W1W 5DW                 | Appointed pursuant to the Servicing Deed by the Issuer. See the section entitled " <i>Summary of the Key Transaction Documents—Servicing Deed</i> " and " <i>The Originator, the Servicer and the Legal Title Holder</i> " for further information. |



| <b>Party</b>                              | <b>Name</b>                      | <b>Address</b>  | <b>Document under which appointed/Further Information</b>  |
|---|----------------------------------|---|--|
| <b>"Replacement Servicer Facilitator"</b> | CSC Capital Markets UK Limited   | 10 <sup>th</sup> Floor, 5 Churchill Place, London, E14 5HU, United Kingdom    | Appointed pursuant to the Servicing Deed by the Issuer. See the section entitled " <i>Summary of the Key Transaction Documents–Servicing Deed</i> " for further information.   |
| <b>"Cash Administrator"</b>               | Citibank, N.A., London Branch    | Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom | Appointed pursuant to the Cash Administration Agreement by the Issuer. See the sections entitled " <i>Summary of the Key Transaction Documents–Cash Administration Agreement</i> " and " <i>The Cash Administrator</i> ," for further information. |
| <b>"Swap Provider"</b>                    | Citibank Europe PLC, UK Branch   |   | Swap Agreement by the Issuer. See the sections entitled " <i>Credit Structure–Interest Rate Risk for the Notes-Swap Agreement</i> " and " <i>The Swap Provider</i> " for further information.  |
| <b>"Issuer Account Bank"</b>              | Citibank, N.A., London Branch    | Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom | Appointed pursuant to the Bank Account Agreement by the Issuer. See the sections entitled " <i>Summary of the Key Transaction Documents–The Bank Account Agreement</i> ", and " <i>Issuer Account Bank</i> " for further information.              |
| <b>"Security Trustee"</b>                 | Citicorp Trustee Company Limited | Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom | Appointed pursuant to the Deed of Charge. See the sections entitled " <i>Terms and Conditions of the Notes</i> " and " <i>The Note Trustee and Security Trustee</i> " for further information.   |

| <b>Party</b>   | <b>Name</b>                         | <b>Address</b>  | <b>Document under which appointed/Further Information</b>  |
|--|-------------------------------------|---|--|
| <b>"Note Trustee"</b>  | Citicorp Trustee Company Limited    | Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom | Appointed pursuant to the Trust Deed. See the sections entitled " <i>Terms and Conditions of the Notes</i> " and " <i>The Note Trustee and Security Trustee</i> " for further information. |
| <b>"Principal Paying Agent" and "Agent Bank"</b>             | Citibank, N.A., London Branch       | Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom | Appointed pursuant to the Agency Agreement by the Issuer. See the section entitled " <i>Terms and Conditions of the Notes</i> " for further information.                                   |
| <b>"Registrar"</b>   | Citibank, N.A., London Branch       | Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom | In respect of the Notes and Residual Certificates, the Agency Agreement, by the Issuer. See the section entitled " <i>Terms and Conditions of the Notes</i> " for further information.     |
| <b>"Corporate Services Provider"</b>                         | CSC Capital Markets UK Limited      | 10 <sup>th</sup> Floor, 5 Churchill Place, London, E14 5HU, United Kingdom    | Appointed pursuant to the Corporate Services Agreement by the Issuer and Holdings. See the section entitled " <i>The Corporate Services Provider</i> " for further information.            |
| <b>"Share Trustee"</b>                                       | CSC Corporate Services (UK) Limited | 10 <sup>th</sup> Floor, 5 Churchill Place, London, E14 5HU, United Kingdom    | Share Trust Deed by the Share Trustee.   |
| <b>"Arranger"</b>  | Citigroup Global Markets Limited    | Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom | Appointed pursuant to the Subscription Agreement. See the section entitled " <i>Subscription and Sale</i> " for further information.   |
| <b>"Joint Lead Managers" and each a "Joint Lead Manager"</b> | Citigroup Global Markets Limited    | Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom | Appointed pursuant to the Subscription Agreement. See the section entitled " <i>Subscription and Sale</i> " for further information.   |

| <b>Party</b>                     | <b>Name</b>       | <b>Address</b>                                 | <b>Document under which appointed/Further Information</b>   |
|----------------------------------|-------------------|--|---|
|                                  | Jefferies Limited | International 100 Bishopsgate, London EC2N 4JL | Appointed pursuant to the Subscription Agreement. See the section entitled " <i>Subscription and Sale</i> " for further information.  |
| <b>"Collection Account Bank"</b> | National Bank plc | Westminster 250 Bishopsgate London EC2M 4AA    | Collection Account Declaration of Trust. See the section entitled " <i>Operation of Collection Account</i> " for further information. |

## Portfolio and Servicing

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

### **Sale of Portfolio:**

The Closing Date Portfolio will consist of the Mortgage Loans and their Collateral Security which will be sold by the Seller to the Issuer on the Closing Date pursuant to the Mortgage Sale Agreement.

The English Mortgage Loans and their Collateral Security are governed by English law and the Scottish Mortgage Loans and their Collateral Security are governed by Scots law.

The Mortgage Loans have been originated by the Legal Title Holder.

Additional Mortgage Loans may be sold by the Seller to the Issuer on each Additional Sale Date. The acquisition of Additional Mortgage Loans by the Issuer will be subject to the satisfaction of certain conditions. These include, among others, that the Additional Mortgage Loans comply with the representations and warranties specified in the Mortgage Sale Agreement.

Amounts standing to the credit of the Pre-Funding Reserve Ledgers shall be available for use, on or prior to the Final Additional Sale Date, by the Issuer for the acquisition of Additional Mortgage Loans and towards payment of any amount of the net swap premium and/or any swap fees (if any) payable to the Swap Provider in respect of any Additional Sale Interest Rate Swap(s) or Additional Sale Interest Rate Swap Adjustments being entered into in connection with the sale of the Additional Mortgage Loans which are Fixed Rate Loans on or about the relevant Additional Sale Date.

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

The sale by the Seller to the Issuer of each Scottish Mortgage Loan and its Collateral Security in the Portfolio will be given effect by a declaration of trust by the Legal Title Holder in favour of the Issuer at the request of the Seller granted on or, in the case of sales after the Closing Date, subsequent to the Closing Date (a "**Scottish Declaration of Trust**").

The terms "**sale**", "**sell**" and "**sold**" when used in this Prospectus in connection with the Mortgage Loans and their Collateral Security shall be construed to mean each such creation of an equitable interest and such equitable assignment and the beneficial interest created under and pursuant to a Scottish Declaration of Trust, as applicable. The terms "**repurchase**" and "**repurchased**" when used in this Prospectus in connection with a Mortgage Loan and its Collateral Security shall be construed to include the repurchase of the equitable interest of the Issuer in respect of such Mortgage Loan and its Collateral Security (to the extent that it is an English Mortgage Loan) and the repurchase of the beneficial interest in respect of such Mortgage Loan and its Collateral Security (to the extent that it is a Scottish Mortgage Loan) under a Scottish Declaration of Trust and the release of such

Mortgage Loan and its Collateral Security from the relevant Scottish Declaration of Trust pursuant to the terms of the Mortgage Sale Agreement.

Prior to the occurrence of a Perfection Event, as set out below, notice of the sale of the Mortgage Loans and their Collateral Security comprising the Portfolio will not be given to the relevant individual or individuals or as borrowers in respect of a Mortgage Loan (the "**Borrowers**" and each a "**Borrower**") and the Issuer will not apply to the Land Registry or the Registers of Scotland to register or record its equitable or beneficial interest in the English Mortgages or take any steps to complete or perfect its title to the Scottish Mortgages. Prior to the occurrence of a Perfection Event, the legal title to each Mortgage Loan and its Collateral Security in the Portfolio will be held by the Legal Title Holder on bare trust for the Issuer (including, in respect of a Scottish Mortgage Loan, under each Scottish Declaration of Trust).

Following a Perfection Event and notice of the transfer of the Mortgage Loans and their Collateral Security to the Issuer being sent to the relevant Borrowers, legal title to the Mortgage Loans and their Collateral Security (subject to appropriate registration or recording at the Land Registry or the Registers of Scotland (as appropriate)) will pass to the Issuer.

#### **Features of the Mortgage Loans:**

Except as otherwise indicated, the following is a summary of certain features of the Mortgage Loans comprising the Provisional Portfolio determined by reference to the features of each loan in the Provisional Portfolio as at the Portfolio Reference Date and investors should refer to, and carefully consider, further details in respect of the Mortgage Loans set out in the sections of this Prospectus entitled "*The Mortgage Loans*" and "*Characteristics of the Provisional Portfolio*". The Mortgage Loans are secured by first priority charges or (in Scotland) first ranking Standard Securities over freehold, heritable and leasehold properties in England, Wales and Scotland.

|  |   |
|--|---|
| <b>"Portfolio Reference Date"</b>  | 30 April 2025   |
| Type of mortgage loan  | Standard Repayment Mortgage Loan, Standard Interest-only Mortgage Loan and Retirement Interest only Mortgage Loan |
| Type of mortgage   | First ranking charges   |
| Owner Occupied Mortgage Loans (as % of Principal Balance)  | 100.00%   |
| Standard Interest-only Mortgage Loans and Standard Repayment Mortgage Loan (as % of Principal Balance) | 71.48%  |
| Standard Repayment Mortgage Loans (as % of Principal Balance)  | 14.67%  |
| Number of loans in the Provisional Portfolio   | 1,053   |
| Mortgage Loans with arrears greater than one month   | 0.15%   |

|  | (Weighted)<br>Average | Minimum | Maximum    |
|--|-----------------------|---------|------------|
| Principal Balance                      | £179,327              | £8,904  | £2,250,995 |
| Original LTV                           | 49.2%                 | 3.1%    | 85.5%      |
| Current LTV                            | 47.9%                 | 2.9%    | 85.0%      |
| Interest Rate                          | 6.2%                  | 5.2%    | 8.4%       |
| Seasoning (months)                     | 6.1                   | 0.0     | 26.0       |
| Remaining Term<br>(years) <sup>1</sup> | 13.3                  | 3.0     | 32.2       |

**Consideration:**

The consideration from the Issuer to the Seller in respect of the sale of the Portfolio shall comprise: (a) in respect of the Closing Date Portfolio, the Initial Purchase Price, which is due and payable on the Closing Date, (b) in respect of any Ported Mortgage Loan, the Ported Mortgage Loan Consideration, which is due and payable on the relevant Further Purchase Date, (c) in respect of each Additional Mortgage Loan, the Additional Mortgage Loan Purchase Consideration, and (d) deferred consideration consisting of the Residual Payments in respect of the Portfolio payable pursuant to the applicable Priority of Payments, the right to such Residual Payments being represented by the Residual Certificates to be issued by the Issuer and delivered to, or at the direction of, the Seller on the Closing Date.

"Initial Purchase Price" means £[●].

"Cut-Off Date" means 31 May 2025.

"Revenue Cut-Off Date" means 30 June 2025.

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

The Legal Title Holder shall transfer to the Issuer within five Business Days of the Closing Date an amount equal to:

- (a) all principal collections received on the Mortgage Loans and their Collateral Security comprised in the Closing Date Portfolio from (but excluding) the Cut-Off Date to (but excluding) the Closing Date; and
- (b) all other sums received on the Mortgage Loans and their Collateral Security comprised in the Closing Date Portfolio from (but excluding) the Revenue Cut-Off Date to (but excluding) the Closing Date.

**Representations and Warranties:**

The Seller and the Legal Title Holder will make certain Loan Warranties regarding the Mortgage Loans and Collateral Security to the Issuer on (i) the Closing Date, in relation to the Mortgage Loans in the Closing Date Portfolio and (ii) each Additional Sale Date, in relation to each Additional Mortgage Loan purchased by the Issuer on such Additional Sale Date.

<sup>1</sup> The maturity date of the Retirement Interest only Mortgage Loans is based on expected ONS mortality taking into account the sex and current age of the borrower(s).

In addition to representations and warranties in respect of the legal nature of the Mortgage Loans and their Collateral Security, there are also asset Loan Warranties which include the following:

- (a) As at the date the relevant Mortgage Loan was originated, the Legal Title Holder had all necessary consents, authorisations, approvals, licences and orders including without limitation all necessary licences under FSMA to originate the Mortgage Loans.
- (b) Each Mortgage constitutes a first ranking charge by way of legal mortgage (in England and Wales) or a first ranking Standard Security (in Scotland) over the relevant Mortgaged Property.
- (c) The Seller and Legal Title Holder have not waived or agreed to waive any of their respective rights against any valuer, solicitor or other professional who has provided information, carried out work or given advice in connection with the Mortgage Loan and the related Mortgage.
- (d) The Mortgage Loan Conditions and the Mortgage Loan Agreement for each Mortgage Loan and its related Mortgage and the related Collateral Security constitute a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms and is non-cancellable except that:
  - (i) no warranty is given that any Mortgage Loan or its related Mortgage is enforceable to the extent that enforceability may be limited by:
    - A. 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;
    - B. the UTCCR or the Consumer Rights Act 2015 insofar as they relate to any obligation in the Mortgage Loan other than the obligation to pay interest and principal; or
    - C. fraud: and
  - (ii) no warranty is given in relation to any obligation of the Borrower to pay early repayment charges, administration fees, exit fees or other fees or charges or charges payable in the event of Borrower default); and
  - (iii) each such related Mortgage and the related Collateral Security secures the repayment of all advances, interest, costs and expenses payable by the relevant Borrower to the Legal Title Holder under the relevant Mortgage Loan in priority to any other charges registered against the relevant Mortgaged Property; and
  - (iv) nothing in this paragraph (d) constitutes a representation or a warranty as to the sufficiency of such Property as security for indebtedness secured on it.
- (e) Any person who at the date when the Mortgage Loan was originated has been identified by the Borrower to the Legal Title Holder as residing or about to reside in the relevant Mortgaged Property:
  - (i) is named as joint Borrower; or
  - (ii) has signed a form of consent declaring that he or she agrees that any present or future rights or interests as he or she may have or acquire over or in respect of the relevant Mortgaged Property shall be postponed and

made subject to the rights, interests and remedies of the Legal Title Holder under the relevant Mortgage and that he or she shall not claim any such rights or interests against the Legal Title Holder and in relation to each Scottish Mortgage, all necessary MH/CP Documentation has been obtained to ensure that neither the relevant Mortgage nor the relevant Mortgaged Property is subject to a right of occupancy;

- (iii) if such person lacks mental capacity to sign the declaration described in paragraph (b) above, the Legal Title Holder has received a copy of the relevant Court of Protection document or confirmation from that person's general practitioner as to lack of capacity and evidence that a care plan is in place.
- (f) Neither the Legal Title Holder nor the Seller is aware of any material breach by a Borrower of its Mortgage Loan Conditions in a manner that would have a material adverse effect on the validity of that Mortgage Loan or on such Borrower's title to the relevant Mortgaged Property.
- (g) The Legal Title Holder and Seller have not received written notice of any litigation or claim calling into question in any material way its title to any Mortgage Loan and its Mortgage or the value of any security. Neither the Legal Title Holder nor the Seller are engaged in any litigation, and no litigation is pending or threatened by the Legal Title Holder or 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 Mortgage Loan received by the Legal Title Holder or Seller in connection with the origination of any Mortgage Loan.
- (h) No related Collateral Security nor any Mortgage Loan consists of stock or marketable securities (in either case for the purposes of Section 122 of the Stamp Act 1891), chargeable securities (for the purpose of Section 99 of the Finance Act 1986), a "chargeable interest" (for the purposes of Section 48 of the Finance Act 2003), a "chargeable interest" (for the purposes of Section 4 of the Land and Buildings Transaction Tax (Scotland) Act 2013), or a "chargeable interest" (as such term is defined for the purposes of section 4 of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017).
- (i) The origination and administration practices employed by the Legal Title Holder with respect to origination of each Mortgage Loan have been in all material respects consistent with the practice of a Reasonable and Prudent Mortgage Lender including, without limitation, in relation to rules set out in the FCA MCOB handbook.
- (j) Under the Mortgage Loan Conditions in respect of each Retirement Interest Only Mortgage Loan, subject to any voluntary prepayment made by a Borrower or any event of default thereunder, each Borrower is required to repay the Mortgage Loan upon the earlier of the Borrower (or, in the case of paragraphs (ii) and (iii)), the last Borrower residing at the Mortgaged Property:
  - (i) acquiring another property for use as a main residence;



- (ii) leaving the Property to live elsewhere, with no reasonable prospect of returning to the Property (for example, by moving into a residential care home); or
- (iii) dying.
- (k) Under the Mortgage Loan Conditions in respect of each Standard Mortgage Repayment Loan or Standard Interest Only Loan, subject to any voluntary prepayment made by a Borrower or any event of default thereunder, each Borrower is required to repay the Mortgage Loan in full on the date specified in the relevant Term Asset Mortgage Loan.
- (l) No Mortgage Loan is a "consumer buy to let mortgage contract" within the meaning of Article 4(1) of the Mortgage Credit Directive Order 2015.
- (m) No Mortgage Loan, to the best of the Seller or the Legal Title-Holder's knowledge, is a Mortgage Loan to a Borrower who is a "credit-impaired debtor" as described in SECN 2.2.12R, and, in accordance with any official guidance issued in relation thereto.
- (n) No Mortgage Loan is a Self-Certified Mortgage Loan.
- (o) All Mortgage Loans are either Standard Interest Only Mortgage Loans, Standard Repayment Mortgage Loans or Retirement Interest only Mortgage Loans. Each Mortgage Loan is a "regulated mortgage contract" under article 61 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) and the Retirement Interest-only Mortgage Loan is also a "MCD exempt lifetime mortgage".
- (p) No Mortgage Loan has a final expected maturity beyond the date falling two years prior to the Final Maturity Date.

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

#### **Pre-Funding Reserve Ledgers**

On the Closing Date, it is expected that the Issuer will credit (using the proceeds of issue of the Notes) an amount equal to (i) £17,234,936 (the "**Maximum Additional Mortgage Loans Principal Balance**") to the Pre-Funding Principal Reserve Ledger and (ii) £[517,048] to the Pre-Funding Revenue Reserve Ledger (together being the "**Pre-Funding Reserve Ledgers**").

The Issuer will only be entitled to apply amounts (if any) standing to the credit of the Pre-Funding Reserve Ledgers in purchasing Additional Mortgage Loans during the Additional Sale Period, subject to satisfaction of the applicable Additional Mortgage Loan Criteria and certain conditions set out in the Mortgage Sale Agreement. The applicable Additional Mortgage Loan Purchase Consideration payable to the Seller in consideration for such Additional Mortgage Loans shall be funded from the amounts standing to the credit of the Pre-Funding Reserve Ledgers as follows: (i) any amounts representing Additional Mortgage Loan Principal Balance shall be funded by applying amounts standing to the credit of the Pre-Funding Principal Reserve Ledger and (ii) any amounts representing the Additional Mortgage Loan Purchase Premium shall be funded by applying amounts standing to the credit of the Pre-Funding Revenue Reserve Ledger.

Additionally, the Issuer will be entitled to apply amounts (if any) standing to the credit of the Pre-Funding Reserve Ledgers towards payment of any amount of the net swap premium and/or any swap fees (if any) payable to the Swap Provider in

respect of any Additional Sale Interest Rate Swap(s) or Additional Sale Interest Rate Swap Adjustments being entered into in connection with the sale of the Additional Mortgage Loans which are Fixed Rate Loans on or about the relevant Additional Sale Date.

If there has not been an Additional Sale Date or if Additional Mortgage Loans with a Principal Balance of less than the Maximum Additional Mortgage Loans Principal Balance are acquired by the Issuer by the Final Additional Sale Date, any outstanding balance in the Pre-Funding Principal Reserve Ledger as at the Final Additional Sale Date (taking into account any debits made on that ledger on such date) will be applied pro-rata in redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (but not the Class X Notes) on the first Interest Payment Date after the Final Additional Sale Date and prior to the application of Available Principal Receipts in accordance with the relevant Priority of Payments on such Interest Payment Date. For the avoidance of doubt, such amounts applied in redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (but not the Class X Notes)] will not be made part of the Available Principal Receipts on the first Interest Payment Date after the Final Additional Sale Date.

If there has not been an Additional Sale Date or if any amounts remain standing to the credit of the Pre-Funding Reserve Ledger as at the Final Additional Sale Date, any outstanding balance on the Pre-Funding Revenue Reserve Ledger as at the Final Additional Sale Date, (taking into account any debits made on that ledger on such date), will be applied as Available Revenue Receipts on the immediately following Interest Payment Date.

See "*Sale of Additional Mortgage Loans and their Related Security following the Closing Date*" below.

**Further Mortgage  
Advances, Porting and  
Product Switches**

Where the Legal Title Holder agrees to a Further Mortgage Advance, Port or Product Switch with a Borrower as a result of, *inter alia*, the Legal Title Holder having determined that the conditions under the relevant Mortgage Conditions and the Servicing Deed for the making of the Further Mortgage Advance, Porting or Product Switch have been satisfied by the relevant Borrower, the Legal Title Holder shall notify the Seller, the Servicer, the Cash Administrator and the Issuer, as applicable, in writing, of the details of such Further Mortgage Advance, Port or Product Switch (as applicable) (including the amount (if any) required to be paid by the Issuer).

To the extent (as applicable) (i) the Legal Title Holder, agrees that an advance pursuant to a Further Mortgage Advance must be made to a Borrower as a result of the Legal Title Holder having determined that the relevant Borrower satisfies any conditions under the relevant Mortgage Conditions, (ii) as required by any applicable law, then in any such case the Legal Title Holder shall serve a Repurchase Notice requiring the Seller to repurchase the related Mortgage Loan and the Collateral Security in accordance with the terms of the Mortgage Sale Agreement on the date such Further Mortgage Advance is made.

To the extent the Legal Title Holder agrees that a Product Switch may be offered to a Borrower then, on the Business Day immediately prior to the repurchase by the Seller, the Legal Title Holder (or the Servicer on behalf of the Legal Title

Holder) shall provide Issuer with a Product Switch Notice detailing each Product Switch Mortgage Loan and its Collateral Security completed in the immediately preceding calendar month. The Legal Title Holder (or the Servicer on its behalf) shall certify in the Product Switch Notice whether or not the relevant Product Switch Mortgage Loan satisfies the Product Switch Criteria. Following receipt of a Product Switch Notice, the Issuer (or the Servicer on its behalf) shall serve upon the Seller (with a copy to the Security Trustee) a Repurchase Notice requiring the Seller to repurchase each Product Switch Mortgage Loan (and its Collateral Security) which is identified in the Product Switch Notice as not satisfying the Product Switch Criteria on the date specified in the repurchase notice provided that such Mortgage Loans shall be repurchased by the Seller on or before the 11th Business Day of the next calendar month. If the Product Switch Criteria is satisfied in respect of a Product Switch Mortgage Loan on the relevant Product Switch Effective Date (as certified in the relevant Product Switch Notice), such Product Switch Mortgage Loan will be retained in the Portfolio unless the Seller elects to repurchase such Product Switch Mortgage Loan. If the Seller elects to repurchase a Product Switch Mortgage Loan which complies with the Product Switch Criteria, the Seller should specify this in the relevant Product Switch Notice and the repurchase shall occur no later than the 11th Business Day of the next calendar month. Consideration payable by the Seller in respect of the repurchase of any relevant Product Switch Mortgage Loans and their Collateral Security shall be equal to the Repurchase Price.

The Seller may elect to repurchase any Product Switch Mortgage Loan, and shall be required to repurchase any Product Switch Mortgage Loan which does not satisfy the Product Switch Criteria on the Product Switch Effective Date.

Where a Mortgage Loan is subject to a Port it will be redeemed in full, immediately following which the Seller may sell the Ported Mortgage Loan and its Collateral Security to the Issuer on a Further Purchase Date. The sale and purchase of any Ported Mortgage Loans shall be subject to the Ported Mortgage Loans complying with the Ported Mortgage Loan Criteria on the relevant Further Purchase Date. Promptly following the occurrence of a Further Purchase Date, the Seller and the Issuer shall deliver to the Security Trustee a confirmation of the Ported Mortgage Loans purchased by the Issuer on or following the occurrence of such Further Purchase Date. Where a Port has been agreed in accordance with the terms of the Servicing Deed, the Mortgage Sale Agreement and relevant Mortgage Conditions, then (i) the Servicer (to the extent required) is authorised by the Issuer to debit the Collection Account and (ii) the Cash Administrator (to the extent required) is authorised by the Issuer to debit the Deposit Account to apply such amount (as applicable) as payment on behalf of the Issuer of the Ported Mortgage Loan Consideration payable on such Further Purchase Date.

**Repurchase of the  
Mortgage Loans and  
Collateral Security:**

The Seller shall be liable for the repurchase of the relevant Mortgage Loans and their Collateral Security in the following circumstances:

- upon a material breach of any Loan Warranties (which the Seller or the Legal Title Holder fails to remedy within the agreed grace period); or
- where the Legal Title Holder has determined that it will consent to a Further Mortgage Advance; or

- upon making a Product Switch which does not meet the Product Switch Criteria.

In all such cases the repurchase of the relevant Mortgage Loan shall occur on the Interest Payment Date immediately following the date of the breach of Loan Warranty (subject to any applicable grace period) or Further Mortgage Advance, as applicable, or, in respect of a Product Switch which does not meet the Product Switch Criteria, no later than the 11<sup>th</sup> Business Day of the next calendar month.

See "*Summary of the Key Transaction Documents–Mortgage Sale Agreement–Representations and Warranties*".

**Consideration for repurchase:**

The consideration payable by the Seller in respect of the repurchase of an affected Mortgage Loan and its Collateral Security shall be a cash payment such that the cash payment amount is equal to the Principal Balance of the relevant Mortgage Loans (excluding Collection Costs) as at the date of repurchase together with accrued but unpaid interest in that month up to and including the date falling immediately prior to the repurchase date, together with an amount equal to all other non-interest amounts due and unpaid (but not capitalised) under such Mortgage Loans.

See the section entitled "*Summary of the Key Transaction Documents–Mortgage Sale Agreement–Repurchase price*" for further information.

**Title and Perfection Events:**

Prior to the completion of the transfer of legal title of the Mortgage Loans and their Collateral Security to the Issuer, legal title of the Mortgage Loans and their Collateral Security will remain with the Legal Title Holder and the Issuer will hold only the equitable title or, in relation to any Scottish Mortgage Loans and their Collateral Security, the beneficial interest in those Mortgage Loans and their Collateral Security pursuant to each Scottish Declaration of Trust and the Notes will therefore be subject to certain risks as set out in the risk factor entitled "*The Legal Title Holder to initially retain legal title to the Mortgage Loans and risks relating to set-off*" in the section entitled "*Risks relating to the underlying assets*".

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

**Servicing of the Portfolio:**

The Servicer agrees to service the Mortgage Loans to be sold to the Issuer and their Collateral Security on behalf of the Issuer and, where applicable, the Legal Title Holder. Following the service of an Enforcement Notice, the Servicer shall act at the direction of the Security Trustee.

On the Closing Date, the Servicer shall delegate the performance of the Services under the Servicing Deed to Pepper (UK) Limited.

The appointment of the Servicer may be terminated by the Issuer and/or the Security Trustee if any Servicer Termination Event occurs and is continuing in relation to any of the Servicer (see "*Servicer Termination Events*" in the "*Triggers Tables–Non-Rating Triggers Table*").

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

|  |  |
|--|--|
|  | The Servicer has well documented and adequate policies, procedures and risk management controls relating to the servicing of similar exposures to those being securitised.   |
| <b>Replacement Servicer Facilitator:</b>   | The Replacement Servicer Facilitator will agree to promptly, on a default by the Servicer, use its reasonable endeavours to identify (on behalf of the Issuer) a suitable replacement servicer (as the case may be) to act as replacement servicer.  |
| <b>Option Holder may exercise the Call Option and Risk Retention Regulatory Change Option Holder may exercise the Risk Retention Regulatory Change Option:</b> | <p>Pursuant to the Call Option, the Option Holder may, pursuant to and subject to the terms of the Deed Poll, require the Issuer to:</p> <ul style="list-style-type: none"> <li>(a) sell and transfer the beneficial title to all (but not some) of the Mortgage Loans and their Collateral Security comprising the Portfolio in consideration for the Optional Purchase Price to one or more Beneficial Title Transferee(s); and</li> <li>(b) (if applicable) transfer the legal title to all (but not some) of the Mortgage Loans and their Collateral Security comprising the Portfolio, or if, at the time the Call Option is exercised, the Issuer does not hold legal title, the right to require the Issuer to procure that the Legal Title Holder transfers legal title, to one or more Legal Title Transferee(s),</li> </ul> <p>from the Collection Period Start Date immediately preceding the Optional Redemption Date.</p> <p>In addition, the Issuer may, subject to the Conditions, redeem all of the Notes (i) if a change in tax law results in the Issuer or the Swap Provider being required to make a deduction or withholding for or on account of tax, or the occurrence of certain illegality events, (ii) if a change in or the adoption of any new law, rule, direction guidance or regulations requires or will require the manner in which the UK Retained Interest and/or EU Retained Interest held by the Option Holder to be restructured, increased or to become non-compliant with respect to any risk retention requirements under the UK Securitisation Framework and/or the EU Securitisation Regulation or other applicable law, rule, direction, guidance or regulation, or (iii) where the aggregate Principal Balance of the Mortgage Loans was equal to or less than 20 per cent. of the aggregate Principal Amount Outstanding of the Notes on the Closing Date.</p> <p>See the section entitled "<i>Early Redemption of the Notes</i>".</p> |

## Summary of the Terms and Conditions of the Notes

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

### Full Capital Structure of the Notes

|                                    | Class A Notes  | Class B Notes   | Class C Notes   | Class D Notes   | Class E Notes   | Class F Notes  | Class X Notes  | Residual<br>Certificates |
|------------------------------------|--|---|---|---|---|--|--|--------------------------|
| Principal<br>Amount:               | £[●]   | £[●]  | £[●]  | £[●]  | £[●]  | £[●]   | £[●]   | N/A                      |
| Credit<br>enhancement<br>features: | Overcollateralisa-<br>tion funded by other<br>Notes (other than the<br>Class X Notes),<br>Revenue Receipts and<br>following service of an<br>Enforcement Notice,<br>all amounts credited to<br>the Liquidity Reserve<br>Fund Ledger                    | Overcollateralisa-<br>tion funded by other<br>Notes (other than the<br>Class A Notes and the<br>Class X Notes),<br>Revenue Receipts and,<br>following service of an<br>Enforcement Notice,<br>all amounts credited to<br>the Liquidity Reserve<br>Fund Ledger   | Overcollateralisa-<br>tion funded by other<br>Notes (other than the<br>Class A Notes, the<br>Class B Notes and the<br>Class X Notes),<br>Revenue Receipts and,<br>following service of an<br>Enforcement Notice,<br>all amounts credited to<br>the Liquidity Reserve<br>Fund Ledger   | Overcollateralisa-<br>tion funded by other<br>Notes (other than the<br>Class A Notes, the<br>Class B Notes, the<br>Class C Notes and the<br>Class X Notes),<br>Revenue Receipts and,<br>following service of an<br>Enforcement Notice,<br>all amounts credited to<br>the Liquidity Reserve<br>Fund Ledger                 | Overcollateralisa-<br>tion funded by the<br>other Notes (other than<br>the Class A Notes, the<br>Class B Notes, the<br>Class C Notes, the<br>Class D Notes and the<br>Class X Notes),<br>Revenue Receipts and,<br>following service of an<br>Enforcement Notice,<br>all amounts credited to<br>the Liquidity Reserve<br>Fund Ledger | Overcollateralisa-<br>tion funded by the<br>other Notes (other than<br>the Class A Notes, the<br>Class B Notes, the<br>Class C Notes, the<br>Class D Notes the<br>Class E Notes and the<br>Class X Notes),<br>Revenue Receipts and,<br>following service of an<br>Enforcement Notice,<br>all amounts credited to<br>the Liquidity Reserve<br>Fund Ledger | Overcollateralisa-<br>tion funded by the<br>other Notes (other than<br>the Class A Notes, the<br>Class B Notes, the<br>Class C Notes, the<br>Class D Notes the<br>Class E Notes and the<br>Class F Notes),<br>Revenue Receipts and,<br>following service of an<br>Enforcement Notice,<br>all amounts credited to<br>the Liquidity Reserve<br>Fund Ledger | N/A                      |
| Liquidity<br>support<br>features:  | Subordination in<br>payment of the other<br>Notes, Available<br>Principal Receipts<br>applied as Principal<br>Addition Amounts to<br>provide for any Senior<br>Expenses Deficit and<br>the amounts credited<br>to the Liquidity<br>Reserve Fund Ledger | Subordination in<br>payment of the other<br>Notes (other than the<br>Class A Notes),<br>Available Principal<br>Receipts applied as<br>Principal Addition<br>Amounts to provide<br>for any Senior<br>Expenses Deficit (if<br>the Class B Notes are<br>the Most Senior Class<br>of Notes (subject to<br>the satisfaction of the | Subordination in<br>payment of the other<br>Notes (other than the<br>Class A Notes and the<br>Class B Notes),<br>Available Principal<br>Receipts applied as<br>Principal Addition<br>Amounts to provide<br>for any Senior<br>Expenses Deficit (if<br>the Class C Notes are<br>the Most Senior Class<br>of Notes (subject to | Subordination in<br>payment of the other<br>Notes (other than the<br>Class A Notes, the<br>Class B Notes and the<br>Class C Notes),<br>Available Principal<br>Receipts applied as<br>Principal Addition<br>Amounts to provide<br>for any Senior<br>Expenses Deficit (if<br>the Class D Notes are<br>the Most Senior Class | Subordination in<br>payment of the other<br>Notes (other than the<br>Class A Notes, the<br>Class B Notes, the<br>Class C Notes and the<br>Class D Notes),<br>Available Principal<br>Receipts applied as<br>Principal Addition<br>Amounts to provide<br>for any Senior<br>Expenses Deficit (if<br>the Class E Notes are              | Subordination in<br>payment of the other<br>Notes (other than the<br>Class A Notes, the<br>Class B Notes, the<br>Class C Notes, the<br>Class D Notes and the<br>Class E Notes),<br>Available Principal<br>Receipts applied as<br>Principal Addition<br>Amounts to provide<br>for any Senior<br>Expenses Deficit (if                                      | N/A  | N/A                      |

|  | Class A Notes  | Class B Notes  | Class C Notes  | Class D Notes  | Class E Notes   | Class F Notes  | Class X Notes  | Residual<br>Certificates                                 |
|--|--|--|--|--|---|--|--|--|
|  |  | PDL Condition) at<br>such time)                                | the satisfaction of the<br>PDL Condition) at<br>such time)     | of Notes (subject to<br>the satisfaction of the<br>PDL Condition) at<br>such time) | the Most Senior Class<br>of Notes (subject to<br>the satisfaction of the<br>PDL Condition) at<br>such time) | the Class F Notes are<br>the Most Senior Class<br>of Notes (subject to<br>the satisfaction of the<br>PDL Condition) at<br>such time) |  |  |
| Issue Price:   | [●]%   | [●]%   | [●]%   | [●]%   | [●]%  | [●]%   | [●]%   | N/A  |
| Reference<br>Rate/   | Compounded Daily<br>SONIA                                      | Compounded Daily<br>SONIA                                      | Compounded Daily<br>SONIA                                      | Compounded Daily<br>SONIA  | Compounded Daily<br>SONIA   | Compounded Daily<br>SONIA  | Compounded Daily<br>SONIA                                      | N/A  |
| Margin<br>(payable prior<br>to (but<br>excluding) the<br>Optional<br>Redemption<br>Date):      | [●]% p.a.  | [●]% p.a.  | [●]% p.a.  | [●]% p.a.  | [●]% p.a.   | [●]% p.a.  | [●]% p.a.  | N/A  |
| Interest<br>Accrual<br>Method:   | Actual/365 (Fixed)   | Actual/365 (Fixed)   | Actual/365 (Fixed)   | Actual/365 (Fixed)   | Actual/365 (Fixed)  | Actual/365 (Fixed)   | Actual/365 (Fixed)   | N/A  |
| Interest<br>Payment<br>Dates:  | 25 day of each of<br>March, June,<br>September and<br>December | 25 day of each of<br>March, June,<br>September and<br>December | 25 day of each of<br>March, June,<br>September and<br>December | 25 day of each of<br>March, June,<br>September and<br>December                     | 25 day of each of<br>March, June,<br>September and<br>December  | 25 day of each of<br>March, June,<br>September and<br>December   | 25 day of each of<br>March, June,<br>September and<br>December | N/A  |
| First Interest<br>Payment Date:  | 25 September 2025  | 25 September 2025  | 25 September 2025  | 25 September 2025  | 25 September 2025   | 25 September 2025  | 25 September 2025  | N/A  |
| Final Maturity<br>Date:  | The Interest Payment<br>Date falling in March<br>2095          | The Interest Payment<br>Date falling in March<br>2095          | The Interest Payment<br>Date falling in March<br>2095          | The Interest Payment<br>Date falling in March<br>2095                              | The Interest Payment<br>Date falling in March<br>2095   | The Interest Payment<br>Date falling in March<br>2095  | The Interest Payment<br>Date falling in March<br>2095          | The Interest<br>Payment Date<br>falling in March<br>2095 |
| Relevant Step-<br>Up Margin<br>(payable from<br>(and including)<br>the Optional<br>Redemption: | [●] % p.a.   | [●] % p.a.   | [●] % p.a.   | [●] % p.a.   | [●] % p.a.  | [●] % p.a.   | [●] % p.a.   | N/A  |

|   | Class A Notes   | Class B Notes   | Class C Notes   | Class D Notes   | Class E Notes   | Class F Notes   | Class X Notes   | Residual<br>Certificates                                     |
|---|---|---|---|---|---|---|---|--|
| Optional<br>Redemption<br>Date:               | The Interest Payment<br>Date falling in<br>September 2029   | The Interest Payment<br>Date falling in<br>September 2029         | The Interest Payment<br>Date falling in<br>September 2029         | The Interest Payment<br>Date falling in<br>September 2029         | The Interest Payment<br>Date falling in<br>September 2029         | The Interest Payment<br>Date falling in<br>September 2029         | The Interest Payment<br>Date falling in<br>September 2029         | The Interest<br>Payment Date<br>falling in<br>September 2029 |
| Risk Retention<br>Regulatory<br>Change Option | The Risk Retention Regulatory Change Option Holder shall have the right (but not the obligation) pursuant to the Risk Retention Regulatory Change Deed Poll to require the Issuer to sell and transfer to the Risk Retention Regulatory Change Option Holder or its nominee (as specified in the Risk Retention Regulatory Change Option Exercise Notice) the Portfolio and its Collateral Security for an amount equal to the Risk Retention Regulatory Change Option Purchase Price following the occurrence of a Risk Retention Regulatory Change Event.   |   |   |   |   |   |   |  |
|   | On the Interest Payment Date on or following the sale of the Portfolio and its Collateral Security following the exercise of the Risk Retention Regulatory Change Option, the sale proceeds, together with amounts standing to the credit of the Issuer Accounts and any other funds available to the Issuer, shall be used to (I) redeem all of the Notes then outstanding in full together with accrued and unpaid interest on such Notes and, (II) pay amounts required under the Pre-Enforcement Revenue Priority of Payments to be paid in priority to or pari passu with the Notes on such Interest Payment Date, and (III) any other costs associated with the exercise of the optional call). See Notes Condition 8.3(c) (Optional Redemption in Full Following the Exercise of a Risk Retention Regulatory Change Option). |   |   |   |   |   |   |  |
| Application for<br>Exchange<br>Listing:       | Euronext Dublin   | Euronext Dublin   | Euronext Dublin   | Euronext Dublin   | Euronext Dublin   | Euronext Dublin   | Euronext Dublin   | N/A  |
| ISIN:   | XS3102512913  | XS3102513051  | XS3102514703  | XS3102514885  | XS3102514968  | XS3102515007  | XS3102515262  | XS3102515858   |
| Common<br>Code:                               | 310251291   | 310251305   | 310251470   | 310251488   | 310251496   | 310251500   | 310251526   | 310251585  |
| CFI:  | DAVNFR  | DAVXFR  | DAVXFR  | DAVXFR  | DAVXFR  | DAVXFR  | DAVXFR  | DAXXFR   |
| FISN:   | EXMOOR  | EXMOOR  | EXMOOR  | EXMOOR  | EXMOOR  | EXMOOR  | EXMOOR  | EXMOOR   |
|   | FUNDING/VARASS<br>T BKD 20950122  | FUNDING/VARASS<br>T BKD 20950122                                  | FUNDING/VARASS<br>T BKD 20950122                                  | FUNDING/VARASS<br>T BKD 20950122                                  | FUNDING/VARASS<br>T BKD 20950122                                  | FUNDING/VARASS<br>T BKD 20950122                                  | FUNDING/VARASS<br>T BKD 20950122                                  | FUNDING/ASS<br>T BKD<br>20950122 S                           |
| Expected<br>Ratings<br>(Moody's/S&P<br>)      | [Aaa / AAA]   | [Aa3 / AA]  | [A3 / A]  | [Baa3 / BBB-]   | [Ba1 / BB]  | [B1 / CCC+]   | [B2 / CCC]  | Not Rated  |
| Clearing /<br>Settlement:                     | Euroclear /<br>Clearstream,<br>Luxembourg   | Euroclear /<br>Clearstream,<br>Luxembourg                         | Euroclear /<br>Clearstream,<br>Luxembourg                         | Euroclear /<br>Clearstream,<br>Luxembourg                         | Euroclear /<br>Clearstream,<br>Luxembourg                         | Euroclear /<br>Clearstream,<br>Luxembourg                         | Euroclear /<br>Clearstream,<br>Luxembourg                         | Euroclear /<br>Clearstream,<br>Luxembourg                    |
| Minimum<br>Denomination:                      | £100,000 and integral<br>multiples of £1,000 in<br>excess thereof   | £100,000 and integral<br>multiples of £1,000 in<br>excess thereof | £100,000 and integral<br>multiples of £1,000 in<br>excess thereof | £100,000 and integral<br>multiples of £1,000 in<br>excess thereof | £100,000 and integral<br>multiples of £1,000 in<br>excess thereof | £100,000 and integral<br>multiples of £1,000 in<br>excess thereof | £100,000 and integral<br>multiples of £1,000 in<br>excess thereof | N/A  |



|                                | <b>Class A Notes</b> | <b>Class B Notes</b> | <b>Class C Notes</b> | <b>Class D Notes</b> | <b>Class E Notes</b> | <b>Class F Notes</b> | <b>Class X Notes</b> | <b>Residual<br/>Certificates</b> |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------------------|
| Governing law<br>of the Notes: | English              | English              | English              | English              | English              | English              | English              | English                          |

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

The ratings Moody's is expected to give to the Notes are endorsed by Moody's Deutschland GmbH, which is a credit rating agency established in the EU. The ratings S&P is expected to give to the Notes are endorsed by S&P Global Ratings Europe Limited, which is a credit rating agency established in the EU. Each of Moody's Deutschland GmbH and S&P Global Ratings Europe Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the EU CRA Regulation.

## Overview of the Characteristics of the Notes and the Residual Certificates

### Ranking and Form of the Notes:

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

- Class A Mortgage Backed Floating Rate Notes due March 2095 (the "**Class A Notes**");
- Class B Mortgage Backed Floating Rate Notes due March 2095 (the "**Class B Notes**");
- Class C Mortgage Backed Floating Rate Notes due March 2095 (the "**Class C Notes**");
- Class D Mortgage Backed Floating Rate Notes due March 2095 (the "**Class D Notes**");
- Class E Mortgage Backed Floating Rate Notes due March 2095 (the "**Class E Notes**");
- Class F Mortgage Backed Floating Rate Notes due March March 2095 (the "**Class F Notes**" and
- Class X Floating Rate Notes due March 2095 (the "**Class X Notes**"), the "**Notes**" and the holders thereof, the "**Noteholders**".

The Notes will be issued in registered form.

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

### Residual Certificates:

On the Closing Date, the Issuer will also issue the residual certificates to the Seller under the Trust Deed (the "**Residual Certificates**" and the holders thereof, the "**Certificateholders**") representing the right to receive the Residual Payments by way of deferred consideration for the Issuer's purchase of the Portfolio.

### Sequential Order:

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

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

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

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

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

The Class F Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times,

but subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

The Class X Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes provided however, that, on each Interest Payment Date prior to the Optional Redemption Date, Available Revenue Receipts will be applied towards repayment of principal amounts outstanding on the Class X Notes pursuant to the Pre-Enforcement Revenue Priority of Payments.

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

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

**Security:**

Pursuant to a deed of charge made between, among others, the Issuer and the Security Trustee (the "**Deed of Charge**"), the Notes and Residual Certificates will all share the proceeds of enforcement of Security. Certain other amounts, being the amounts owing to the other Secured Creditors, will also be secured by the Security.

Pursuant to and as more fully described in the Deed of Charge on the Closing Date, the Notes and Residual Certificates will have the benefit of the proceeds of enforcement of, amongst other things, the following security (the "**Security**"):

- (a) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit in and to the Transaction Documents (other than the Trust Deed, the Deed of Charge, any Scottish Trust Security and any Scottish Declaration of Trust) and any sums derived therefrom (provided that the assignment by way of security of the Issuer's rights under the Swap Agreement shall be subject to any rights of set-off or netting provided for thereunder);
- (b) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit in the English Mortgage Loans and their Collateral Security and other related rights comprised in the Portfolio (other than in respect of Scottish Mortgage Loans) and any sums derived therefrom;
- (c) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit to and under Insurance Contracts assigned to the Issuer pursuant to the Mortgage Sale Agreement;
- (d) an assignation in security, pursuant to a Scottish Trust Security of the Issuer's beneficial interest in the Scottish Mortgage Loans and their Collateral Security (comprising the Issuer's beneficial interest under the

trust(s) declared by the Legal Title Holder over such Scottish Mortgage Loans and their Collateral Security for the benefit of the Issuer pursuant to any Scottish Declaration of Trust);

- (e) a charge by way of first fixed charge over the Issuer's interest in its bank and/or securities accounts (including the Deposit Account and the Swap Collateral Account) maintained with the Issuer Account Bank and any other bank or custodian and any sums or securities standing to the credit thereof;
- (f) an assignment by way of first fixed security of (and, to the extent not assigned, a charge by way of first fixed charge over) (but subject to the right of reassignment) the benefit of the Issuer's rights, title, interest and benefit under the Collection Account Trust (created pursuant to the Collection Account Declaration of Trust);
- (g) a charge by way of first fixed charge over the Issuer's interest in all Authorised Investments permitted to be made by the Issuer or the Issuer Account Bank (acting on the Issuer's instructions) on its behalf; and
- (h) a floating charge over all assets of the Issuer not otherwise subject to the charges referred to above or otherwise effectively assigned by way of security, including over all of the Issuer's property, assets, rights and revenues as are situated in Scotland or governed by Scots law (whether or not the subject of the charges and assignments referred to above).

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

**Interest Provisions:**

Please refer to the "*Full Capital Structure of the Notes*" table in the section entitled "*Summary of the Terms and Conditions of the Notes*" and as fully set out in Condition 6 (*Interest*).

**Deferral:**

Interest due and payable on the Class A Notes may not be deferred. Interest due and payable on the Notes, other than (i) the Class A Notes or (ii) if the Most Senior Class of Notes are not the Class A Notes, the Most Senior Class of Notes (except that (A) the Issuer shall be entitled to defer to the next Interest Payment Date any Deferred Interest which has accrued in respect of a Class of Notes which is not the Class A Notes prior to such Class of Notes becoming the Most Senior Class of Notes and (B) where the Class X Notes are the Most Senior Class of Notes interest deferral shall always apply) ("**Deferred Interest Exempt Notes**"), may be deferred in accordance with Condition 17 (*Subordination by Deferral*).

The non-payment of any deferred interest on any Notes will not, if the Issuer has insufficient funds to make payment in full of such deferred interest, be an Event of Default unless such Notes are Deferred Interest Exempt Notes at the time of non-payment.

**Gross-up:**

None of the Issuer or any Paying Agent or any other person will be obliged to gross-up if there is any withholding or deduction in respect of the Notes on account of taxes.

**Redemption:**

All Classes of Notes are subject to the following redemption events:

- mandatory redemption in whole on the Interest Payment Date falling in March 2095 (the "**Final Maturity Date**"), as fully set out in Condition 8.1 (*Redemption at Maturity*),
- mandatory redemption in part on the first Interest Payment Date following the Final Additional Sale Date in an amount equal to the amount standing to the credit of the Pre-Funding Principal Reserve Ledger *pro rata* in redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (but not the Class X Notes) and prior to the application of Available Principal Receipts in accordance with the relevant Priority of Payments on the first Interest Payment Date following the Final Additional Sale Date,
- mandatory redemption in part on any Interest Payment Date commencing on the first Interest Payment Date but prior to the service of an Enforcement Notice subject to availability of Available Principal Receipts (to the extent not applied to cover any Senior Expenses Deficit) which shall be applied:
  - (a) first, on a *pari passu* and *pro rata* basis to repay the Class A Notes until they are repaid in full;
  - (b) second, on a *pari passu* and *pro rata* basis to repay the Class B Notes until they are repaid in full;
  - (c) third, on a *pari passu* and *pro rata* basis to repay the Class C Notes until they are repaid in full;
  - (d) fourth, on a *pari passu* and *pro rata* basis to repay the Class D Notes until they are repaid in full;
  - (e) fifth, on a *pari passu* and *pro rata* basis to repay the Class E Notes until they are repaid in full;
  - (f) sixth, on a *pari passu* and *pro rata* basis to repay the Class F Notes until they are repaid in full; and
  - (g) seventh, on a *pari passu* and *pro rata* basis to repay the Class X Notes until they are repaid in full,
- optional redemption of the Notes in full and the cancellation of the Residual Certificates following the exercise by the Option Holder of the Call Option or by the Risk Retention Regulatory Change Option Holder of the Risk Retention Regulatory Change Option, as fully set out in Condition 8.3 (*Optional Redemption of the Notes in Full*),
- mandatory redemption of the Notes in full as set out in Condition 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*).

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

**Expected Average Lives of the Notes:**

The actual average lives of the Notes cannot be stated, as the actual rate of repayment of the Mortgage Loans and redemption of the Mortgage Loans and a number of other relevant factors are unknown. However, calculations of the

possible average lives of the Notes can be made based on certain assumptions as described under the section entitled "*Weighted Average Lives of the Notes*".

**Event of Default:**

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

- in respect of the Notes only, subject to the deferral provisions in Condition 17 (*Subordination by Deferral*), non-payment of interest and/or principal and such non-payment continues for a period of three Business Days in the case of interest and five Business Days in the case of principal;
- in respect of the Residual Certificates only, failure to pay any amount due and the default continues for more than 14 Business Days from the due date for payment (provided that all of the Notes have been redeemed in full);
- breach of any other contractual obligations by the Issuer under the Transaction Documents if such breach is incapable of remedy or, if it is capable of remedy, has not been remedied within the applicable grace period;
- in respect of the Notes only, any material representation or warranty made by the Issuer (i) is incorrect on the date on which such material representation or warranty was given, where the matter giving rise to such misrepresentation is incapable of remedy or, (ii) where the matter is capable of remedy, is incorrect and has not been remedied within the applicable grace period;
- the Issuer ceasing or threatening to cease to carry on the whole or a substantial part of its business; and
- the occurrence of certain insolvency related events in relation to the Issuer.

Following the occurrence of an Event of Default, the Note Trustee may (or if so directed in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes or, if the Notes have been redeemed in full, by the Certificateholders, shall) serve an Enforcement Notice on the Issuer that all Classes of Notes are immediately due and payable provided that the Note Trustee is indemnified and/or prefunded and/or secured to its satisfaction. Following service of an Enforcement Notice to the Issuer, the Security Trustee may enforce the Security.

Any condition, event, act or circumstance which would or could, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition 11 (*Events of Default*) or Residual Certificates Condition 10 (*Events of Default*), become an Event of Default shall be a "**Potential Event of Default**".

**Limited Recourse and Non-Petition:**

The Notes constitute limited recourse obligations of the Issuer, and, if not repaid in full, amounts outstanding are subject to a final write-off, which is described in more detail in Condition 12.3 (*Limited Recourse*) and the Transaction Documents. In accordance with Condition 12.2 (*Limitations on Enforcement*) and the Transaction Documents, no Noteholder may proceed directly against the Issuer unless the Note Trustee or the Security Trustee, having become bound to

do so, fails to do so within a reasonable period of time and such failure is continuing.

The Certificateholders are only entitled to funds which are available to the Issuer in accordance with the applicable Priority of Payments and therefore the Residual Certificates are limited recourse obligations of the Issuer.

**Governing Law:**

English law (other than any terms of the Transaction Documents which are particular to Scots law which will be construed in accordance with Scots law and each Scottish Declaration of Trust and each Scottish Trust Security which will be governed by Scots law).

## Rights of Noteholders and Certificateholders and Relationship with other Secured Creditors

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

### Prior to an Event of Default:

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

However, so long as no Event of Default has occurred and is continuing, neither the Noteholders nor the Certificateholders are entitled to instruct or direct the Issuer to take any actions, either directly or through the Note Trustee, without the consent of the Issuer and, if applicable, certain other Transaction Parties, unless the Issuer has an obligation to take such actions under the relevant Transaction Documents.

### Following an Event of Default:

Following the occurrence of an Event of Default, Noteholders may, if they hold not less than 25 per cent. of the Principal Amount Outstanding of the Most Senior Class of Notes, or if an Extraordinary Resolution of the holders of the Most Senior Class of Notes is passed (or, if the Notes have been redeemed in full, the Certificateholders may, if they hold not less than 25 per cent. of the number of Residual Certificates then in issue or if an Extraordinary Resolution of the Certificateholders is passed), direct the Note Trustee to give an Enforcement Notice to the Issuer that all classes of the Notes are immediately due and payable at their respective Principal Amount Outstanding together with accrued (but unpaid) interest or that all Residual Payments pursuant to the Residual Certificates are immediately due and payable, as applicable. The Note Trustee shall not be bound to take any such action unless first indemnified and/or prefunded and/or secured to its satisfaction.

### Noteholders and Certificateholders Meeting provisions:

|                                 | <i>Initial meeting</i>                                 | <i>Adjourned meeting</i>  |
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| Notice period:                  | At least 21 Clear Days and a maximum of 365 Clear Days | At least 3 Clear Days and a maximum of 5 Clear Days (unless an Extraordinary Resolution is to be submitted, in which case Initial Meeting notice period requirements shall apply) |
| Quorum for Ordinary Resolution: | One or more persons present and                        | One or more persons present and   |



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|  |  | representing in aggregate not less than 25 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding or holding or representing not less than 25 per cent. of the number of Residual Certificates then in issue, as applicable.   | representing in aggregate not less than 10 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding or holding or representing not less than 10 per cent. of the number of Residual Certificates then in issue, as applicable.   |
| Quorum for Extraordinary Resolution (other than a Basic Terms Modification): |  | One or more persons present and representing in aggregate not less than 50 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding or holding or representing not less than 50 per cent. of the number of Residual Certificates then in issue, as applicable. | One or more persons present and representing in aggregate not less than 25 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding or holding or representing not less than 25 per cent. of the number of Residual Certificates then in issue, as applicable. |
| Quorum for Extraordinary Resolution to approve a Basic Terms Modification:   |  | At a meeting of any affected Class or Classes of Notes or (if affected) of the Residual Certificates shall be one or more persons eligible to attend and vote at such meeting holding or representing in aggregate not less than 75 per cent. of the aggregate Principal Amount  | At a meeting of any affected Class or Classes of Notes or (if affected) of the Residual Certificates shall be one or more persons eligible to attend and vote at such meeting holding or representing in aggregate not less than 50 per cent. of the aggregate Principal Amount  |

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| Outstanding of such Class of Notes and, in the case of the Residual Certificates, holding or representing not less than 75 per cent. of the Residual Certificates then in issue, as applicable. | Outstanding of such Class of Notes and, in the case of the Residual Certificates, holding or representing not less than 50 per cent. of the Residual Certificates then in issue, as applicable. |
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Required majority for Ordinary Resolution: A clear majority of persons eligible to attend and vote at such meeting and voting at that meeting upon a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll (an "**Ordinary Resolution**").

Required majority for Extraordinary Resolution: Majority consisting of not less than three-quarters of persons eligible to attend and vote at such meeting and voting at such meeting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-quarters of the votes cast on such poll (an "**Extraordinary Resolution**").

Required majority for a written resolution: Not less than 75 per cent. in aggregate Principal Amount Outstanding of the relevant Class of Notes or not less than 75 per cent. in number of the holders of the Residual Certificates then in issue. A written resolution has the same effect as an Extraordinary Resolution.

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

**Matters requiring Extraordinary Resolution:**

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

- to sanction or to approve a Basic Terms Modification;
- to sanction any compromise or arrangement proposed to be made between, among others, the Issuer or any other party to any Transaction Document;
- to sanction any abrogation, modification, compromise or arrangement in respect of the rights of, among others, the Note Trustee or any other party to any Transaction Document against any other or others of them or against any of their property whether such

rights arise under the Trust Deed, any other Transaction Document or otherwise;

- to approve the substitution of any person for the Issuer as principal debtor under the Notes or the Residual Certificates other than in accordance with Condition 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*), Condition 13.10 (*Issuer Substitution Condition*) or Residual Certificates Condition 12.9 (*Issuer Substitution Condition*);
- to assent to any modification of the Trust Deed or any other Transaction Document which is proposed by the Issuer or any other party to any Transaction Document or any Noteholder or Certificateholder, other than those modifications which are sanctioned by the Note Trustee and the Security Trustee without the consent or sanction of the Noteholders in accordance with the terms of the Trust Deed;
- to direct the Note Trustee to serve an Enforcement Notice;
- to remove the Note Trustee and/or the Security Trustee;
- to approve the appointment of a new Note Trustee and/or Security Trustee;
- to approve the appointment of a substitute servicer in circumstances where the Servicer has resigned and the appointment of the substitute servicer in the opinion of the Security Trustee could have an adverse effect on the rating of the Notes or if it is not clear to the Security Trustee whether the rating for the Notes will be maintained as the rating before the termination of the Servicer;
- to authorise the Note Trustee, the Security Trustee and/or any Appointee to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- to discharge or exonerate the Note Trustee, Security Trustee and/or any Appointee from all Liability in respect of any act or omission for which it may become responsible under the Trust Deed or the Notes;
- to appoint any persons as a committee to represent the interests of the Noteholders or the Certificateholders and to confer upon such committee any powers which the Noteholders or the Certificateholders could themselves exercise by Extraordinary Resolution;
- to sanction any scheme or proposal for the exchange, sale, conversion or cancellation of the Notes or the Residual Certificates for or partly or wholly in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company or partly or wholly in consideration of cash; or

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

**Relationship between Classes of Noteholders and Certificateholders:**

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

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

A Basic Terms Modification requires an Extraordinary Resolution of the holders of the relevant affected Class or Classes of Notes and/or the Residual Certificates then in issue, as applicable.

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

- (a) (i) any Class of Notes of one class only or (ii) the Residual Certificates shall be deemed to have been duly passed if passed at a meeting (or by a resolution in writing or, in respect of the Notes only, by a resolution passed by way of electronic consents received through the relevant Clearing System(s)) of the holders of (x) that Class of Notes so affected or (y) the Residual Certificates;
- (b) any two or more Classes of Notes, but does not give rise to an actual or potential conflict of interest between the holders of such Classes of Notes, shall be deemed to have been duly passed if passed at a single meeting (or by a single resolution in writing or, in respect of the Notes only, by a single resolution passed by way of electronic consents received through the relevant Clearing System(s)) of the holders of each such Class of Notes; and

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

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

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

**Relationship between  
Noteholders and other Secured  
Creditors:**

So long as any of the Notes are outstanding, the Note Trustee shall not have regard to the interests of the other Secured Creditors.

So long as any of the Notes are outstanding, the Note Trustee will have regard to the interests of each class of the Noteholders but, if in the Note Trustee's sole opinion there is a conflict between the interests of any Classes of Notes, it will have regard solely to the interests of the holders of the relevant affected Class of Notes ranking in priority to the other relevant Classes of Notes in the Post-Enforcement Priority of Payments and the holders of such subordinated Classes of Notes shall have no claim against the Note Trustee for so doing.

**Relevant Person as Noteholder  
or Certificateholder:**

For certain purposes, including the determination as to whether Notes are deemed outstanding or Residual Certificates are deemed in issue, for the purposes of convening a meeting of Noteholders or Certificateholders, the Notes or Residual Certificates (if any) which are for the time being held by or on behalf of or for the benefit of any member of the LiveMore Group (each such entity a **"Relevant Person"**), in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding or in issue, except where all of the Notes of any Classes or all of the Residual Certificates are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case such Classes of Notes (the **"Relevant Class of Notes"**) and such Residual Certificates shall be deemed to remain outstanding or in issue (as the case may be), except that, if there is any other Class of Notes ranking *pari passu* with, or junior to, the Relevant Class of Notes and one or more Relevant Persons are not the beneficial owners of all the Notes of such

**Provision of Information to the  
Noteholders and  
Certificateholders:**

Class, then the Relevant Class of Notes shall be deemed not to remain outstanding and provided that in relation to a matter relating to a Basic Terms Modification any Notes or the Residual Certificates which are for the time being held by or on behalf of or for the benefit of a Relevant Person, in each case as beneficial owner, shall be deemed to remain outstanding or in issue, as applicable.

For so long as the Notes remain outstanding, the Servicer on behalf of the Reporting Entity and Seller (as applicable) will publish (i) a quarterly investor report in respect of the relevant Collection Period, as required by and in accordance with SECN 6.2.1R(5) (the "**Quarterly UK SR Investor Report**") and Article 7(1)(e) of the EU Securitisation Regulation (as if it were applicable to the Seller) (the "**Quarterly EU SR Investor Report**" and together with the Quarterly UK SR Investor Report, the "**Quarterly SR Investor Reports**") and (ii) on a quarterly basis certain loan-by-loan information in relation to the Portfolio in respect of the relevant Collection Period as required by and in accordance with SECN 6.2.1R(1) and the FCA Transparency Rules (the "**Quarterly UK SR Loan Level Report**") and Article 7(1)(a) of the EU Securitisation Regulation (as if it were applicable to the Seller) (the "**Quarterly EU SR Loan Level Report**" and together with the Quarterly UK SR Loan Level Report, the "**Quarterly SR Loan Level Reports**")), in each case, simultaneously each quarter (to the extent required under SECN 6.2 and Article 7(1) of the EU Securitisation Regulation (as if it were applicable to the Seller) and no later than one month after the relevant Interest Payment Date). If, following the Closing Date, there are amendments or changes to the EU Reporting Requirements and the Seller is or would be unable to comply with the EU Reporting Requirements (as if the EU Reporting Requirements were applicable to it) following such amendments or changes coming into effect, the Seller may elect not to comply with the EU Reporting Requirements as so amended or changed. In the event the Seller is unable to comply with any EU Reporting Requirements in effect following any such amendments or changes, the Servicer shall, without delay, procure the publication of an inside information and significant event report in accordance with SECN 6.2.1R(6) and/or SECN 6.2.1R(7) (as applicable) and the FCA Transparency Rules and Article 7(1)(f) and/or Article 7(1)(g) of the EU Securitisation Regulation (as if the EU Securitisation Regulation were applicable to the Seller and the Issuer) notifying that the Seller shall no longer comply with the EU Reporting Requirements.

The Servicer will make such information available to the holders of any of the Notes, relevant competent authorities and to potential investors in the Notes.

The Seller shall make available or procure on demand, from the Closing Date until the date the last Note is redeemed in full, a liability cashflow model (the "**Cash Flow Model**") to investors, either directly or indirectly through one or more entities which provide such Cash Flow Models, which 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. The Cash Flow Model shall be made available (i) prior to pricing of the Notes to potential investors, and (ii) on an on-going basis and to investors in the Notes and to potential investors in the Notes upon request.

The Seller shall make available prior to the pricing date of the Notes, data on static and dynamic historical default and loss performance required under SECN 2.2.25R.

Each of the Quarterly SR Investor Reports and the Quarterly SR Loan Level Reports will be published:

- (a) on a securitisation repository at EDW **Securitisation Repository - European DataWarehouse (eurodw.co.uk)**; or
- (b) on a securitisation repository at EDW **Securitisation Repository - European DataWarehouse (eurodw.eu)**,

each being a website which conforms to the requirements set out in SECN 6.3 and Article 7(2) of the EU Securitisation Regulation (as if it were applicable to the Seller) respectively, or any other website which may be notified by the Issuer from time to time provided that such replacement or additional website conforms to the requirements set out in SECN 6.3 and Article 7(2) of the EU Securitisation Regulation (as if it were applicable to the Seller) respectively (such websites being, together, the "**Reporting Websites**"), and the Cash Flow Model will be published by means of the website of European DataWarehouse (eurodw.co.uk). None of the reports or the websites or the contents thereof form part of this Prospectus.

The Seller and the Issuer will procure that the Servicer will publish a monthly report detailing, inter alia, certain aggregated loan data in relation to the Portfolio in the form required by the Bank of England for the purpose of the Bank of England's sterling monetary framework (the "**BoE Report**"). Such reports will be published on the Reporting Websites. For the avoidance of doubt, these websites and the contents thereof do not form part of this Prospectus. The Reporting Websites will make the information referred to above available to the holders of any of the Notes, relevant competent authorities and, upon request, to potential investors in the Notes.

Information required to be made available prior to pricing to potential investors in the Notes pursuant to the FCA Transparency Rules, SECN 2.2.25R to 2.2.29R and Article 7 of the EU Securitisation Regulation (as if it were applicable to the Seller) was made available by means of the Reporting Websites.

**"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 European Insurance and Occupational Pensions Authority ("**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, in each case, as in effect as of the Closing Date or, to the extent any amendments, standards, guidance, or statements come into effect after the Closing Date, as otherwise adopted by the Seller. The obligation of the Seller to comply with the EU Reporting Requirements is strictly contractual. In the event that, after the Closing Date, there are any amendments or changes to the EU Reporting Requirements and the Seller is or would be unable to comply with the EU Reporting Requirements (as if the EU Reporting Requirements were applicable to it) following amendments or changes coming into effect, the Seller may elect not to comply with the EU Reporting Requirements as so amended or changed. Potential EU Investors should therefore be aware that, if the Seller is unable to comply with any amendments or changes to the EU Reporting Requirements that come into effect after the Closing Date, the EU Reporting Requirements may no longer be complied with following such amendments or changes coming into effect.

The Reporting Entity has made available, prior to pricing, information required by the FCA Transparency Rules to the extent such information has been requested by a potential investor.

**Communication with  
Noteholders:**

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

- (a) Subject to paragraph (d) below, any notice to Noteholders shall be validly given if published in the Financial Times, or, if such newspaper shall cease to be published or, if timely publication therein is not practicable, in such other English newspaper or newspapers as the Note Trustee shall approve in advance having a general circulation in the United Kingdom, provided that if, at any time, (i) the Issuer procures that the information concerned in such notice shall appear on a page of the Reuters screen, the Bloomberg screen or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and notified to Noteholders (in each case a "**Relevant Screen**"), or (ii) paragraph (c) below applies and the Issuer has so elected, publication in the newspaper set out above or such other newspaper or newspapers shall not be required with respect to such notice.
- (b) In respect of Notes in definitive form, notices to Noteholders will be sent to them by first class post (or its equivalent) or (if posted to an address outside the United Kingdom) by airmail at the respective addresses on the Register. Any such notice will be deemed to have been given on the fourth day after the date of posting.
- (c) Whilst the Notes are represented by Global Notes, notices to holders of the Notes will be valid if published as described above, or, at the option of the Issuer, if submitted to Euroclear and/or Clearstream, Luxembourg for communication by them to holders of the Notes. Any notice delivered to Euroclear and/or Clearstream,



Luxembourg, as aforesaid shall be deemed to have been given on the day of such delivery.

- (d) So long as the relevant Notes are admitted to trading on, and listed on the official list of Euronext Dublin all notices to the Noteholders will be valid if published in a manner which complies with the rules and regulations of Euronext Dublin (which includes delivering a copy of such notice to Euronext Dublin) and any such notice will be deemed to have been given on the date sent to Euronext Dublin.

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

**Communication with  
Certificateholders:**

Any notice to a Certificateholder shall be validly given if sent to the email address of such Certificateholder as notified in writing to the Issuer from time to time.

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

## Credit Structure and Cashflow

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

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| <p><b>Available Funds of the Issuer:</b></p> | <p>Prior to an Enforcement Notice being served on the Issuer, the Cash Administrator on behalf of the Issuer will apply Available Revenue Receipts and Available Principal Receipts on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments respectively, as set out below.</p> <p><b>"Available Revenue Receipts"</b> means, for each Interest Payment Date, an amount equal to the aggregate of (without double counting):</p> <ul style="list-style-type: none"> <li>(a) all Revenue Receipts or, if in a Determination Period, any Calculated Revenue Receipts, in each case excluding any Reconciliation Amounts to be applied as Available Principal Receipts on that Interest Payment Date, received by the Issuer: <ul style="list-style-type: none"> <li>(i) during the immediately preceding Collection Period; or</li> <li>(ii) if representing amounts received in respect of any repurchases of Mortgage Loans and their Collateral Security by the Seller pursuant to the Mortgage Sale Agreement, from but excluding the Collection Period Start Date immediately preceding the immediately preceding Interest Payment Date (or, in the case of the first Interest Payment Date, from and including the Closing Date) to and including the immediately preceding Collection Period Start Date;</li> </ul> </li> <li>(b) interest payable to the Issuer on the Issuer Accounts and received in the immediately preceding Collection Period (other than any amount of interest or income received in respect of any Swap Collateral) and income from any Authorised Investments to be received on or prior to the Interest Payment Date (other than any amount of income received in respect of the Swap Collateral);</li> <li>(c) amounts received or to be received by the Issuer under or in connection with the Swap Agreement (other than (i) any early termination amount received by the Issuer under the Swap Agreement, (ii) Swap Collateral, (iii) any Replacement Swap Premium paid to the Issuer, and (iv) amounts in respect of Swap Tax Credits on such Interest Payment Date other than, in each case, any Swap Collateral Account Surplus which is to be applied as Available Revenue Receipts in accordance with the Swap Collateral Account Priority of Payments);</li> <li>(d) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 6.8(c) (<i>Determinations and Reconciliation</i>);</li> </ul> |
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|  | <p>(e) amounts credited to the Deposit Account on the previous Interest Payment Date in accordance with item ((w)) of the Pre-Enforcement Revenue Priority of Payments;</p> <p>(f) amounts representing (i) the Optional Purchase Price received by the Issuer upon sale of the Mortgage Loans and their Collateral Security comprising the Portfolio further to exercise of the Call Option, or (ii) the Risk Retention Regulatory Change Portfolio Purchase Collections and the Risk Retention Regulatory Change Optional Purchase Price received by the Issuer pursuant to the exercise of the Risk Retention Regulatory Change Option;</p> <p>(g) other net income of the Issuer received during the immediately preceding Collection Period, excluding any Principal Receipts;</p> <p>(h) the Liquidity Reserve Fund Release Amount;</p> <p>(i) any payments received by the Issuer from the Seller in connection with the Seller's obligations in respect of the VR Floor in accordance with the Servicing Deed;</p> <p>(j) all Early Repayment Charges received in respect of the immediately preceding Collection Period; and</p> <p>(k) on the first Interest Payment Date after the Final Additional Sale Date, any balance standing to the credit of the Pre-Funding Revenue Reserve Ledger on the Final Additional Sale Date (taking into account any debits made on that ledger on such date);</p> <p><i>less:</i></p> <p>(l) amounts (which would otherwise constitute Revenue Receipts) applied from time to time during the immediately preceding Collection Period in making payment of certain monies which properly belong to third parties (including the Seller and the Legal Title Holder and together with any applicable VAT) such as (but not limited to):</p> <ul style="list-style-type: none"> <li>- certain costs and expenses charged by the Servicer or the Replacement Servicer in respect of its servicing of the Mortgage Loans, other than the Servicer Fees and not otherwise covered by the items below;</li> <li>- payments of certain insurance premia (if any), due to the Seller in respect of any Seller-arranged insurance policy to the extent not paid or payable by the Seller (to the extent referable to the Mortgage Loans);</li> <li>- amounts under a Direct Debit which are repaid to the bank making the payment if such bank is unable to recoup or recall such amount itself from its customer's account or is required to refund an amount previously debited;</li> <li>- other charges which are due to the Seller or Legal Title Holder;</li> <li>- any amount which represents an amount received from a Borrower which does not form part of that Borrower's Mortgage Account or comprise unpaid interest (but excluding, for the avoidance of doubt, any payments in arrears) as at the Cut-Off</li> </ul> |
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|  | <p>Date and/or the Additional Mortgage Loan Cut-Off Date and which is an amount owed by such Borrower in respect of any period prior to the Cut-Off Date (or the Additional Mortgage Loan Cut-Off Date in relation to amounts received on Additional Mortgage Loans originated between the Cut-Off Date and the Additional Mortgage Loan Cut-Off Date) as and when identified by the Servicer, which amount shall be for the account of the Seller; and</p> <ul style="list-style-type: none"> <li>- any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service to that Borrower,</li> </ul> <p>(items within this item (l) being collectively referred to herein as <b>"Third Party Amounts"</b>); and</p> <p><i>less</i></p> <p>(m) any tax payments paid or payable by the Issuer during the immediately preceding Collection Period to the extent not funded from amounts standing to the credit of the Issuer Profit Ledger.</p> <p><b>"Revenue Receipts"</b> means the net sum of all monies received in respect of any Mortgage Loan (excluding Principal Receipts), all interest on credit balances in the Issuer Accounts (other than the Swap Collateral Accounts), all insurance monies received or recovered in respect of the Mortgage Loans and/or their related Collateral Security to which the Issuer is beneficially entitled (but only to the extent that such amounts are paid by way of compensation for amounts which would otherwise have constituted a Revenue Receipt) and all other revenues derived from the Issuer's business to which the Issuer is beneficially entitled (including, without limitation, the costs, fees and expenses payable by a Mortgagor to the extent the Issuer is reimbursed by such Borrower for and is beneficially entitled to, the same), and all other amounts in the nature of fees deposited in the Deposit Account in respect of any Mortgage Loan (excluding, for the avoidance of doubt, any Collection Costs).</p> <p><b>"Available Principal Receipts"</b> means for any Interest Payment Date an amount equal to the aggregate of (without double counting):</p> <ul style="list-style-type: none"> <li>(a) all Principal Receipts, or, if in a Determination Period, any Calculated Principal Receipts, in each case excluding an amount equal to any Reconciliation Amounts to be applied as Available Revenue Receipts on that Interest Payment Date, received by the Issuer during the immediately preceding Collection Period;</li> <li>(b) the amounts (if any) calculated on the Calculation Date preceding that Interest Payment Date pursuant to the Pre-Enforcement Revenue Priority of Payments, to be the amount by which the debit balance of each of the Class A Principal Deficiency Sub-Ledger and/or the Class B Principal Deficiency Sub-Ledger and/or the Class C Principal Deficiency Sub-Ledger and/or the Class D Principal Deficiency Sub-Ledger and/or the Class E Principal Deficiency Sub-Ledger and/or the Class F Principal Deficiency Sub-Ledger is to be reduced on that Interest Payment Date;</li> </ul> |
|--|---|

|                                       |  |
|---------------------------------------|--|
|                                       | <p>(c) any amounts deemed to be Available Principal Receipts in accordance with item (u) of the Pre-Enforcement Revenue Priority of Payments (the "<b>Enhanced Amortisation Amounts</b>");</p> <p>(d) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Principal Receipts in accordance with Condition 6.8(c) (<i>Determinations and Reconciliation</i>); and</p> <p>(e) the Liquidity Reserve Fund Excess Amount.</p> <p><b>"Principal Receipts"</b> means all principal received or recovered in respect of the Mortgage Loans and their related Collateral Security, principal recovered upon enforcement of the related Collateral Security and the principal element of the purchase price or repurchase price paid to the Issuer on the disposal by it of one or more Mortgage Loans, and all insurance monies received or recovered in respect of the Mortgage Loans and their related Collateral Security to which the Issuer is beneficially entitled (but only to the extent that such amounts are paid by way of compensation for amounts which would otherwise have constituted Principal Receipts), other than any principal repayments comprising Optional Purchase Collections or the Risk Retention Regulatory Change Portfolio Purchase Collections and the Optional Purchase Price or the Risk Retention Regulatory Change Option Purchase Price received by the Issuer pursuant to the exercise of the Call Option or the Risk Retention Regulatory Change Option or any principal repayments received in relation to any porting of a Mortgage Loan.</p> <p><b>"Collection Period"</b> means the period commencing on (and including) a Collection Period Start Date and ending on (but excluding) the immediately following Collection Period Start Date except that the first Collection Period will commence on the Cut-Off Date and end on (and exclude) the Collection Period Start Date falling in September 2025.</p> <p><b>"Collection Period Start Date"</b> means the first calendar day of September, December, March and June of each year.</p> |
| <b>Summary of Payment Priorities:</b> | Below is a summary of the relevant payment priorities. Full details of the payment priorities are set out in the section entitled " <i>Cashflows</i> ".  |

| <b>AVAILABLE REVENUE FUNDS</b>  | <b>AVAILABLE PRINCIPAL FUNDS</b>   | <b>ALL FUNDS (including on Final Maturity Date and early redemption)</b>  |
|---|--|---|
| <b>Pre-Enforcement Revenue Priority of Payments</b>   | <b>Pre-Enforcement Principal Priority of Payments</b>                        | <b>Post-Enforcement Priority of Payments</b>  |
| <i>Pro rata and pari passu</i> to amounts due to the Note Trustee and the Security Trustee and any Appointee thereof including charges, | Principal Addition Amounts to be applied to meet any Senior Expenses Deficit | <i>Pro rata and pari passu</i> to amounts due in respect of the Receiver, the Note Trustee and the Security Trustee and any Appointee thereof including |

| AVAILABLE REVENUE FUNDS   | AVAILABLE PRINCIPAL FUNDS   | ALL FUNDS (including on Final Maturity Date and early redemption)  |
|---|---|--|
| <b>Pre-Enforcement Revenue Priority of Payments</b>   | <b>Pre-Enforcement Principal Priority of Payments</b>   | <b>Post-Enforcement Priority of Payments</b>   |
| liabilities, fees, costs and expenses   |   | charges, liabilities, fees, costs and expenses   |
| <i>Pro rata and pari passu to amounts due to the Agent Bank, the Registrar, the Paying Agents, the Cash Administrator, the Servicer, the Corporate Services Provider, the Replacement Servicer, the Replacement Servicer Facilitator and the Issuer Account Bank, in each case including all fees and costs</i> | <i>Pro rata and pari passu to the principal amounts due on the Class A Notes until redeemed in full</i> | <i>Pro rata and pari passu to amounts due in respect of the fees and costs of the Agent Bank, the Registrar, the Paying Agents, the Cash Administrator, the Servicer, the Corporate Services Provider, the Replacement Servicer, the Replacement Servicer Facilitator and the Issuer Account Bank, in each case including all fees and costs</i> |
| <i>Pro rata and pari passu to pay third party expenses (if any)</i>   | <i>Pro rata and pari passu to the principal amounts due on the Class B Notes until redeemed in full</i> | Amounts due to the Swap Provider (including any termination payments to the extent not satisfied by any applicable Replacement Swap Premium and/or any amounts available to be applied in accordance with the Swap Collateral Account Priority of Payments but excluding any Hedge Subordinated Amounts)   |
| Amounts due to the Swap Provider (including any termination payments to the extent not satisfied by any applicable Replacement Swap Premium and/or any amounts available to be applied in accordance with the Swap Collateral Account Priority of Payments but excluding any Hedge Subordinated Amounts)        | <i>Pro rata and pari passu to the principal amounts due on the Class C Notes until redeemed in full</i> | <i>Pro rata and pari passu to the amounts of interest and principal due on the Class A Notes until redeemed in full</i>  |
| Issuer Profit Amount  | <i>Pro rata and pari passu to the principal amounts due on the Class D Notes until redeemed in full</i> | <i>Pro rata and pari passu to the amounts of interest and principal due on the Class B Notes until redeemed in full</i>  |

| AVAILABLE REVENUE FUNDS  | AVAILABLE PRINCIPAL FUNDS   | ALL FUNDS (including on Final Maturity Date and early redemption)  |
|--|---|--|
| Pre-Enforcement Revenue Priority of Payments   | Pre-Enforcement Principal Priority of Payments  | Post-Enforcement Priority of Payments  |
| <i>Pro rata</i> and <i>pari passu</i> to the interest due on the Class A Notes                               | <i>Pro rata</i> and <i>pari passu</i> to the principal amounts due on the Class E Notes until redeemed in full  | <i>Pro rata</i> and <i>pari passu</i> to the amounts of interest and principal due on the Class C Notes until redeemed in full |
| Amounts to be credited to the Liquidity Reserve Fund Ledger up to the Liquidity Reserve Fund Required Amount | <i>Pro rata</i> and <i>pari passu</i> to the principal amounts due on the Class F Notes until redeemed in full  | <i>Pro rata</i> and <i>pari passu</i> to the amounts of interest and principal due on the Class D Notes until redeemed in full |
| Amounts to be credited to the Class A Principal Deficiency Sub-Ledger  | All remaining amounts to be applied as Residual Payments to the Certificateholders on a <i>pari passu</i> basis | <i>Pro rata</i> and <i>pari passu</i> to the amounts of interest and principal due on the Class E Notes until redeemed in full |
| <i>Pro rata</i> and <i>pari passu</i> to the interest due on the Class B Notes                               |   | <i>Pro rata</i> and <i>pari passu</i> to the amounts of interest and principal due on the Class F Notes until redeemed in full |
| Amounts to be credited to the Class B Principal Deficiency Sub-Ledger  |   | <i>Pro rata</i> and <i>pari passu</i> to the amounts of interest and principal due on the Class X Notes until redeemed in full |
| <i>Pro rata</i> and <i>pari passu</i> to the interest due on the Class C Notes                               |   | Hedge Subordinated Amounts due to the Swap Provider  |
| Amounts to be credited to the Class C Principal Deficiency Sub-Ledger  |   | Issuer Profit Amount   |
| <i>Pro rata</i> and <i>pari passu</i> to the interest due on the Class D Notes                               |   | All remaining amounts to be applied as Residual Payments to the Certificateholders on a <i>pari passu</i> basis                |
| Amounts to be credited to the Class D Principal Deficiency Sub-Ledger  |   |  |
| <i>Pro rata</i> and <i>pari passu</i> to the interest due on the Class E Notes                               |   |  |
| Amounts to be credited to the Class E Principal Deficiency Sub-Ledger  |   |  |

| <b>AVAILABLE REVENUE FUNDS</b>  |
|---|
| <b>Pre-Enforcement Revenue Priority of Payments</b>   |
| <i>Pro rata and pari passu</i> to the interest due on the Class F Notes   |
| Amounts to be credited to the Class F Principal Deficiency Sub-Ledger   |
| <i>Pro rata and pari passu</i> to the interest due on the Class X Notes   |
| <i>Pro rata and pari passu</i> to the principal amounts due on the Class X Notes until redeemed in full   |
| On the Final Redemption Date or on or after the Optional Redemption Date, an amount equal to the lesser of (i) all remaining amounts (if any) and (ii) the amount required by the Issuer to redeem the Class A to F Notes in full less the amount required by the Issuer to pay in full all amounts payable under items (a) to (h) (inclusive) of the Pre-Enforcement Principal Priority of Payments, less any Available Principal Receipts (other than item (c) of the definition thereof) otherwise available to the Issuer |
| Any Hedge Subordinated Amounts (to the extent not satisfied by any amounts available to be applied in accordance with the Swap Collateral Account Priority of Payments) due to the Swap Provider  |
| On any Interest Payment Date falling within a Determination   |

| <b>AVAILABLE PRINCIPAL FUNDS</b>                      |
|---|
| <b>Pre-Enforcement Principal Priority of Payments</b> |

| <b>ALL FUNDS (including on Final Maturity Date and early redemption)</b> |
|--|
| <b>Post-Enforcement Priority of Payments</b>                             |



|   |   |  |
|---|---|--|
| <b>AVAILABLE REVENUE FUNDS</b>  | <b>AVAILABLE PRINCIPAL FUNDS</b>                      | <b>ALL FUNDS (including on Final Maturity Date and early redemption)</b> |
| <b>Pre-Enforcement Revenue Priority of Payments</b>   | <b>Pre-Enforcement Principal Priority of Payments</b> | <b>Post-Enforcement Priority of Payments</b>                             |
| Period, all remaining amounts to be credited to the Deposit Account to be applied on the next Interest Payment Date as Available Revenue Receipts |   |  |
| All remaining amounts to be applied as Residual Payments to the Certificateholders on a <i>pari passu</i> basis                                   |   |  |

|                                  |  |
|----------------------------------|--|
| <b>General Credit Structure:</b> | <p>The credit structure of the transaction includes the following elements:</p> <ul style="list-style-type: none"> <li>the availability of the Liquidity Reserve Fund to cover any shortfall of Available Revenue Receipts to pay senior expenses and interest on the Class A Notes. On each Interest Payment Date, an amount (if any) equal to the Liquidity Reserve Fund Excess Amount will be debited from the Liquidity Reserve Fund and will be applied as Available Principal Receipts on that Interest Payment Date.<br/>See the section "<i>Credit Structure–Liquidity Reserve Fund and Liquidity Reserve Fund Ledger</i>";</li> <li>a Principal Deficiency Ledger will be established to record as a debit any Losses on the Portfolio and Principal Addition Amounts and record as a credit Available Revenue Receipts applied as Available Principal Receipts (including any amounts in respect of Enhanced Amortisation Amounts) pursuant to the Pre-Enforcement Revenue Priority of Payments (if any). Investors should note that realised Losses in any period will be calculated after applying any recoveries following enforcement of a Mortgage Loan firstly to outstanding fees and interest amounts due and payable on the relevant Mortgage Loan. The Principal Deficiency Ledger will be credited by the amount of any Available Revenue Receipts applied as Available Principal Receipts in accordance with the relevant items of the Pre-Enforcement Revenue Priority of Payments.<br/>See the section "<i>Credit Structure–Principal Deficiency Ledger</i>";</li> <li>on or after the Optional Redemption Date or on the Final Redemption Date, the availability of Enhanced Amortisation Amounts pursuant to item (u) of the Pre-Enforcement Revenue Priority of Payments, being any surplus Available Revenue Receipts having paid or provided for items of higher priority, which shall be applied as Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments until the Notes have been redeemed in full. Any amount</li> </ul> |
|----------------------------------|--|

|   |   |
|---|---|
|   | <p>credited to the Principal Deficiency Ledger in respect of Enhanced Amortisation Amounts will be reduced to the extent of any future Losses arising in respect of the Portfolio; and</p> <ul style="list-style-type: none"> <li>the availability of Available Principal Receipts pursuant to item (a) of the Pre-Enforcement Principal Priority of Payments to cover any shortfall of Available Revenue Receipts, Liquidity Reserve Fund Release Amounts to pay senior expenses or interest on the Most Senior Class of Notes or other Classes of Notes (subject to the satisfaction of the PDL Condition). Any Available Principal Receipts applied as Principal Addition Amounts will be recorded as a debit to the Principal Deficiency Ledger.</li> </ul> <p>See the section "<i>Credit Structure–Use of Available Principal Receipts to Pay Senior Expenses Deficit</i>".</p> <ul style="list-style-type: none"> <li>the availability of interest provided by the Issuer Account Bank in respect of monies held in the Issuer Accounts and income from any Authorised Investments (other than any amount of interest and/or income received in respect of the Swap Collateral) (see the section "<i>Cashflows</i>" for further details);</li> <li>availability of amounts standing to the credit of the Pre-Funding Reserve Ledgers to fund the purchase of Additional Mortgage Loans by the Issuer during the Additional Sale Period;</li> <li>availability of amounts standing to the credit of Pre-Funding Reserve Ledgers following the Final Additional Sale Date; and</li> <li>availability of the interest rate swap provided by the Swap Provider to hedge against the possible variance between the rates of interest payable on the Fixed Rate Loans in the Portfolio and a rate of interest on the Notes calculated by reference to Compounded Daily SONIA (see the section "<i>Credit Structure–Interest Rate Risk for the Notes</i>" for further details).</li> </ul> |
| <b>Bank Accounts and Cash Administration:</b> | <p>On the Closing Date the Issuer will enter into the Bank Account Agreement with the Issuer Account Bank in respect of the opening and maintenance of the Deposit Account and the Swap Collateral Account.</p> <p>The Issuer will open a deposit account (the "<b>Deposit Account</b>") a collateral account (the "<b>Swap Collateral Account</b>") pursuant to the Bank Account Agreement with the Issuer Account Bank on or prior to the Closing Date. The Issuer may from time to time open additional or replacement accounts (including, if applicable, any securities accounts), pursuant to the Bank Account Agreement and the Transaction Documents (such accounts, together with the Deposit Account and the Swap Collateral Accounts, the "<b>Issuer Accounts</b>").</p> <p>On each Interest Payment Date, the Cash Administrator will transfer monies from the Deposit Account to be applied in accordance with the applicable Priority of Payments.</p>  |
| <b>Swap Agreement:</b>                        | <p>Payments received by the Issuer under certain of the Mortgage Loans will be subject to fixed rates of interest for an initial period of time. The interest amounts payable by the Issuer in respect of the Notes will be calculated by</p>   |

|  |   |
|--|---|
|  | <p>reference to Compounded Daily SONIA. To hedge against the potential variance between the fixed rates of interest received on certain of the Mortgage Loans in the Portfolio and the rate of interest payable on the Notes, the Issuer will enter into the Swap Transaction with the Swap Provider under the Swap Agreement.</p> <p>On or following the relevant Product Switch Effective Date in respect of a Relevant Product Switch Mortgage Loan, the Issuer may enter into a Product Switch Interest Rate Swap or any Swap Transaction(s) may be adjusted by a Product Switch Interest Rate Swap Adjustment, in order to satisfy the Product Switch Swap Condition.</p> <p>(see the section "<i>Credit Structure–Interest Rate Risk for the Notes</i>" for further details).</p> |
|--|---|

## Triggers Tables

### Rating Triggers Table

| Transaction Party               |                | Required Ratings/Triggers   | Possible effects of Trigger being breached include the following:  |
|---------------------------------|----------------|---|--|
| <b>Issuer Account Bank:</b>     | <b>Account</b> | <p>(a) a long-term unsecured and unsubordinated debt or counterparty ratings of at least A by S&amp;P; and</p> <p>(b) a long-term rating of at least A2 by Moody's; or (ii) if the Account Bank does not have a long-term rating by Moody's, a short term deposit rating of at least P-1 by Moody's,</p> <p>or such other ratings that are consistent with the then current rating methodology of the Rating Agencies as being the minimum ratings that are required to support the then current ratings of the Notes (each, the "<b>Account Bank Rating</b>" and together, the "<b>Account Bank Ratings</b>").</p> | <p>If the Issuer Account Bank fails to maintain any of the Account Bank Ratings, then the Issuer shall, within 60 calendar days of such downgrade by Moody's and/or S&amp;P:</p> <p>(a) close the Issuer Accounts with such Issuer Account Bank and use all reasonable endeavours to open replacement accounts with a financial institution (i) having the Account Bank Ratings and (ii) which is a bank as defined in Section 991 of the Income Tax Act 2007; or</p> <p>(b) use all reasonable endeavours to obtain a guarantee of the obligations of such Issuer Account Bank under the Bank Account Agreement from a financial institution which has the Account Bank Ratings; or</p> <p>(c) take any other reasonable action as the Rating Agencies may agree will not result in a downgrade of the Notes,</p> <p>in each case as prescribed in the Bank Account Agreement and transfer amounts standing to the credit of relevant Issuer Accounts and all Ledgers on the relevant Issuer Accounts to the replacement Issuer Accounts.</p> |
|                                 |                |   |  |
| <b>Collection Account Bank:</b> | <b>Account</b> | <p>In respect of any Collection Account, each of:</p> <p>(a) a long-term unsecured and unsubordinated debt or counterparty ratings of at least A by S&amp;P; and</p> <p>(b) a long-term rating of at least A2 by Moody's; or (ii) if the Account</p>  | <p>If the rating of the Collection Account Bank falls below the Collection Account Bank Rating and there exists a financial institution having a rating of at least the Collection Account Bank Rating and which is a bank as defined in Section 991 of the Income Tax Act 2007, the Servicer shall assist the</p>   |

Bank does not have a long-term rating by Moody's, a short term deposit rating of at least P-1 by Moody's,

or such other ratings that are consistent with the then current rating methodology of the Rating Agencies as being the minimum ratings that are required to support the then current ratings of the Notes (each, the "**Collection Account Bank Rating**" and together, the "**Collection Account Bank Ratings**").

Legal Title Holder (or any other entity which may then hold legal title to the Mortgage Loans and their Collateral Security), and the Legal Title Holder (or any other entity which may then hold legal title to the Mortgage Loans and their Collateral Security) shall, as soon as reasonably practicable (such time period to be not more than 60 calendar days) following such occurrence:

- (a) open a replacement collection account in the name of the Legal Title Holder with a financial institution:
  - (i) having a rating of at least the Collection Account Bank Rating;
  - (ii) approved in writing by the Issuer and the Security Trustee; and
  - (iii) which is a bank as defined in Section 991 of the Income Tax Act 2007; or
- (b) obtain an unconditional and unlimited guarantee of the obligations of the Collection Account Bank from a financial institution having the Collection Account Bank Rating; or

take any other action as the Rating Agencies may agree will not result in a downgrade of the Notes.

Subject to the terms of the Swap Agreement, the consequence of breach is that the Swap Provider must, if required, post collateral and may either (i) transfer its rights and obligations under the Swap Agreement to an appropriately rated replacement third party, (ii) procure a guarantee from an appropriately rated third party, or (iii) take such other action as required to maintain or restore the ratings of the Notes by Moody's.

A failure by the Swap Provider to take such steps will, in certain

**Swap Provider or the guarantor of the Swap Provider:**

**Moody's Requirements**

Collateral Trigger: (i) A long term counterparty risk assessment from Moody's of A3(cr) or above, or if no counterparty risk assessment is available, (ii) a long term senior unsecured debt rating from Moody's of A3 or above.

circumstances, allow the Issuer to terminate the Swap Agreement.

**S&P long-term and short-term unsecured, unsubordinated and unregulated debt rating requirements**

S&P Global Ratings' 'Counterparty Risk Framework: Methodology And Assumptions', (published on 8 March 2019, as republished on 27 July 2023) permit four different options for selecting applicable frameworks containing transfer ratings triggers, and the contractual requirements that should apply on the occurrence of breach of a transfer ratings trigger by the Swap Provider (the S&P Framework, as defined and set out in the Swap Agreement). Subject to certain conditions specified in the Swap Agreement, the Swap Provider may change the applicable S&P Framework by written notice to the Issuer, the Security Trustee and S&P. S&P Framework S&P Moderate is expected to apply on the Closing Date.

**S&P First Rating Requirement**

If S&P Framework "Strong" applies at the relevant time, neither the Swap Provider (or its successor or permitted transferee) nor any Credit Support Provider from time to time in respect of the Swap Provider has an issuer credit rating or resolution counterparty rating assigned to it of at least A- so long as the highest rated Class of Note is rated AAA.

**S&P Second Rating Requirement**

Subject to the terms of the Swap Agreement, the consequences of breach is that, the Swap Provider will be obliged to (a) post collateral and may (b) (i) procure a transfer to an eligible replacement of the 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 Notes by S&P to the rating immediately prior to the downgrade.

A failure by the Swap Provider to take such steps will, in certain circumstances allow the Issuer to terminate the Swap Agreement.

Subject to the terms of the Swap Agreement, the consequence of breach

Neither the Swap Provider (or its successor or permitted transferee) nor any Credit Support Provider from time to time in respect of the Swap Provider has an issuer credit rating or resolution counterparty rating at least:

- "BBB+" (if S&P Framework "Strong", applies at the relevant time);
- "A" (if S&P Framework "Adequate" applies the relevant time);
- "A" (if S&P Framework "Moderate" applies at the relevant time);
- "A+" (if S&P Framework "Weak" applies at the relevant time)

so long as the highest rated Class of Note is rated AAA.

is that the Swap Provider will be obliged to (a) use commercially reasonable efforts to take one of the following actions: (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 ratings of the Notes by S&P to the rating immediately prior to the downgrade and (b) (other than if S&P Framework "Weak" applies) as long as the remedial actions of limb (a) have not been put into place, to post or continue to post collateral.

A failure by the Swap Provider to take such steps will, in certain circumstances allow the Issuer to terminate the Swap Agreement.

## Non-Rating Triggers Table

### Perfection Events:

Prior to the completion of the transfer of legal title of the Mortgage Loans to the Issuer, the Issuer will be subject to certain risks as set out in the risk factor entitled "*The Legal Title Holder to initially retain legal title to the Mortgage Loans and risks relating to set-off*" in the section entitled "*Risks relating to the underlying assets*". Completion of transfer of the legal title of the Mortgage Loans by the Legal Title Holder to the Issuer will be completed after the earliest to occur of the following:

- (a) the occurrence of an Insolvency Event in relation to the Legal Title Holder or the Seller;
- (b) the Legal Title Holder being required to perfect legal title to the Mortgage Loans (i) by law; (ii) by an order of a court of competent jurisdiction; or (iii) by a regulatory authority which has jurisdiction over the Legal Title Holder;
- (c) the Legal Title Holder calling for perfection by serving notice in writing to that effect on the Issuer and the Security Trustee;
- (d) the occurrence of a Servicer Termination Event where no replacement servicer has been appointed in accordance with the Servicing Deed;
- (e) the Legal Title Holder or the Seller defaults in the performance or observance on any of its covenants or obligations under the Transaction Documents, and the Servicer does not remedy that failure within 30 Business Days after the earlier of the Legal Title Holder or the Seller (as applicable) becoming aware of the failure or of receipt by the Legal Title Holder or the Seller (as applicable) of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee requiring the Legal Title Holder's or the Seller's (as applicable) non-compliance to be remedied;
- (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 (acting reasonably), in jeopardy;
- (g) the delivery of an Enforcement Notice by the Note Trustee on the Issuer;
- (h) it becoming unlawful in any applicable jurisdiction for the Seller to hold legal title in respect of any Mortgage Loan or its Collateral Security in the Portfolio; or
- (i) a Severe Deterioration Event in respect of the Legal Title Holder or the Seller.

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



Following a Perfection Event, legal title may be transferred to the Issuer (or as it may direct) and formal notice of a legal transfer, assignment, conveyance or assignation (as the case may require) of each Mortgage Loan and its Collateral Security will be given to each relevant Borrower.

**Servicer Termination Events:**

The Issuer and/or (after the delivery of an Enforcement Notice) the Security Trustee itself may, at once or at any time thereafter while such event continues, by notice in writing to the Servicer, the Replacement Servicer Facilitator and (if applicable) the Security Trustee, terminate the Servicer's appointments under the Servicing Deed if any of the following events (each a "**Servicer Termination Event**") occurs and is continuing in relation to the Servicer:

- (a) the Servicer defaults in the payment on the due date of any payment due and payable by it under the Servicing Deed and such default continues unremedied:
  - (i) where the failure to pay has arisen other than as a result of a Disruption Event, for a period of 5 Business Days after the earlier of the Servicer becoming aware of the relevant default or the receipt by the Servicer (with a copy to the Replacement Servicer Facilitator) of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee, as the case may be, requiring the same to be remedied; or
  - (ii) where the failure to pay has arisen as a result of a Disruption Event, following the cessation of the Disruption Event or, if earlier, 30 Business Days following the Servicer becoming aware of the relevant default and receipt by the Servicer (with a copy to the Replacement Servicer Facilitator) of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee (with a copy to the Replacement Servicer Facilitator) requiring the same to be remedied;
- (b) the Servicer defaults in the performance or observance of any of its other covenants and obligations under the Servicing Deed, which failure in the reasonable opinion of the Issuer (prior to the delivery of an Enforcement Notice) or the opinion of the Note Trustee (after the delivery of an Enforcement Notice) as notified to the Security Trustee, is materially prejudicial to the interests of the Noteholders, and the Servicer does not remedy that failure within 30 Business Days after the earlier of the Servicer becoming aware of the failure or of receipt by the Servicer of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee (with a copy to the Replacement Servicer Facilitator) requiring the Servicer's non-compliance to be remedied; or
- (c) an Insolvency Event occurs in relation to the Servicer;
- (d) the Servicer ceasing to carry on the whole of its business or ceases to carry on the whole or substantially the whole of its residential mortgage servicing business; or
- (e) it becomes unlawful in any applicable jurisdiction for the Servicer to perform any of its obligations as contemplated by the Servicing Deed

- provided that this does not result or arise from compliance by the Servicer with any instruction from the Issuer or the Security Trustee;
- (f) subject to the terms of the Servicing Deed the Seller fails to pay the VR Floor Remedy Period Compensation Payment or any VR Floor Compensation Payment at once or at any time thereafter while such breach is continuing with immediate effect, the Servicing Deed may be terminated by the Issuer (or the Security Trustee following service of an Enforcement Notice) by written notice of termination given by the Issuer to the Legal Title Holder (with the prior written consent of the Security Trustee); or
  - (g) the service by the Delegated Servicer of a DSA Termination Notice (in accordance with the Continuing Servicing Agreement), in connection with the Delegated Servicing Agreement.

Prior to termination of the appointment of the Servicer, the Issuer (and after the delivery of an Enforcement Notice) the Security Trustee (with assistance from the Replacement Servicer Facilitator) shall have appointed a Replacement Servicer to service the Mortgage Loans comprising the Portfolio on behalf of the Issuer and the Legal Title Holder with effect from the termination of the appointment of the Servicer.

The Servicer may also resign upon a written notice of termination given by the Servicer to the Issuer and the Security Trustee upon the occurrence of any of the following at once, or at any time thereafter while such breach is continuing:

- (a) a default is made by the Issuer in the payment of any Servicer Fees due and payable by it to the Servicer under the Servicing Deed and such default continues unremedied by the Issuer for 10 Business Days after the date payment is due, provided that these termination rights do not apply in respect of any failure by the Issuer to pay any amount on any Interest Payment Date;
- (b) if the Issuer or the Legal Title Holder breaches any other material obligation under the Servicing Deed (excluding its obligation to pay Servicer Fees) and the Issuer or the Legal Title Holder does not remedy that breach, if capable of remedy, within 20 Business Days after the date of receipt by the Issuer of written notice from the Servicer; or
- (c) after the occurrence of a Servicer Termination Event; or.
- (d) upon the expiry of not less than three months' notice of termination given by the Servicer to the Issuer and the Security Trustee (or such shorter time as may be agreed between the Servicer, the Issuer and the Security Trustee) provided that (if the Notes remain outstanding) such resignation has no adverse effect on the then current ratings of the Notes (as confirmed to the Security Trustee in writing by the relevant Rating Agencies) unless the Security Trustee or the holders of the Notes (acting by way of Extraordinary Resolution) agree otherwise.

The resignation of the Servicer is conditional on, *inter alia* a Replacement Servicer assuming and performing all the material duties and obligations of the Servicer.

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

## Fees

The following table sets out the ongoing fees to be paid by the Issuer to the Transaction Parties.

| Type of Fee   | Amount of Fee   | Priority in Cashflow                                      | Frequency  |
|---------------|---|---|--|
| Servicer Fees | <p>(a) 0.25 per cent. per annum (inclusive of VAT) on the aggregate Principal Balance of the relevant Mortgage Loans in the Portfolio as determined as at the close of business on the Calculation Date in respect of the immediately preceding Collection Period and subject to the RPI Adjustment (the “<b>Management Fees</b>”)</p> <p>(b) an arrears management fee for each Collection Period equal to £63.18 for each Arrears Loan in the Portfolio as of the last day of the Collection Period and subject to the RPI Adjustment (the “<b>Arrears Fees</b>”)</p> <p>(c) a redemption fee for each Collection Period equal to £157.96 for each loan redeemed in full or in part during a Collection Period and subject to the RPI Adjustment (the “<b>Redemption Fees</b>”)</p> <p>(d) an additional product switch fee, which shall be paid by the Issuer to the Servicer, in respect of each Product Switch Mortgage Loan which is retained in the Portfolio and not otherwise repurchased by the Seller in accordance with the Mortgage Sale Agreement and in respect of which its Product Switch Effective Date occurs during the relevant Collection Period. The “<b>Product Switch Fee</b>” shall be an amount equal to the sum of each of the relevant one off amount charged to the relevant Borrower in respect of the relevant Product Switch in accordance with the Mortgage Loan Agreement (with any such amount being an amount in line with what a Prudent Mortgage Lender would charge for servicing a product switch) and which has been paid to the Issuer during the relevant Collection Period (the “<b>Product Switch Fee</b>”)</p> | Ahead of all outstanding Notes and Residual Certificates. | Quarterly in arrear on each Interest Payment Date. |

| Type of Fee  | Amount of Fee  | Priority in Cashflow                                      | Frequency  |
|--|--|---|--|
|  | (the Management Fees, the Arrears Fees, the Redemption Fees and the Product Switch Fees together, " <b>Servicer Fees</b> "). |   |  |
| Other fees and expenses of the Issuer (including tax and audit costs). | Estimated at £75,000 each year (exclusive of VAT, where so provided in the relevant Transaction Document).                   | Ahead of all outstanding Notes and Residual Certificates. | Quarterly in arrear on each Interest Payment Date. |

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

## Certain Regulatory Requirements

### UK Securitisation Framework and EU Securitisation Regulation

In this Prospectus:

- (a) **"EBA"** means the European Banking Authority;
- (b) **"EIOPA"** means the European Insurance and Occupational Pensions Authority;
- (c) **"EU Article 7 ITS"** means Commission Implementing Regulation (EU) 2020/1225226 including any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission;
- (d) **"EU Article 7 RTS"** means Commission Delegated Regulation (EU) 2020/1224227 including any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission;
- (e) **"EU Article 7 Technical Standards"** mean the EU Article 7 RTS and the EU Article 7 ITS;
- (f) **"EU Securitisation Regulation"** means Regulation (EU) 2017/2402, as amended, including (i) relevant regulatory and/or implementing technical standards or delegated regulation (including any applicable transitional provisions) or other applicable national implementing measures; and/or (ii) any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor), the European Commission and/or the European Central Bank;
- (g) **"EUWA"** means the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) as amended, varied, superseded or substituted from time to time;
- (h) **"FCA"** means the Financial Conduct Authority;
- (i) **"PRA"** means the Prudential Regulation Authority;
- (j) **"PRA Securitisation Rules"** means the Securitisation Part of the PRA Rulebook.
- (k) **"Reporting Entity"** means the Seller in its capacity as the designated reporting entity for the purposes of SECN 6.3;
- (l) **"Securitisation Regulations "** means the EU Securitisation Regulation and the UK Securitisation Framework.
- (m) **"SECN "** means the securitisation sourcebook of the FCA Handbook.
- (n) **"SR 2024 "** means the Securitisation Regulations 2024 (SI 2024/102).
- (o) **"UK CRR"** means
  - (A) Regulation (EU) No 575/2013 as it forms part of domestic law by virtue of the EUWA;
  - (B) the law of the United Kingdom or any part of it, which immediately before 'IP completion day' (as defined in the European Union (Withdrawal Agreement) Act 2020) implemented Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC and its implementing measures; and
  - (C) 'CRR rules', as such term is defined in Article 144A of the FSMA; and

- (p) **"UK Securitisation Framework"** means the SR 2024, SECN and the PRA Securitisation Rules, together with the relevant provisions of the FSMA.

## **UK and EU Risk Retention**

Save as described in the paragraph below in respect of the EU Retention Requirement, the Seller, as originator for the purposes of (i) the UK Securitisation Framework and (ii) the EU Securitisation Regulation as if it were applicable to the Seller (the **"Retention Holder"**), will on an ongoing basis collectively retain a material net economic interest of not less than 5 per cent. in the securitisation in accordance with (i) SECN 5.2 (the **"UK Retention Requirement"**) and (ii) Article 6 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation), and in the case of (ii) only, not taking into account any relevant national measures, as if it were applicable to the Seller, but solely as such articles are interpreted and applied on the Closing Date (the **"EU Retention Requirement"** and, together with the UK Retention Requirement, the **"Retention Requirements"**). As at the Closing Date, such interest will comprise the Seller holding no less than 5 per cent. of the nominal value of each Class of Notes (other than the Class X Notes) (the Seller holding an interest in respect of each such Class of Notes in proportion to the total securitised exposures for which the Legal Title Holder is the originator) in accordance with the text of (i) SECN 5.2.8R(1)(a) (the **"UK Retained Interest"**) and (ii) Article 6(3)(a) of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation), and in the case of (ii) only, not taking into account any relevant national measures, as if it were applicable to the Seller, but solely as such articles are interpreted and applied on the Closing Date (the **"EU Retained Interest"** and together with the UK Retained Interest, the **"Retained Interest"** and the Notes representing such Retained Interest being the (**"Retention Notes"**)).

Notwithstanding the above, prospective investors should note that in respect of the EU Retention Requirement:

- the obligation of the Seller to comply with the EU Retention Requirement is strictly contractual pursuant to the terms of the Mortgage Sale Agreement and applies with respect to Article 6 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) not taking into account any relevant national measures, as such articles are interpreted and applied on the Closing Date only, until such time when the Seller is able to certify to the Issuer and the Note Trustee that a competent EU authority has confirmed that the satisfaction of the UK Retention Requirement will also satisfy the EU Retention Requirement due to the application of an equivalency regime or similar analogous concept; and
- the Seller will be under no obligation to comply with any amendments to applicable EU technical standards, guidance or policy statements introduced in relation thereto after the Closing Date,

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

Any change to the manner in which the Retained Interest is held will be notified to Noteholders and Certificateholders in accordance with the Conditions and Residual Certificates Conditions (as applicable) and the requirements of the UK Securitisation Framework. The Retention Holders' Retained Interest will be confirmed through disclosure in the Quarterly UK SR Investor Report.

The Seller will undertake to the Issuer and the Note Trustee in the Mortgage Sale Agreement that, subject to the EU Retained Interest Conditions, for so long as any Notes remain outstanding, it will:

- (a) retain the Retained Interest in accordance with the applicable Retention Requirements;
- (b) confirm its Retained Interest through disclosure in (in respect of the UK Retained Interest) the Quarterly UK SR Investor Reports and (in respect of the EU Retained Interest) the Quarterly EU SR Investor

Reports (or, in each case, in such other manner as the Seller may determine in compliance with the applicable Retention Requirements);

- (c) not change the manner in which it retains the Retained Interest from the Closing Date, except to the extent permitted in accordance with the applicable Retention Requirements (and any such change will be promptly notified to the Note Trustee (on behalf of the Noteholders));
- (d) not enter into any credit risk mitigation, short position or any other hedge or sale with respect to the Retained Interest, except to the extent permitted in accordance with the applicable Retention Requirements; and
- (e) promptly notify the Issuer and the Note Trustee (on behalf of the Noteholders and the Certificateholders) if for any reason it (i) ceases to hold the Retained Interest in accordance with the applicable Retention Requirements or (ii) otherwise fails to comply with its undertakings in paragraphs (a) to (d) above.

## **Transparency and reporting**

### *Reporting under the UK Securitisation Framework and the EU Securitisation Regulation*

The Originator and the Issuer will be responsible for compliance with SECN 6 for the purposes of SECN 2.2.29R. For the purposes of SECN 6.3, the Seller, has been designated as the reporting entity (the "**Reporting Entity**") and has accepted such appointment.

The Reporting Entity will fulfil the requirements of SECN 6 either itself or shall procure that such requirements are fulfilled on its behalf.

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

See the section entitled "*General Information*" for further information.

### *Reporting under the UK Securitisation Framework and general investor reporting*

The Reporting Entity has made available, prior to pricing, information required by SECN 6.2.1R(2), SECN 6.2.1R(3) and SECN 6.2.1R(4).

The Reporting Entity will undertake in the Mortgage Sale Agreement that it will procure that certain information and reports, as more fully set out in the sections entitled "*General Information – General investor reporting*" and "*General Information – UK Securitisation Framework Reporting*" are published with the frequency and in the manner set out in such section.

### *Credit granting standards*

The Seller has represented in the Mortgage Sale Agreement that in respect of the Mortgage Loans (i) the criteria applied by the Legal Title Holder in the credit-granting for the Mortgage Loans were as sound and well-defined as the criteria applied to mortgage loans advanced by the Legal Title Holder but not securitised and the same clearly established processes for approving and, where relevant, amending, renewing and refinancing the Mortgage Loans have been and will be applied; and (ii) the Legal Title Holder has effective systems in place to apply those criteria and processes to ensure that (in the manner described in the next paragraph below) the Mortgage Loans have been granted based on a thorough assessment of each Borrower's creditworthiness (taking appropriate account of factors relevant to verifying the prospect of the Borrower meeting his/her obligations under each relevant Mortgage Loan Agreement).



For these purposes, *'thorough assessment of each obligor's creditworthiness'* refers to the assessment and verification by the Legal Title Holder (acting in accordance with the standards of a Prudent Mortgage Lender) of the prospect of the relevant Borrower meeting his/her obligations under the relevant Mortgage Loan, being in relation to the payment of any amounts due under the relevant Mortgage Loan, an assessment of the Borrower's income, expenditure (where applicable), credit history and identification and other relevant checks in each case, solely to the extent required by and in accordance with the Legal Title Holder's Lending Criteria at the relevant time.

#### *No self-certified Mortgage Loans*

The UK Securitisation Framework provides for a ban on the securitisation of residential mortgage loans made after 20 March 2014, which had been marketed and underwritten on the premise that the loan applicant or, where applicable, intermediaries were made aware that the information provided by the loan applicant might not be verified by the lender ("**Self-Certified Mortgage Loans**"). The Seller has represented in the Mortgage Sale Agreement that none of the Mortgage Loans in the Portfolio are Self-Certified Mortgage Loans.

#### *Adverse selection*

The Seller has undertaken in the Mortgage Sale Agreement that it will not select Mortgage Loans to be sold to the Issuer with the aim of rendering losses on the Mortgage Loans sold to the Issuer, measured over a period of four years, higher than the losses over the same period on comparable assets held on the balance sheet of the Seller.

#### *Notes are not part of a re-securitisation*

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

#### *Investors to assess compliance*

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with the UK Due Diligence Rules or Article 5 of the EU Securitisation Regulation. None of the Issuer, the Seller, the Legal Title Holder, the Servicer, the Arranger, the Joint Lead Managers, the Note Trustee, the Security Trustee or any of the other Transaction Parties makes any representation that the information described above or elsewhere in this Prospectus is sufficient in all circumstances for such purposes.

Prospective investors should note that the obligation of the Seller to comply with the EU Retention Requirement is strictly contractual pursuant to the terms of the Mortgage Sale Agreement and solely applies with respect to Article 6 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) not taking into account any relevant national measures, as such articles are interpreted and applied solely on the Closing Date. Although, as at the date of this Prospectus, the UK Retention Requirement largely mirrors the EU Retention Requirement, prospective investors should note that future divergence between the EU and UK regimes cannot be ruled out. Prospective investors should note that there can be no assurance that the UK Retained Interest and the EU Retained Interest (in each case, as described in this Prospectus) will be adequate for any prospective institutional investors to comply with due diligence obligations applicable under the EU Securitisation Regulation.

Further, prospective investors should note that the obligation of the Seller to provide or procure the provision of certain information and reports in accordance with Article 7 of the EU Securitisation Regulation is strictly contractual pursuant to the terms of the Mortgage Sale Agreement and/or the Cash Administration Agreement and solely applies with respect to Article 7 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(e) of the EU Securitisation Regulation) not taking into account any relevant national measures, as such articles are interpreted and applied solely on the Closing Date. Prospective investors should note that there

can be no assurance that the information in this Prospectus or to be made available to investors in accordance with the UK Securitisation Framework (or, where applicable, the EU Securitisation Regulation) will be adequate for any prospective institutional investors to comply with due diligence obligations applicable under the EU Securitisation Regulation.

#### *STS designation impacts on regulatory treatment of the Notes*

The Seller has procured that on or about the date of this Prospectus a UK STS Notification shall be submitted to the FCA, in accordance with SECN 2.5, confirming that the UK STS Requirements have been satisfied with respect to the Notes. It is expected that the (anonymised) particulars of the UK STS Notification, once notified to the FCA will be available on the FCA STS register website. For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus. A draft version of the UK STS Notification was made available prior to pricing to potential investors in the Notes by way of the Reporting Websites.

The Seller and the Issuer have used the services of PCS UK as a verification agent authorised under SECN 2.2.26R in connection with the UK STS Verification and to prepare an assessment of compliance of the Notes with the requirements of Regulation 9 of the SR 2024 and SECN 2.2.2R to SECN 2.2.29R (the **UK STS Verification**) and to prepare an assessment of compliance of the Notes with the relevant provisions of Article 243 and Article 270 of the UK CRR and Articles 7 and 13 of the UK LCR Regulation (the **UK STS Additional Assessments**). It is expected that the UK STS Verification prepared by PCS UK will be available on the PCS UK website (<https://www.pcsmarket.org/sts-verification-transactions/>) together with detailed explanations of its scope at <https://pcsmarket.org/disclaimer/> on and from the Closing Date. For the avoidance of doubt, this PCS UK website and the contents thereof do not form part of this Prospectus. No assurance can be provided that the securitisation transaction described in this Prospectus does or will continue to qualify as a UK STS securitisation under the UK Securitisation Framework as at the date of this Prospectus or at any point in time in the future. For further information please refer to the Risk Factor entitled "Risk Factors – *LEGAL AND REGULATORY RISKS RELATING TO THE STRUCTURE AND THE NOTES – Simple, transparent and standardised securitisations (STS) and UK STS designation – UK STS designation impacts on regulatory treatment of the Notes*".

As to the information made available to prospective investors by the Issuer, reference is made to the information set out herein and forming part of this Prospectus and, after the Closing Date, to the BoE Report, Quarterly SR Investor Reports and Cash Flow Model (a general description of which is set out in "*Summary of the Key Transaction Documents – Cash Administration Agreement*"). Further information in respect of individual loan level data may be obtained on the Reporting Websites. None of the reports or the websites or the contents thereof form part of this Prospectus.

It is not intended that the issue of the Notes complies with the requirements of Articles 18-22 of the EU Securitisation Regulation.

The Notes are not part of a re-securitisation, nor are they part of a securitisation of one or more exposures where at least one of the underlying exposures is a securitisation position.

#### *Investors to assess compliance*

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with the UK Due Diligence Rules and Article 5 of the EU Securitisation Regulation and any corresponding national measures which may be relevant and none of the Issuer, the Arranger, the Joint Lead Managers, the Seller, the Legal Title Holder, the Servicer or any of the other Transaction Parties (i) makes any representation that the information described above or elsewhere in this Prospectus is sufficient in all circumstances for such purposes and (ii) should have any liability to any prospective investor or any other person for any insufficiency of such information or failure

of the transactions contemplated herein to comply with or otherwise satisfy the requirements of the UK Securitisation Framework and/or Article 5 of the EU Securitisation Regulation or any other applicable legal, regulatory or other requirements, or (iii) should have any obligation to enable compliance with the requirements of the UK Securitisation Framework or any other applicable legal, regulatory or other requirements.

#### *Transaction Summary*

The Issuer and the Seller (as originator) intend that this Prospectus constitutes a transaction summary/overview of the main features of the transaction contemplated herein for the purposes of SECN 6.2.1R(3).

### **Social Bond**

The ICMA published the updated Social Bond Guidelines in June 2021, an updated Appendix 1 in June 2022, and has further updated the Social Bond Guidelines in June 2023. The Social Bond Guidelines include Social Bond Principles. The Social Bond Principles are published by ICMA on the following website: <https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Social-Bond-Principles-SBP-June-2023-220623.pdf>. For the avoidance of doubt, the Social Bond Guidelines and this website and the contents thereof do not form part of this Prospectus and are not incorporated by reference into this Prospectus.

The Legal Title Holder has developed and defined a formal approach for its Social Bond Framework. In accordance with the Social Bond Guidelines the Legal Title Holder appointed ISS ESG being an independent third party to undertake an external review of its Social Bond Framework (May 2022 version) against the Social Bond Principles (June 2021) and confirm alignment with ICMA's Social Bond Principles, with such review being in the form of a second party opinion (the "**Second Party Opinion**"). ISS ESG concluded that the Social Bond Framework (May 2022 version) regarding use of proceeds, processes for evaluation and selection of loans, management of proceeds and reporting are in line with the Social Bond Principles and the evaluation was positive. For the avoidance of doubt, the Second Party Opinion and the contents thereof do not form part of this Prospectus and is not incorporated by reference into this Prospectus.

The Social Bond Principles include social projects that provide or promote access to essential services and/or socioeconomic advancement and empowerment. The origination of mortgage loans to the specific target population (as further described below) by the Legal Title Holder comprises an Eligible Social Project and directly contributes to improving access to banking services and socioeconomic advancement and empowerment through equitable access and control over assets, in each case, by making home loan finance available to applicants who are underserved by high street lenders because of their age, as standard lending criteria typically provide a maximum age limit, and also because their often more complex financial profile results in them being unable to pass the automated scoring processes used by high street lenders.

The specific target population for which the Legal Title Holder, as originator, seeks to achieve positive social outcomes through the Eligible Social Project is a population of later-life customers aged 50 and above, in particular those who have complex financial profiles that are not well serviced by automated mortgage underwriting approaches. This is aligned with the Legal Title Holder's overall sustainability strategy (<https://livemoremortgages.com/esg>). For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus.

The issue of the Notes by the Issuer and associated purchase of the Mortgage Loans in the Portfolio comprises part of the funding arrangements by the Legal Title Holder and Seller for the Eligible Social Project and in accordance with the Legal Title Holder's Social Bond Framework. The purchase price of the Loans will be used to repay funding arrangements which form part of the Legal Title Holder's and Seller's funding cycle relating to the origination and funding of owner-occupied mortgages aimed at the target population as described above.

None of the Arranger or the Joint Lead Managers will verify or monitor the proposed use of proceeds of the Notes issued.

The Issuer may apply, or procure application, for listing on ICMA's Green, Social and Sustainability bonds database following the Closing Date.

### ***EU CRA Regulation and UK CRA Regulation***

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

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

The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. The UK CRA Regulation may require, among other things, issuers or related third parties intending to solicit a credit rating of a structured finance instrument to appoint at least two credit rating agencies to provide credit ratings independently of each other. As such, UK regulated investors are required to use, for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2022 ratings, provided the relevant conditions are satisfied. Additionally, the UK CRA Regulation requires certain additional disclosure to be made in respect of structured finance transactions. The credit ratings included or referred to in this Prospectus are expected to be issued by S&P Global Ratings UK Limited and Moody's Investors Service Limited, each of which is established in the UK and is registered under the UK CRA Regulation.

The ratings Moody's is expected to give to the Notes are endorsed by Moody's Deutschland GmbH, which is a credit rating agency established in the EU. The ratings S&P is expected to give to the Notes are endorsed by S&P Global Ratings Europe Limited, which is a credit rating agency established in the EU.

Each of Moody's Deutschland GmbH, and S&P Global Ratings Europe Limited is included in the list of credit rating agencies published by ESMA on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the EU CRA Regulation.

**Legal considerations may restrict certain investments**

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

## Weighted Average Lives of the Notes

Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in net reduction of principal of such security (assuming no losses). The weighted average lives of the Notes will be influenced by, among other things, the actual rate of redemption of the Loans.

The model used in this Prospectus for the Loans represents an assumed constant per annum rate of prepayment ("CPR") each month relative to the then outstanding principal balance of a pool of mortgage loans. CPR does not purport to be either a historical description of the prepayment experience of any pool of mortgage loans or a prediction of the expected rate of prepayment of any mortgage loans, including the Mortgage Loans to be included in the Portfolio.

The following tables were prepared based on the characteristics of the Mortgage Loans included in the Provisional Portfolio and the following additional assumptions (the "**Modelling Assumptions**"):

- (a) no Mortgage Loan is sold by the Issuer;
- (b) no Loan is required to be repurchased by the Seller, the Legal Title-Holder or any of its affiliates due to any breach of Warranty;
- (c) there are no arrears or enforcements;
- (d) no Further Mortgage Advance are made on a Mortgage Loan;
- (e) no Product Switches are made on a Mortgage Loan;
- (f) no debt to the Principal Deficiency Ledger arises;
- (g) the Portfolio as at the Cut-Off Date and the Closing Date is the same as the Provisional Portfolio as at the Portfolio Reference Date. The Closing Date is assumed to be 30 June 2025 and that any Principal Receipts from that date forward shall be for the account of the Issuer;
- (h) the portfolio mix of loan characteristics remain the same throughout the life of the Notes and 100 per cent. of the Provisional Portfolio is purchased at the Closing Date;
- (i) the interest payment as well as the principal payment for each Loan is calculated on a loan-by-loan basis assuming each Loan amortises monthly (meaning the amortisation of each Loan is determined by the loan specific (i) remaining term, (ii) principal outstanding and (iii) interest rate);
- (j) the amortisation of any Standard Mortgage Repayment Loan is calculated as an annuity loan on a 30/360 basis, and the interest on any Mortgage Loan is calculated on a 30/360 basis;
- (k) the maturity date of the Retirement Interest Only Mortgage Loans is based on expected ONS mortality taking into account the sex and current age of the borrower(s);
- (l) a LiveMore Variable Rate of 4.31 per cent. for all Mortgage Loans;
- (m) a Compounded Daily SONIA rate of 4.41 per cent. in each interest period;
- (n) on each Interest Payment Date, Available Principal Receipts comprise solely of Principal Receipts received by the Issuer during the immediately preceding Collection Period;
- (o) the balance of the Pre-Funding Principal Reserve Ledgers is zero;
- (p) on each Interest Payment Date, the Principal Addition Amounts equal zero;

- (q) there is collateral of £188,870,974 and on the Closing Date the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes have an aggregate Principal Amount Outstanding of £188,870,974, with the Class A Notes representing 91.0 per cent., the Class B Notes representing 4.3 per cent., the Class C Notes representing 2.4 per cent, the Class D Notes representing 0.8 per cent., the Class E Notes representing 1.0 per cent. and the Class F Notes representing 0.5 per cent. of the Provisional Portfolio;
- (r) there are [87] days between the Closing Date and the first Interest Payment Date;
- (s) the first Interest Period for the Notes will include three months of Principal Receipts from the Portfolio;
- (t) payments on the Notes are made on the 25<sup>th</sup> day of March, June, September and December. Business days convention is used; and
- (u) the weighted average lives are calculated on a 30/360 basis;

The actual characteristics and performance of the Mortgage Loans are likely to differ from the assumptions used in constructing the tables set forth below, which are hypothetical in nature and are provided only to give a general sense of how the principal cash flows might behave under varying prepayment scenarios. For example, it is not expected that the Mortgage Loans will prepay at a constant rate until maturity, that all of the Mortgage Loans will prepay at the same rate or that there will be no defaults or delinquencies on the Mortgage Loans. Moreover, the diverse remaining terms to maturity and inherent uncertainty in timing of mortality or morbidity events, could produce slower or faster principal distributions than indicated in the tables at the various percentages of CPR specified, even if the weighted average remaining term to maturity of the Mortgage Loans is assumed.

Any difference between such assumptions and the actual characteristics and performance of the Mortgage Loans will cause the weighted average lives of the Notes to differ (which difference could be material) from the corresponding information in the tables for each indicated percentage of CPR.

### Weighted Average Life in Years

The weighted average lives shown below were determined by (i) multiplying the net reduction, if any, of the Principal Amount Outstanding of each Class of Notes by the number of years from the date of issue of the Notes to the related Interest Payment Date, (ii) adding the results and (iii) dividing the sum by the aggregate of the net reductions of the Principal Amount Outstanding described in (i) above.

Subject to the foregoing discussion and assumptions, the following tables indicate the weighted average lives of the Notes. The weighted average lives of the Notes (other than the X Notes) have been calculated on a 30/360 basis.

### Weighted Average Life in Years (assuming the Call Option is exercised on the Optional Redemption Date ^)

| Weighted Average Life | 0.0%<br>CPR | 2.5%<br>CPR | 5.0%<br>CPR | 7.5%<br>CPR | 10.0%<br>CPR | 12.5%<br>CPR | 15.0%<br>CPR | 20.0%<br>CPR | Pricing* |
|-----------------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|----------|
| A Notes .....         | 4.17        | 3.95        | 3.73        | 3.53        | 3.33         | 3.14         | 2.97         | 2.63         | 3.57     |
| B Notes .....         | 4.24        | 4.24        | 4.24        | 4.24        | 4.24         | 4.24         | 4.24         | 4.24         | 4.24     |
| C Notes .....         | 4.24        | 4.24        | 4.24        | 4.24        | 4.24         | 4.24         | 4.24         | 4.24         | 4.24     |
| D Notes .....         | 4.24        | 4.24        | 4.24        | 4.24        | 4.24         | 4.24         | 4.24         | 4.24         | 4.24     |
| E Notes .....         | 4.24        | 4.24        | 4.24        | 4.24        | 4.24         | 4.24         | 4.24         | 4.24         | 4.24     |
| F Notes .....         | 4.24        | 4.24        | 4.24        | 4.24        | 4.24         | 4.24         | 4.24         | 4.24         | 4.24     |

### Weighted Average Life in Years (assuming the Call Option is not exercised)

| Weighted Average Life | 0.0%<br>CPR | 2.5%<br>CPR | 5.0%<br>CPR | 7.5%<br>CPR | 10.0%<br>CPR | 12.5%<br>CPR | 15.0%<br>CPR | 20.0%<br>CPR | Pricing <sup>*</sup> |
|-----------------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|----------------------|
| A Notes .....         | 11.54       | 9.38        | 7.74        | 6.5         | 5.52         | 4.75         | 4.15         | 3.25         | 5.5                  |
| B Notes .....         | 22.92       | 20.45       | 18.58       | 16.63       | 15.07        | 13.86        | 12.32        | 9.97         | 14.16                |
| C Notes .....         | 25.53       | 23.33       | 20.98       | 19.19       | 17.47        | 15.81        | 14.64        | 12.09        | 16.03                |
| D Notes .....         | 27.92       | 25.23       | 23.35       | 21.12       | 19.43        | 17.83        | 16.27        | 14.06        | 18.04                |
| E Notes .....         | 29.48       | 27.78       | 25.47       | 23.46       | 21.48        | 19.78        | 18.27        | 15.51        | 19.92                |
| F Notes .....         | 30.87       | 30.33       | 29.34       | 27.78       | 25.99        | 24.24        | 22.49        | 19.5         | 24.31                |

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<sup>^</sup> Optional Redemption Date: 25 September 2029

<sup>\*</sup> Pricing CPR: 3 per cent. CPR for 18 months, followed by 13 per cent. thereafter



## Early Redemption of the Notes

### 1 Optional Redemption Pursuant to the Call Option

The Option Holder may exercise the Call Option granted by the Issuer pursuant to the terms of the Deed Poll, requiring the Issuer to sell the Portfolio on the Optional Purchase Completion Date specified in the Exercise Notice. The Issuer is not permitted to dispose of the Portfolio in any other circumstances, other than (i) pursuant to the exercise by the Risk Retention Regulatory Change Option Holder of the Risk Retention Regulatory Change Option (ii) where the aggregate Principal Balance of the Mortgage Loans was equal to or less than 20 per cent. of the aggregate Principal Amount Outstanding of the Notes on the Closing Date (iii) in relation to an enforcement of the Security or (iv) the repurchase of a Mortgage Loan and its Collateral Security by the Seller pursuant to the Mortgage Sale Agreement).

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

- (a) the right to require the Issuer to sell and transfer the beneficial title to all (but not some) of the Mortgage Loans and their Collateral Security comprising the Portfolio (the **"Whole Beneficial Title"**) in consideration for the Optional Purchase Price to the Option Holder (and/or one or more nominee(s) thereof) and/or one or more Third Party Purchaser(s) (as identified in the Exercise Notice, the **"Beneficial Title Transferee(s)"**); and
- (b) the right to require the Issuer to transfer the legal title to all (but not some) of the Mortgage Loans and their Collateral Security comprising the Portfolio (the **"Whole Legal Title"**), or if, at the time the Call Option is exercised, the Issuer does not hold legal title, the right to require the Issuer to procure that the Legal Title Holder transfers legal title, to the Option Holder (and/or one or more nominee(s) thereof) and/or one or more Third Party Purchaser(s) specified as such in the Exercise Notice (as identified in the Exercise Notice, the **"Legal Title Transferee(s)"**).

The Call Option may be exercised at any time after the Collection Period Start Date immediately preceding the Optional Redemption Date by notice from the Option Holder to the Issuer, with a copy to the Security Trustee the Seller, the Servicer, the Cash Administrator, the Legal Title Holder, the Swap Provider and the Rating Agencies, (such notice, an **"Exercise Notice"**) that the Option Holder wishes to exercise the Call Option, to be effected on any Business Day on or after the Collection Period Start Date immediately preceding the Optional Redemption Date and following the service of the Exercise Notice (the date identified as the date on which the purchase by the Beneficial Title Transferee(s) of the Whole Beneficial Title and (if applicable) the transfer of the Whole Legal Title to the Legal Title Transferee(s) is expected to be completed pursuant to the terms of the Deed Poll being the **"Optional Purchase Completion Date"**).

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

- (a) either:
  - (i) the Beneficial Title Transferee(s) and (if applicable) the Legal Title Transferee(s) are each resident for tax purposes in the United Kingdom; or
  - (ii) the Issuer, having received tax advice from an appropriately qualified and experienced UK tax adviser in the form and substance satisfactory to it (acting reasonably), or such other comfort as may reasonably be required by it (including, without limitation, any clearance or other confirmation granted by HM Revenue and Customs) (**"Tax Advice"**), is satisfied that sale of the

Whole Beneficial Title and (if applicable) transfer of the Whole Legal Title will not create or increase any liabilities of the Issuer to UK tax or any tax imposed by the jurisdiction of the Beneficial Title Transferee(s) and (if applicable) the Legal Title Transferee(s). The costs relating to such Tax Advice shall be borne by the Option Holder;

- (b) either:
- (i) the Legal Title Transferee(s) has all the appropriate licences, approvals, authorisations, consents, permissions and registrations (including any applicable approvals, authorisations, consents, permissions and registrations required to be maintained under the FSMA and any rules and regulations of the FCA) as required to administer residential mortgage loans such as the Mortgage Loans and their Collateral Security comprising the Portfolio (the "**Relevant Authorisations**"); or
  - (ii) the Beneficial Title Transferee(s) has appointed a servicer who has the Relevant Authorisations and that the Legal Title Holder has confirmed in writing that it will hold legal title to the Mortgage Loans and their Collateral Security comprising the Portfolio on trust for the Beneficial Title Transferee(s); and
- (c) the Beneficial Title Transferee(s) shall not be permitted to transfer the beneficial interest in any of the Mortgage Loans and their Collateral Security comprising the Portfolio to a further purchaser until the transfer of the Whole Legal Title is perfected unless such transfer of beneficial interest is made to an entity in respect of which the condition in (a)(i) above has been satisfied.

### **Optional Purchase Price**

The purchase price for the Mortgage Loans and their Collateral Security comprising the Portfolio pursuant to the Call Option shall be, together with any amounts then standing to the credit of the Issuer Accounts (other than (i) the Swap Collateral Account; and (ii) amounts held in the Deposit Account which represent amounts standing to the credit of the Issuer Profit Ledger at the Optional Purchase Completion Date) and any other funds available to the Issuer (as at the Determination Date), an amount sufficient to:

- (a) redeem all of the Notes then outstanding in full, together with accrued and unpaid interest on such Notes;
  - (b) pay amounts required to be paid in priority to or *pari passu* with the Notes on such Interest Payment Date under the relevant Priority of Payments;
  - (c) pay any other costs associated with the redemption,
- as calculated on the Optional Purchase Completion Date,

(the "**Optional Purchase Price**").

In connection with the exercise of the Call Option, the Beneficial Title Transferee(s) will agree with the Issuer to (i) deposit an amount equal to the Optional Purchase Price in either an escrow account in the name of the Beneficial Title Transferee(s) or in any other account as may be agreed between the Issuer and the Beneficial Title Transferee(s); or (ii) provide irrevocable payment instructions for an amount to be transferred equal to the Optional Purchase Price for value on the Optional Purchase Completion Date to either an escrow account in the name of the Beneficial Title Transferee(s) or such other account as may be agreed between the Issuer and Beneficial Title Transferee(s), provided that such amount referred to in (i) above shall be made or the irrevocable payment instructions referred to in (ii) above shall be given no later than (x) on or prior to the Optional Purchase Completion Date or (y) such other date as the Issuer, at its sole discretion and the Beneficial Title Transferee(s) may agree, provided further that the Optional Purchase Price or irrevocable payment instructions (as applicable)

must be received by the Issuer in sufficient time to enable the Issuer to provide notice of redemption of the Notes to the Noteholders pursuant to Condition 8.3 (*Optional Redemption of the Notes in Full*) or Condition 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*) (as applicable); and/or (iii) take any other action as may be agreed between the Beneficial Title Transferee(s), the Issuer and the Security Trustee in relation to the payment of the Optional Purchase Price.

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

### **Redemption of the Notes and the cancellation of the Residual Certificates**

On the Interest Payment Date immediately after the Optional Purchase Completion Date, the Optional Purchase Price will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments and will result in the Notes being redeemed in full.

Any Revenue Receipts or Principal Receipts received by the Issuer from and including the Determination Date to and including the Optional Purchase Completion Date (such amounts being "**Optional Purchase Collections**") will be payable to or for the account of the Beneficial Title Transferee(s) and the Issuer shall transfer all such amounts to or for the account of the Beneficial Title Transferee(s) on the Optional Purchase Completion Date, after the payment of which the Residual Certificates will be cancelled.

In this Prospectus:

**"Determination Date"** means the date falling 5 Business Days prior to the Collection Period Start Date immediately preceding the Optional Purchase Completion Date (or such other date as may be agreed between the Issuer, the Servicer, the Option Holder and the Mortgage Pool Purchaser(s)).

**"Option Holder"** means (a) where there is a sole Certificateholder, that Certificateholder, or (b) where there is not a sole Certificateholder, an entity unanimously agreed in writing between the Certificateholders as their representative and whose identity has been notified to the Issuer in writing by the Certificateholders.

**"Optional Redemption Date"** means the Interest Payment Date falling in September 2029 in respect of an optional redemption of the Notes exercisable by the Issuer in whole (but not in part) with, *inter alia*, the proceeds of a sale of the Mortgage Loans and their Collateral Security comprising the Portfolio in accordance with the provisions of the Deed Poll.

**"Third Party Purchaser"** means a third party purchaser nominated by the Option Holder to whom the Option Holder requires the Issuer to sell the legal and/or beneficial title to some or all of the Mortgage Loans and their Collateral Security comprising the Portfolio pursuant to the Call Option or the Risk Retention Regulatory Change Option.

## **2 Optional Redemption Pursuant to the Risk Retention Regulatory Change Option**

The Risk Retention Regulatory Change Option Holder may exercise the Risk Retention Regulatory Change Option granted by the Issuer pursuant to the terms of the Risk Retention Regulatory Change Deed Poll, requiring the Issuer to sell the Portfolio on the immediately following Interest Payment Date to the Risk Retention Regulatory Change Option Holder (or a nominated third party).

Pursuant, and subject, to the terms of the Risk Retention Regulatory Change Option Deed Poll, the Issuer will grant to the Risk Retention Regulatory Change Option Holder the following rights (collectively, the "**Risk**

**Retention Regulatory Change Option**"), which may be exercised at any time on or after the occurrence of a Risk Retention Regulatory Change Event:

- (a) the right to require the Issuer to sell and transfer the beneficial title to all (but not some) of the Mortgage Loans and their Collateral Security comprising the Portfolio (the "**Whole Beneficial Title**") in consideration for the Risk Retention Regulatory Change Option Purchase Price to the Risk Retention Regulatory Change Option Holder (and/or one or more nominee(s) thereof) and/or one or more Third Party Purchaser(s) (as identified in the Risk Retention Regulatory Change Option Exercise Notice, the "**Beneficial Title Transferee(s)**"); and
- (b) the right to require the Issuer to transfer the legal title to all (but not some) of the Mortgage Loans and their Collateral Security comprising the Portfolio (the "**Whole Legal Title**"), or if, at the time the Risk Retention Regulatory Change Option is exercised, the Issuer does not hold legal title, the right to require the Issuer to procure that the Legal Title Holder transfers legal title, to the Risk Retention Regulatory Change Option Holder (and/or one or more nominee(s) thereof) and/or one or more Third Party Purchaser(s) specified as such in the Exercise Notice (as identified in the Risk Retention Regulatory Change Option Exercise Notice, the "**Legal Title Transferee(s)**").

The Risk Retention Regulatory Change Option may be exercised at any time on or after the occurrence of a Risk Retention Regulatory Change Event (as defined herein) by notice from the Risk Retention Regulatory Change Option Holder to the Issuer, with a copy to the Security Trustee, the Seller, the Servicer, the Cash Administrator, the Legal Title Holder, the Swap Provider and the Rating Agencies, (such notice, an "**Risk Retention Regulatory Change Exercise Notice**") that the Risk Retention Regulatory Change Option Holder wishes to exercise the Risk Retention Regulatory Change Option, to be effected on (i) any Business Day during the Interest Period immediately prior to the next Interest Payment Date to occur after the delivery of the Risk Retention Regulatory Change Option Exercise Notice, provided that, if the Risk Retention Regulatory Change Option Exercise Notice is delivered within 45 days of the next Interest Payment Date, the Risk Retention Regulatory Change Portfolio Purchase Completion Date shall occur on any Business Day during the Interest Period immediately prior to the second Interest Payment Date to occur after the date of the Risk Retention Regulatory Change Option Exercise Notice and (ii) at least 10 Business Days after the date following the service of the Risk Retention Regulatory Change Option Exercise Notice (the Interest Payment Date identified as the date on which the purchase by the Beneficial Title Transferee(s) of the Whole Beneficial Title and (if applicable) the transfer of the Whole Legal Title to the Legal Title Transferee(s) is expected to be completed pursuant to the terms of the Risk Retention Regulatory Change Deed Poll being the "**Risk Retention Regulatory Change Portfolio Purchase Completion Date**").

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

- (a) either:
  - (i) the Beneficial Title Transferee(s) and (if applicable) the Legal Title Transferee(s) are each resident for tax purposes in the United Kingdom; or
  - (ii) the Issuer, having received tax advice from an appropriately qualified and experienced UK tax adviser in the form and substance satisfactory to it (acting reasonably), or such other comfort as may reasonably be required by it (including, without limitation, any clearance or other confirmation granted by HM Revenue and Customs) ("**Tax Advice**"), is satisfied that sale of the Whole Beneficial Title and (if applicable) transfer of the Whole Legal Title will not create or increase any liabilities of the Issuer to UK tax or any tax imposed by the jurisdiction of the Beneficial Title Transferee(s) and (if applicable) the Legal Title Transferee(s). The costs relating to such Tax Advice shall be borne by the Risk Retention Regulatory Change Option Holder;

- (b) either:
  - (i) the Legal Title Transferee(s) has all the appropriate licences, approvals, authorisations, consents, permissions and registrations (including any applicable approvals, authorisations, consents, permissions and registrations required to be maintained under the FSMA and any rules and regulations of the FCA) as required to administer residential mortgage loans such as the Mortgage Loans and their Collateral Security comprising the Portfolio (the "**Relevant Authorisations**"); or
  - (ii) the Beneficial Title Transferee(s) has appointed a servicer who has the Relevant Authorisations and that the Legal Title Holder has confirmed in writing that it will hold legal title to the Mortgage Loans and their Collateral Security comprising the Portfolio on trust for the Beneficial Title Transferee(s); and
- (c) the Beneficial Title Transferee(s) shall not be permitted to transfer the beneficial interest in any of the Mortgage Loans and their Collateral Security comprising the Portfolio to a further purchaser until the transfer of the Whole Legal Title is perfected unless such transfer of beneficial interest is made to an entity in respect of which the condition at (a)(i) above has been satisfied.

### **Risk Retention Regulatory Change Optional Purchase Price**

The purchase price for the Mortgage Loans and their Collateral Security comprising the Portfolio pursuant to the Risk Retention Regulatory Change Option shall be, together with any amounts then standing to the credit of the Issuer Accounts (other than (i) the Swap Collateral Account; and (ii) amounts held in the Deposit Account which represent amounts standing to the credit of the Issuer Profit Ledger at the Risk Retention Regulatory Change Portfolio Purchase Completion Date) and any other funds available to the Issuer (as at the Risk Retention Regulatory Determination Date), an amount sufficient to:

- (a) redeem all of the Notes then outstanding in full, together with accrued and unpaid interest on such Notes;
- (b) pay amounts required to be paid in priority to or *pari passu* with the Notes on such Interest Payment Date under the relevant Priority of Payments;
- (c) pay any other costs associated with the redemption,

as calculated as at the Risk Retention Regulatory Change Portfolio Purchase Completion Date,

(the "**Risk Retention Regulatory Change Optional Purchase Price**").

In connection with the exercise of the Risk Retention Regulatory Change Option, the Beneficial Title Transferee(s) will agree with the Issuer to (i) deposit an amount equal to the Risk Retention Regulatory Change Option Purchase Price in either an escrow account in the name of the Beneficial Title Transferee(s) or in any other account as may be agreed between the Issuer and the Beneficial Title Transferee(s); or (ii) provide irrevocable payment instructions for an amount to be transferred equal to the Risk Retention Regulatory Change Option Purchase Price for value on the Risk Retention Regulatory Change Portfolio Purchase Completion Date to the Deposit Account or such other account as may be agreed between the Issuer and Beneficial Title Transferee(s), provided that such amount referred to in (i) above shall be made or the irrevocable payment instructions referred to in (ii) above shall be given no later than (x) on or prior to the Risk Retention Regulatory Change Portfolio Purchase Completion Date or (y) such other date as the Issuer, at its sole discretion and the Beneficial Title Transferee(s) may agree, provided further that the Risk Retention Regulatory Change Option Purchase Price or irrevocable payment instructions (as applicable) must be received by the Issuer in sufficient time to enable the Issuer to provide notice of redemption of the Notes to the Noteholders pursuant to Condition 8.3 (*Optional Redemption of the Notes in Full*); and/or (iii) take any other action as may be agreed

by the Beneficial Title Transferee(s), the Issuer and the Security Trustee in relation to the payment of the Risk Retention Regulatory Change Option Purchase Price.

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

### **Redemption of the Notes and the cancellation of the Residual Certificates**

On the Interest Payment Date immediately after the Risk Retention Regulatory Change Portfolio Purchase Completion Date, the Risk Retention Regulatory Change Option Purchase Price will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments and will result in the Notes being redeemed in full.

Any Revenue Receipts or Principal Receipts received by the Issuer from and including a date during the Interest period in which the Risk Retention Regulatory Change Portfolio Purchase Completion Date occurs as agreed between the Issuer and the Risk Retention Regulatory Change Option Holder (the "**Risk Retention Regulatory Determination Date**") (such amounts being "**Risk Retention Regulatory Change Portfolio Purchase Collections**") will be payable to or for the account of the Beneficial Title Transferee(s) and the Issuer shall transfer all such amounts to or for the account of the Beneficial Title Transferee(s) on the Risk Retention Regulatory Change Portfolio Purchase Completion Date, after the payment of which the Residual Certificates will be cancelled.

In this Prospectus:

**"Risk Retention Regulatory Change Option Holder"** means the Retention Holder or any other entity or entities which holds the UK Retention Requirement and/or EU Retention Requirement as permitted pursuant to the UK Retention Requirements and/or EU Retention Requirements and, as at the Closing Date, this shall be LiveMore Investments Limited.

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

### **Use of Proceeds**

On the Closing Date, the Issuer or, in the case of limb (c) below, the Seller on the Issuer's behalf, will use the net proceeds of the Notes which are in aggregate estimated to be £[●] to:

- (a) pay the Initial Purchase Price payable by the Issuer for the Closing Date Portfolio to be acquired from the Seller on the Closing Date;
- (b) credit the Pre-Funding Principal Reserve Ledger and the Pre-Funding Revenue Reserve Ledger, which may be applied in purchasing Additional Mortgage Loans during the Additional Sale Period;
- (c) establish the Liquidity Reserve Fund; and
- (d) pay upfront fees due to the Swap Provider, if any.

## Ratings

Each Class of the Notes, on issue, is expected to be assigned the following ratings by Moody's and S&P. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency if, in its judgement, circumstances so warrant.

| <b>Class of Notes</b> | <b>Moody's</b> | <b>S&amp;P</b> |
|-----------------------|----------------|----------------|
| Class A Notes         | [Aaa]          | [AAA]          |
| Class B Notes         | [Aa3]          | [AA]           |
| Class C Notes         | [A3]           | [A]            |
| Class D Notes         | [Baa3]         | [BBB-]         |
| Class E Notes         | [Ba1]          | [BB]           |
| Class F Notes         | [B1]           | [CCC+]         |
| Class X Notes         | [B2]           | [CCC]          |

The ratings expected to be assigned to the Notes by Moody's address, *inter alia*:

- (a) the likelihood of full and timely payment to the holders of the Class A Notes of all payments of interest on each Interest Payment Date;
- (b) the likelihood of full and timely payment to the holders of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class X Notes of all payments of interest on each Interest Payment Date where such class is the Most Senior Class of Notes; and
- (c) the likelihood of full and ultimate payment of principal due to the holders of the Notes on or prior to the Final Maturity Date.

The ratings expected to be assigned to the Notes by S&P address, *inter alia*:

- (a) the likelihood of full and timely payment to the holders of the Class A Notes of all payments of interest on each Interest Payment Date;
- (b) the likelihood of full and timely payment to the holders of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class X Notes of all payments of interest on each Interest Payment Date where such class is the Most Senior Class of Notes; and
- (c) the likelihood of full and ultimate payment of principal due to the holders of the Notes on or prior to the Final Maturity Date.

The Residual Certificates will not be rated by the Rating Agencies.

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



## The Issuer

### Introduction

The Issuer was incorporated in England and Wales on 4 April 2025 (with registered number 16366768), as a public company with limited liability under the Companies Act 2006 (as amended). The registered office of the Issuer is at 10<sup>th</sup> Floor, 5 Churchill Place, London, E14 5HU, United Kingdom. The telephone number of the Issuer is +44 (0) 203 855 0285.

The share capital of the Issuer is £50,000 divided into 50,000 ordinary shares of £1 each, all of which are issued and paid up (49,999 as to £0.25 each and one fully paid up) and held by Holdings. The entire issued share capital of Holdings is held by CSC Corporate Services (UK) Limited (the "**Share Trustee**") on discretionary trust.

### Principal activities

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

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

Under the Companies Act 2006 (as amended), the Issuer's governing documents may be altered by a special resolution of shareholders.

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

The Issuer has not engaged, since its incorporation, in any material activities nor commenced operations other than those incidental to its registration as a public company under the Companies Act 2006 (as amended) and to the proposed issue of the Notes and Residual Certificates and the authorisation of the other Transaction Documents referred to in this Prospectus to which it is or will be a party and other matters which are incidental and ancillary to the foregoing. The Issuer, as necessary, has made the information filing and fee payment under (i) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation); (ii) Regulation (EU) 2016/679 as it forms part of domestic law in the UK by virtue of EUWA; and (iii) any other applicable laws, regulations and regulatory guidelines relating to or impacting on the processing of data relating to living persons and privacy (including for the avoidance of any doubt, the Data Protection Act 2018) (the "**Data Protection Legislation**"). As at the date of this Prospectus, statutory accounts have not yet been prepared or delivered to the Registrar of Companies on behalf of the Issuer. The accounting reference date of the Issuer is 31 December and the first statutory accounts of the Issuer will be drawn up to 31 December 2025.

There is no intention to accumulate surpluses in the Issuer (other than amounts standing to the credit of the Principal Ledger, the Revenue Ledger, the Pre-Funding Principal Reserve Ledger, the Pre-Funding Revenue Reserve Ledger, the Liquidity Reserve Fund Ledger, the Principal Deficiency Ledger and the Issuer Profit Ledger). The Issuer's ongoing activities principally comprise: (i) the issue of the Notes and the Residual

Certificates (ii) the entering into of the Transaction Documents to which it is expressed to be a party; and (iii) the exercise of related rights and powers and other activities referred to in this Prospectus or reasonably incidental to those activities.

The Issuer has entered into the Transaction Documents to which it is a party for the purpose of making a profit.

The Issuer has no subsidiaries, employees or non-executive directors.

PKF Littlejohn LLP, with its registered office at C/O PKF Littlejohn 15 Westferry Circus, Canary Wharf, London, United Kingdom, E14 4HD, is the auditor of the Issuer. PKF Littlejohn LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practice in England and Wales.

## **Directors and secretary**

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

| <b>Name</b>                  | <b>Business address</b>  | <b>Principal activities</b>          |
|------------------------------|--|--------------------------------------|
| CSC Directors (No.1) Limited | 10 <sup>th</sup> Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director of special purpose vehicles |
| CSC Directors (No.2) Limited | 10 <sup>th</sup> Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director of special purpose vehicles |
| Aline Sternberg              | 10 <sup>th</sup> Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director of special purpose vehicles |

The company secretary of the Issuer is CSC Corporate Services (UK) Limited, whose business address is 10<sup>th</sup> Floor, 5 Churchill Place, London, E14 5HU, United Kingdom.

There are no potential conflicts of interest between any duties of the directors to the Issuer and their private interests and/or other duties.

## Holdings

### ***Introduction***

Holdings was incorporated in England and Wales on 4<sup>th</sup> April 2025 (with registered number 16366354), as a private company with limited liability under the Companies Act 2006 (as amended). The registered office of Holdings is at 10<sup>th</sup> Floor, 5 Churchill Place, London, E14 5HU, United Kingdom.

The issued share capital of Holdings, as at the date of this Prospectus, comprises one ordinary share of £1 (which is fully paid up).

All of the issued share capital of Holdings is held by CSC Corporate Services (UK) Limited (in such capacity, the "**Share Trustee**"). The shares held by the Share Trustee are held under the terms of a discretionary trust established under English law pursuant to the terms of a share trust deed dated 20 May 2025.

### ***Principal activities***

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.

The principal objects of Holdings are, among other things, to acquire and hold, by way of investments or otherwise, and deal in or exploit, in such manner as may from time to time be considered expedient, all or any part of any securities or other interests of or in the Issuer or any other similar vehicle.

Holdings has not engaged in any other activities since its incorporation other than (i) subscribing for or otherwise acquiring the issued share capital of the Issuer; and (ii) those activities 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.

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

The current financial period of Holdings will end on 31 December 2025.

### ***Directors and secretary***

The directors of Holdings and their respective addresses and principal activities are:

| <b>Name</b>                  | <b>Business address</b>  | <b>Principal activities</b>          |
|------------------------------|--|--------------------------------------|
| CSC Directors (No.1) Limited | 10 <sup>th</sup> Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director of special purpose vehicles |
| CSC Directors (No.2) Limited | 10 <sup>th</sup> Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director of special purpose vehicles |
| Aline Sternberg              | 10 <sup>th</sup> Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director of special purpose vehicles |

The company secretary of Holdings is CSC Corporate Services (UK) Limited, whose business address is 10<sup>th</sup> Floor, 5 Churchill Place, London, E14 5HU, United Kingdom.

## **The Seller and the Retention Holder**

LiveMore Investments Limited is a company with limited liability incorporated in England and Wales on 27 November 2019. Its registration number is 12337051 and its registered office is at Threeways House, Clipstone Street, London, England, W1W 5DW.

It is a company whose purpose is, amongst others, the acquisition, holding, management and disposal of participations and any interests, in any form whatsoever, of companies, or other business entities, enterprises or investments, and the acquisition by purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of stock, bonds, debentures, notes, certificates of deposits and any other securities or financial instruments of any kind, and the ownership, administration, development and management of its portfolio.

LiveMore Investments Limited is a direct wholly-owned subsidiary of LiveMore Holdings 2 Limited, which in turn is a direct and wholly-owned subsidiary of LiveMore Holdings Limited, the LiveMore group's holding company. LiveMore Investments Limited is the direct parent company of LMC. As at the date of this Prospectus, LiveMore Investments Limited does not have any employees.

The Retention Holder has not been established for or in contemplation of the issuance of the Notes on the Closing Date (this “**Transaction**”). The Retention Holder is the holding company of a mortgage lender, the Legal Title Holder, which is regulated by the FCA, and which holds the operational infrastructure required for mortgage loan origination and management, together with associated resources. As at 31 March 2025 the Retention Holder has substantial assets of approximately £27.5 million. Furthermore, the Retention Holder has a board of directors and board advisors comprised of sector and product specialists relevant to its mortgage business, and accordingly has its own independent decision-making capacity, in service of its broader business purpose.

**Issuer Account Bank, Principal Paying Agent, Cash Administrator, Registrar, Agent Bank**

Citibank, N.A. is a national association organised under the laws of the United States of America on 17 July 1865 with charter 1461, and has its principal office situated at 388 Greenwich Street, New York, NY10013, USA, and acting through its London branch office situated at Citigroup Centre, 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.

### **The Note Trustee and Security Trustee**

Citicorp Trustee Company Limited (the "**Company**") 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 a company number 235914.

The Company is an indirect wholly-owned subsidiary of Citigroup Inc., a diversified global financial services holding company incorporated in Delaware.

The Company is regulated by the UK's Financial Conduct Authority.

## **The Swap Provider**

### **Nature of business**

Citibank Europe plc was incorporated in Ireland on 9 June 1988 under registration number 132781, is a public company limited by shares with its registered address at 1 North Wall Quay, Dublin 1, Ireland and is authorised by the Central Bank of Ireland as a credit institution and jointly regulated by the Central Bank of Ireland and the European Central Bank. Citibank Europe plc is an indirect wholly-owned subsidiary of Citigroup Inc, a Delaware holding company.

Citibank Europe plc, UK branch, was registered as a branch in the United Kingdom on 20 August 2015 under UK establishment number BR017844. Citibank Europe plc, UK Branch is authorised and regulated by the Central Bank of Ireland, is authorised by the Prudential Regulation Authority and subject to regulation by the Central Bank of Ireland and the Financial Conduct Authority, and limited regulation by the Prudential Regulation Authority.

### **Credit Rating**

The short term unsecured obligations of Citibank Europe plc are rated A-1 by Standard & Poor's Credit Market Services Europe Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited, and the long term unsecured unsubordinated obligations of Citibank Europe plc are rated A+ by Standard & Poor's Credit Market Services Europe Limited, Aa3 by Moody's Investors Service Ltd. and A+ by Fitch Ratings Limited.

### **Admission to trading of securities**

Citibank Europe plc does not have securities admitted to trading on a regulated market or equivalent third country market or SME Growth Market for the purposes of the Prospectus Regulation.

### **No guarantee**

The obligations of Citibank Europe plc under the Swap Agreement will not be guaranteed by Citigroup, Inc. or by any other affiliate.

*The information in the preceding paragraphs is valid solely as at the date of this Prospectus and has been provided solely for use in this Prospectus. Except for the preceding paragraphs of this section, neither Citibank Europe plc nor any of its affiliates accept any responsibility for this Prospectus.*

## **The Originator, the Servicer and the Legal Title Holder**

LiveMore Capital Limited ("LMC") is a company incorporated under the laws of England and Wales on 18 October 2018. Its registration number is 11630369 and its registered office is at Threeways House, Clipstone Street, London, England, W1W 5DW.

It is a company whose purpose is advancing residential Mortgage Loans to borrowers in England, Wales and mainland Scotland. LMC is a wholly owned subsidiary of LiveMore Investments Limited.

LMC holds the relevant authorisations under the FSMA for the following regulated activities (FCA registration number 820578):

- (i) administering a regulated mortgage contract;
- (ii) arranging (bringing about) regulated mortgage contracts;
- (iii) entering into a regulated mortgage contract as a lender;
- (iv) making arrangements with a view to regulated mortgage contracts; and
- (v) agreeing to carry on a regulated activity.

LMC has made the necessary information filing and fee payment (as applicable) under the Data Protection Legislation.

LMC is a direct wholly-owned subsidiary of LiveMore Investments Limited and is the operating business which undertakes all activities in relation to mortgage lending activities, including but not necessarily limited to: sales and marketing, underwriting, mortgage completion and overview and oversight of the Delegated Servicer.

The LiveMore Group, through its ultimate subsidiary LMC, focuses on delivering positive customer outcomes via its range of mortgage products to customers aged 50 to 90+. Focusing on affordability, prudent loan-to-value lending and fast and reliable service, the LiveMore Group's purpose is to serve a market segment in which customers aged 50 to 90+ are generally underserved by mainstream lenders. The LiveMore Group specialises in offering individually underwritten loans supported by an effective service proposition and broad product offering, thereby minimising competition from mainstream lenders (including high street banks) and other lenders. Loans offered by the LiveMore Group are offered through one consistent brand, "LiveMore Mortgages", and are distributed primarily through third-party mortgage intermediaries or LiveMore Group's own mortgage broker, LiveMore Advice Limited. The LiveMore Group underwrites all of its loans in-house, incorporating manual underwriting to determine the credit decisions supported by automated processing tools. At least two of the members of the management body of the LiveMore Group have relevant professional experience in the origination and servicing of exposures similar to those of the Mortgage Loans, at a personal level, of at least five years. Additionally, senior staff, other than members of the management body, who are responsible for managing the LiveMore Group's origination and servicing of the Mortgage Loans, have relevant professional experience in the origination and servicing of exposures of a similar nature to the Mortgage Loans, at a personal level, of at least five years.

LMC delegates day to day servicing of completed Mortgage Loans to Pepper (UK) Limited.



### **The Replacement Servicer Facilitator**

*The information set out below has been obtained from CSC Capital Markets UK Limited. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by CSC Capital Markets UK Limited, no facts have been omitted that would render the reproduced information inaccurate or misleading.*

The role of the Replacement Servicer Facilitator will be performed by CSC Capital Markets UK Limited.

The Replacement Servicer Facilitator has been appointed pursuant to the terms of the Servicing Deed to use its reasonable endeavours to appoint a new Servicer if required.

### **The Corporate Services Provider**

CSC Capital Markets UK Limited (registered number 10780001), having its principal address at 10<sup>th</sup> Floor, 5 Churchill Place, London, E14 5HU, United Kingdom will be appointed to provide corporate services to the Issuer and Holdings pursuant to the Corporate Services Agreement. CSC Capital Markets UK Limited has served and is currently serving as corporate service provider for numerous securitisation transactions and programmes involving pools of mortgage loans.

## The Mortgage Loans

### The Portfolio

#### *Introduction*

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

The Provisional Portfolio was selected by including Retirement Interest only Mortgage Loans, Standard Interest-only Mortgage Loans and Standard Repayment Mortgage Loans originated by LiveMore Capital Limited that had not redeemed in full as of 30 April 2025, with the exception of 1,247 Mortgage Loans which are not compliant with EU or UK STS requirements or which have otherwise been securitised under a separate securitisation transaction.

The Provisional Portfolio has been subject to (i) an agreed upon procedures review on a sample of loans selected from the Provisional Portfolio and (ii) a verification of the conformity of the Mortgage Loans in the Provisional Portfolio with the Loan Warranties that were able to be tested conducted by a third-party and completed on or about 26 May 2025 with respect to the Provisional Portfolio in existence as of 30 April 2025 and the Seller confirms that no significant adverse findings have been found. This independent third party has also performed agreed upon procedures in order to verify that the stratification tables disclosed in respect of the underlying exposures 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 information in the section headed "*Characteristics of the Provisional Portfolio*" has been extracted from the system of the Legal Title Holder and the Delegated Servicer as at 30 April 2025 (the "**Portfolio Reference Date**"), reflecting the Principal Balance of the Mortgage Loans on 30 April 2025 (the "**Provisional Portfolio**"). As at the Portfolio Reference Date, the Provisional Portfolio comprised 1,053 Mortgage Loans with an aggregate Principal Balance of £188,830,974. The Closing Date Portfolio to be sold to the Issuer on the Closing Date will remove any mortgage loans that are no longer eligible or have been redeemed in full as at the Closing Date.

Unless otherwise indicated, the description that follows relates to types of mortgage loans that could be sold to the Issuer as part of the Portfolio as at the Closing Date.

#### *The Portfolio*

The Portfolio from time to time after the Closing Date will comprise Mortgage Loans advanced to the Borrowers secured on residential property situated in England, Wales or Scotland, such Mortgage Loans acquired pursuant to the Mortgage Sale Agreement, other than Mortgage Loans which have been repaid or which have been purchased from the Issuer pursuant to the Mortgage Sale Agreement.

The Portfolio includes only first ranking owner-occupied FCA regulated mortgage loans ("**Regulated Mortgage Loans**") which are either:

- Standard Interest-only Mortgage Loans: mortgages that have a term of between 5 and 40 years, and a contractual monthly interest-only payment;
- Standard Repayment Mortgage Loans: mortgages that have a term of between 5 and 40 years, and a contractual monthly payment comprising of interest and principal;

- Retirement Interest Only Mortgage Loans: mortgages that do not have a fixed term. Instead, the mortgage is repayable on sale of the property, death of the last remaining Borrower, or the last Borrower moving to long-term care. These mortgages have a contractual monthly interest-only payment.

#### *Origination of the Portfolio*

The Portfolio comprises of Mortgage Loans originated by the Legal Title Holder. The Legal Title Holder originates mortgage loans through a number of channels including FCA regulated third-party intermediaries in the UK broker network, packagers and via LiveMore Capital Limited's tied regulated mortgage broker LiveMore Advice Limited.

#### *Security*

All of the Mortgage Loans are secured by a first ranking mortgage or Standard Security.

#### *Interest Rate Types*

The Portfolio consists of Mortgage Loans where the interest rate applicable to that Mortgage Loan is a fixed rate of interest for a specified period from (and including) the date of advance of the relevant Mortgage Loan to the Borrower (the "**Fixed Rate Period**"). Following the Fixed Rate Period, the interest rate that applies to the Mortgage Loans is the LiveMore Variable Rate plus a fixed margin (together the "**Reversionary Rate**").

There may be some Standard Interest-only Mortgage Loans, or Standard Repayment Mortgage Loans in the Portfolio that have a Fixed Rate Period equal to the term of the relevant Mortgage Loan. Additionally, there may be some Retirement Interest only Mortgage Loans that have Fixed Rate Period for the life of the Mortgage Loan (together the "**Fixed For Life Loans**"). In these instances, the Reversionary Rate would not apply over any period of the relevant Mortgage Loan. As at the date of this Prospectus, interest charged on the Mortgage Loans is calculated on a daily basis and debited to the Mortgage Loan on the monthly payment date.

The LiveMore Variable Rate is reset quarterly on 15<sup>th</sup> January, 15<sup>th</sup> April, 15<sup>th</sup> July and 15<sup>th</sup> October. If the date is not a Business day, the rate will be reset on the preceding Business Day. Any change to the rate becomes effective the Business Day following the date on which it is reset. On each reset date, the Legal Title Holder reviews and may reset the LiveMore Variable Rate in response to one or more of the following factors:

- (i) a change in the reference rate since the last review;
- (ii) a change or expected change in the Legal Title Holder's costs of funding the Mortgage Loans since the last review;
- (iii) changes in technology or systems the Legal Title Holder uses that cause costs to change; and
- (iv) where a change in the laws or regulations that apply to the Legal Title Holder require a change to the rate or cause our costs to change.

In the event of a change relating to (i), (ii) or (iii) above, the LiveMore Variable Rate will never be reset to more than 1.00% above the reference rate at the time of review.

The reference rate is the 3 months historic compounded daily SONIA rate published by the Bank of England, rounded up to 2 decimal places.

### **Characteristics of the Mortgage Loans**

#### *Repayment Terms*

Mortgage Loans may combine one or more of the features listed in this section. Overpayments are allowed on all products, although a fee may be charged. See "*Overpayments and Early Repayment Charges*" below.

Mortgage Loans are typically repayable on one of the following bases:

- **"Standard Repayment Mortgage Loan"**: the Borrower is required to make monthly payments of both interest and principal so that, when the Mortgage Loan matures, the entire outstanding amount of the principal of the Mortgage Loan will have been repaid; or
- **"Standard Interest-only Mortgage Loan"**: the Borrower is required to make monthly payments of interest but not of principal so that, when the Mortgage Loan matures, the entire outstanding principal amount of the Mortgage Loan is payable in one lump sum.
- **"Retirement Interest only Mortgage Loan"** : the Borrower is required to make monthly payments of interest but not of principal so that, when i) the security property is sold ii) death of the last remaining Borrower, or iii) the last Borrower moves to long-term care, the entire outstanding principal amount of the Mortgage Loan is payable in one lump sum.

The required monthly payment in respect of the Mortgage Loans may alter from month to month as a result of, inter alia, a variation in interest rates following the end of the fixed rate period, a rescheduling of the Mortgage Loan following the receipt of principal prepayment that has been allocated to the relevant Mortgage Loan, or following the provision of some types of forbearance.

For Standard Interest-only Mortgage Loans, because the outstanding principal is repaid in a lump sum at the maturity of the Mortgage Loan, the Borrower is required to demonstrate a repayment strategy which is acceptable and plausible to the Legal Title Holder. Selling the mortgaged property and downsizing is acceptable, subject to the Borrower having a minimum amount of equity in the property in accordance with the Legal Title Holder's Lending Criteria. The Legal Title Holder will accept other repayment strategies which are considered to be plausible acting as a Prudent Mortgage Lender, including (but not necessarily limited to), inter alia, the sale of a second UK property where there are sufficient funds from the proceeds of such sale to repay the principal at the end of the term. In each case, the Legal Title Holder would require the Borrower to have a minimum amount of equity in the property in accordance with the Lending Criteria. For Retirement Interest only Mortgage Loans, because repayment of the Mortgage Loan is required on i) the sale of the security property ii) death of the last remaining Borrower, or iii) the last Borrower moving to long-term care, the Borrower is not required to demonstrate a repayment strategy and the Legal Title Holder is able to rely on the sale of the security property to repay the principal of the Mortgage Loan.

Early repayments of principal may be made in whole or in part at any time during the term of a Mortgage Loan (including Standard Interest-only Mortgage Loans and Retirement Interest only Mortgage Loans), subject to certain conditions including where appropriate to the payment of any early repayment charges (as described in *"Overpayments and Early Repayment Charges"* below). An early repayment of the entire outstanding balance of a Mortgage Loan discharges the Mortgage. Any early repayment of the principal amount of the Mortgage Loan in full must be made together with all accrued interest, arrears of interest, any unpaid fees and charges and any applicable repayment fee(s).

As with Standard Interest-only Mortgage Loans and Standard Repayment Mortgage Loans, for Retirement Interest Only, the primary obligation is on the Borrower(s) to repay the loan. Repayment options include, but are not necessarily limited to; refinancing with the Legal Title Holder or another lender, repayment using the Borrower(s)' own financial resources or sale of the underlying property. In addition, in the event of default by the Borrower(s), the Legal Title Holder has recourse to the Borrower(s) or in the event of death of the Borrower(s) to their estate.

Borrowers are required to complete a direct debit mandate at the beginning of the term of the Mortgage Loan but various payments methods are available to Borrowers during the term of a Mortgage Loan, including but not necessarily limited to:

- standing order from a bank or building society account;
- credit or debit card payments; or
- bank transfers.

*Product Switches meeting the Product Switch Criteria*

While there is no obligation on the Legal Title Holder to make Product Switches, a Borrower may request or, the Legal Title Holder (or so long as the relevant Mortgage Loan is serviced by a member of the LiveMore Group, the Servicer on behalf of the Legal Title Holder) may in its discretion offer a Borrower a Product Switch from time to time.

A Product Switch Mortgage Loan will be retained in the Portfolio if the following criteria are satisfied on the relevant Product Switch Effective Date (the "**Product Switch Criteria**"):

- (a) the Product Switch Warranties are satisfied in respect of such Product Switch Mortgage Loan and its Collateral Security on the Product Switch Effective Date for such Product Switch Mortgage Loan;
  - (b) where the Product Switch Mortgage Loan is a Relevant Product Switch Mortgage Loan, on or prior to the Interest Payment Date following the Collection Period during which such Product Switch Mortgage Loan has its Product Switch Effective Date and where the Unhedged Relevant Product Switch Mortgage Loans Limit has been exceeded, the Issuer has entered into a Product Switch Interest Rate Swap or effected a Product Switch Interest Rate Swap Adjustment in respect of such Relevant Product Switch Mortgage Loan which meets the following conditions, provided the Issuer may enter into a Product Switch Interest Rate Swap or Product Switch Interest Rate Swap Adjustment in respect of more than one Relevant Product Switch Mortgage Loan, in which case the Product Switch Swap Conditions shall apply to the Relevant Product Switch Mortgage Loans hedged by such Product Switch Interest Rate Swap or Product Switch Interest Rate Swap Adjustment:
    - (i) the notional amount profile of any Product Switch Interest Rate Swap(s) entered into in respect of one or more Relevant Product Switch Mortgage Loans, or the adjusted notional amount profile of any Swap Transaction(s) in respect of which a Product Switch Interest Rate Swap Adjustment will be effected, in either case, as required to reflect the inclusion of such Relevant Product Switch Mortgage Loans in the Portfolio, must be equal to the expected repayment profile of the Relevant Product Switch Mortgage Loans being hedged using the same CPR assumption as the Initial Interest Rate Swaps(s), or, if the Issuer (or the Seller on behalf of the Issuer) determines, a lower CPR assumption;
    - (ii) no separately payable upfront premium or fee is due or payable by the Issuer or the Swap Provider to reflect such Product Switch Interest Rate Swap Adjustment or in consideration of the entry into a new Product Switch Interest Rate Swap; and
    - (iii) the spread between (A) the weighted average interest rate of the Relevant Product Switch Mortgage Loans being hedged by such Product Switch Interest Rate Swap or Product Switch Interest Rate Swap Adjustment and (B) in the case of a new Product Switch Interest Rate Swap, the Swap Fixed Rate of that Swap Transaction, or, in the case of a Product Switch Interest Rate Swap Adjustment, the fixed rate agreed between the Issuer and the Swap Provider that would apply in respect of a new fixed / floating interest rate swap with a notional amount profile that mirrors the expected repayment of the Relevant Product Switch Mortgage Loans determined in accordance with sub-paragraph (i) above and is the basis on which the Product Switch Interest Rate Swap Adjustment is made, is not less than 1.65 per cent.,
- together, the "**Product Switch Swap Condition**",

- (c) immediately following the applicable Product Switch, where the Product Switch Mortgage Loan is a variable rate mortgage loan, the margin of the Product Switch Mortgage Loan is not less than 1.65 per cent. over the LiveMore Variable Rate as determined as at the most recent Interest Determination Date;
- (d) following a Product Switch (i) the Current Balance of the Product Switch Mortgage Loan is not greater than the Current Balance of such Product Switch Mortgage Loan immediately prior to the Product Switch Effective Date, (ii) the final maturity date of the Product Switch Mortgage Loan is the same as the final maturity date of such Product Switch Mortgage Loan immediately prior to the Product Switch Effective Date (except in the case of Retirement Interest only Mortgage Loans, provided that they remain a Retirement Interest only Mortgage Loan following the Product Switch Effective Date), provided that no Product Switch from a Standard Interest-only Mortgage Loan to a Retirement Interest only Mortgage Loan is permitted<sup>2</sup>, (iii) the Product Switch Mortgage Loan was not in Arrears at the time of the Product Switch Effective Date, (iv) the Monthly Payment for a Product Switch Mortgage Loan is equal to or lower than the Monthly Payment that the Borrower would have paid if the interest rate applicable to the Product Switch Mortgage Loan were the Reversionary Rate, and (v) the identity of the Borrower(s) of the Product Switch Mortgage Loan remains the same as the Borrower(s) of such Product Switch Mortgage Loan immediately prior to the Product Switch Effective Date;
- (e) the Product Switch Mortgage Loan is not a Standard Interest-only Mortgage Loan unless it was a Standard Interest-only Mortgage Loan immediately prior to becoming a Product Switch Mortgage Loan, provided that no Product Switch from a Standard Interest-only Mortgage Loan to a Retirement Interest only Mortgage Loan is permitted;
- (f) the aggregate Current Balance of the Product Switch Mortgage Loans in the Portfolio does not exceed 15 per cent. of the Initial Outstanding Balance; and
- (g) the Product Switch does not occur after the Optional Redemption Date.

In accordance with the terms of the Mortgage Sale Agreement, on the Business Day immediately prior to a repurchase by the Seller, the Legal Title Holder (or the Servicer on behalf of the Legal Title Holder) will be required to provide the Issuer with a Product Switch Notice detailing each Product Switch Mortgage Loan and its Collateral Security completed in the immediately preceding calendar month for the purposes of recording the details of such Product Switch Mortgage Loan and ensuring compliance with the Product Switch Criteria. If the Product Switch Criteria is satisfied in respect of a Product Switch Mortgage Loan on the relevant Product Switch Effective Date (as certified in the relevant Product Switch Notice), such Product Switch Mortgage Loan will be retained in the Portfolio, unless the Seller elects to repurchase such Product Switch Mortgage Loan. If the Seller elects to repurchase a Product Switch Mortgage Loan which complies with the Product Switch Criteria, the Seller should specify this in the relevant Product Switch Notice and the repurchase shall occur no later than the 11th Business Day of the calendar month following its Product Switch Effective Date.

Notwithstanding anything to the contrary in any Transaction Document, the Swap Provider shall not be responsible for confirming or verifying any of the Product Switch Criteria listed at sub-paragraphs (a) to (h) above. Any Product Switch Interest Rate Swap entered into by the Issuer will constitute a Swap Transaction notwithstanding any breach of the Product Switch Criteria.

*Further Mortgage Advances and Product Switches which do not meet the Product Switch Criteria*

While there is no obligation on the Legal Title Holder under the Mortgage Conditions or the Mortgage Loan Agreements in respect of the Mortgage Loans comprising the Portfolio to make Further Mortgage Advances or grant Product Switches, a Borrower may request or the Legal Title Holder may in its discretion offer a Borrower,

a Product Switch or Further Mortgage Advance from time to time. Should a Product Switch or a Further Mortgage Advance be agreed in relation to any Mortgage Loan, following an application by the Borrower or an offer by the Legal Title Holder (or the Servicer on its behalf):

(a) in respect of a Further Mortgage Advance, the Legal Title Holder agrees that an advance pursuant to a Further Mortgage Advance must be made to a Borrower as a result of (i) the Legal Title Holder having determined that the relevant Borrower satisfies any conditions under the relevant Mortgage Conditions, or (ii) as required by any applicable law, in which case the Legal Title Holder shall serve a Repurchase Notice requiring the Seller to repurchase the related Mortgage Loan and the Collateral Security in accordance with the terms of the Mortgage Sale Agreement on the date the Further Mortgage Advance is being made; and

(b) in respect of a Product Switch, on the Business Day immediately before the repurchase occurs, the Legal Title Holder (or the Servicer on behalf of the Legal Title Holder) shall provide the Issuer with a Product Switch Notice detailing each Product Switch Mortgage Loan and its Collateral Security completed in the immediately preceding calendar month. The Legal Title Holder (or the Servicer on its behalf) shall certify in the Product Switch Notice whether or not the relevant Product Switch Mortgage Loans satisfies the Product Switch Criteria. Following receipt of a Product Switch Notice, the Issuer (or the Servicer on its behalf) shall serve upon the Seller (with a copy to the Security Trustee) a Repurchase Notice requiring the Seller to repurchase each Product Switch Mortgage Loan (and its Collateral Security) which is identified in the Product Switch Notice as not satisfying the Product Switch Criteria and such repurchase shall occur no later than the 11th Business Day of the following calendar month.

### *Porting*

Certain of the Mortgage Conditions incorporate a portability facility, which allows the Borrower to transfer the Mortgage Loan balance at the same interest rate to a new property under the existing loan agreement subject to certain conditions being met to the satisfaction of the Legal Title Holder, including (i) the new Property creates satisfactory security, and (ii) the Borrower meets the Legal Title Holder's criteria for porting applicable at the time. In the twelve months preceding the date of this Prospectus, none of the Mortgage Loans have ported. Under the Mortgage Conditions of certain of the Mortgage Loans, upon application of a Borrower, the Legal Title Holder may grant to such Borrower a loan on substantially the same commercial terms as the existing Mortgage Loan between the Legal Title Holder and the Borrower but such new loan will be secured by a new mortgage on a different property to that on which the Mortgage with respect to the Mortgage Loan was secured. The "portable" feature of the Mortgage Loan as set out in the Mortgage Conditions allows a Borrower to redeem its existing Mortgage Loan and thereafter enter into substantially similar commercial terms with respect to a different property and is designed to be used where a Borrower wishes to sell the property that the Mortgage Loan is secured on and purchase a new property.

### *Forbearance*

In certain circumstances following payment shortfalls or expected payment shortfalls on the Mortgage Loan of a relevant Borrower (which may include a Vulnerable Borrower (as defined herein)) such Borrower(s) may be offered some degree of forbearance arrangement on the Mortgage Loan for a period of time, taking into account the FCA's rules and guidance where relevant. Forbearance is an arrangement to manage the satisfactory repayment of a Mortgage Loan, which will differ from the originally scheduled repayment profile and the means by which any forbearance may be offered are referred to as "forbearance tools".

The Servicer (or the Delegated Servicer on its behalf) shall assess and provide any forbearance in accordance with its Arrears and Account Management Policy applicable at such time. As at the date of this Prospectus, the Arrears and Account Management Policy in respect of Regulated Mortgage Loans contains a number of measures dependent on the circumstances of the relevant Borrower(s). The forbearance generally can be broken



down into two categories "short term difficulties" and "long term difficulties" and the various forbearance tools which may be offered pursuant to these categories are as set out below:

- (a) "short term difficulties" – where the relevant Borrower experiences issues in the short term with their ability to make payments on the Mortgage Loan which could typically impact such Borrower's ability to make repayments on the Mortgage Loan for up to 6 months. The forbearance tools which may be employed in the "short term difficulties" category include, but are not necessarily limited to, the following:

- (i) concessionary arrangement;
- (ii) change of monthly repayment date;
- (iii) switch to interest only repayment for a period of time; and
- (iv) a payment break.

Once the Borrower has recovered from their payment difficulties, the tools which may be employed to repay any remaining arrears include, but are not necessarily limited to the following:

- (i) formal and informal payment plan; and
- (ii) capitalisation of arrears.

In circumstances where the Borrower was reasonably expected to be able to return to the original repayment schedule in a time frame of longer than 6 months, a payment break of longer than six months may be considered.

Payment breaks can be requested by a Borrower pursuant to the Terms and Conditions of the Mortgage Loans (as to which see "*Risk Factors – Risks relating to the underlying assets – Contractual Payment Holidays*"). Payment breaks not included in the foregoing category ("**Non-Contractual Payment Breaks**") may be used as a forbearance tool, including in instances where the last remaining Borrower has died or moved to long term care. 0.00 per cent. of the Provisional Portfolio by aggregate Principal Balance comprises Mortgage Loans that are subject to Non-Contractual Payment Breaks. 0.01 per cent. of the Provisional Portfolio by aggregate Principal Balance comprises Mortgage Loans where the last remaining Borrower has died, whilst 0.00 per cent. of the Provisional Portfolio by aggregate Principal Balance comprises Mortgage Loans where the last remaining Borrower has moved to long term care.

- (b) "long term difficulties" – where the payment difficulties of the Borrower are likely to continue with no reasonable expectation of a return to the original repayment schedule in respect of the Mortgage Loan. In this scenario, the forbearance tools which may be employed include, but are not necessarily limited to the following:

- (i) informal payment plan whilst longer term solutions are considered including refinancing options;
- (ii) a switch to a partial or full interest roll up basis;
- (iii) an assisted voluntary sale of the security; and
- (iv) in cases where the Borrower is not co-operating, as a last resort litigation, and repossession and sale of the security.

The terms and conditions of the Mortgage Loans may permit Borrowers who find themselves in financial difficulty following an unexpected change in their circumstances to request a single contractual payment break of up to six months in certain circumstances. These include:

- (i) if there is more than one person named as a Borrower on the Mortgage Loan, and one of the Borrowers moves into long term care, has a terminal illness, or dies and this results in financial difficulty for the remaining Borrower; and
- (ii) in respect of Retirement Interest only Mortgage Loans, the youngest or sole Borrower is aged 85 or over and is in financial difficulty.

If a contractual payment break is provided, at the end of the payment break, suspended interest payments can either be capitalised and the monthly interest payment recalculated, or, paid by the Borrower as a lump sum.

Pursuant to the Mortgage Loan Conditions, upon the death or move to long term care of a sole Borrower or the last remaining Borrower in the case of joint Borrowers, the Mortgage Loan is required to be repaid within a 12-month period and the Mortgage Loan may be provided with forbearance in the form of non-contractual payment break for some or all of that period. If such a payment break is provided and payments are not made in respect of the Mortgage Loan, the missed payments would not be categorised as arrears.

The Servicer may update its Arrears and Account Management Policy from time to time in accordance with the standards of a Prudent Mortgage Lender. In so doing the Servicer shall adhere to the then current regulatory requirements imposed by and/or guidance issued by, without limitation, the FCA and FSMA. See the section entitled "*Risk Factors – Legal Title Holder and Servicer Risks– Consumer Protection from Unfair Trading Regulations 2008*" for further details.

**"Vulnerable Borrower"** means a Borrower who, in accordance with the Legal Title Holder's policies and procedures, is identified as "vulnerable" due to their personal circumstances and is especially susceptible to detriment.

#### *Overpayments and Early Repayment Charges*

**"Overpayments"** - Overpayments are allowed on all products (although, Early Repayment Charges may be payable, as to which see below). Borrowers may either increase their regular monthly payments above the normal monthly payment then applicable or make lump sum payments at any time. There is no limit to the amount of Overpayments that a Borrower can make.

For the Mortgage Loans in the Portfolio, if Borrowers pay more than the scheduled monthly payment then such Overpayment will be applied towards any monthly payment arrears first and then any balance will be applied as a capital reduction. Capital reductions are applied once the amount of any Overpayment exceeds a threshold amount unless otherwise agreed between the Delegated Servicer and Borrower(s).

**"Early Repayment Charges"** - the Borrower will be required to pay an early repayment charge if certain events occur during the relevant early repayment charge period and the Servicer (or Delegated Servicer on its behalf) has not waived or revised its policy with regards to the payment of early repayment charges. These events include a full or partial unscheduled repayment of principal (above any over payment allowance provided in the relevant product) within any Fixed Rate Period where an early repayment charge applies. As at the date of this Prospectus, for the 12 months following the start date of the Mortgage Loan, Borrowers are able to make early repayments of principal up to a threshold amount of 10% of the loan balance at the start date without incurring an early repayment charge. For the 12 months following each anniversary of the Mortgage Loan thereafter, Borrowers are able to make early repayments of principal up to a threshold amount of 10% of the loan balance at the previous anniversary, without incurring an early repayment charge.

#### *Title to the Portfolio*

Pursuant to and under the terms of the Mortgage Sale Agreement, the Seller will transfer to the Issuer the equitable or (in respect of the Scottish Mortgage Loans) beneficial title to the Mortgage Loans and their Collateral Security. In the case of the Scottish Mortgage Loans, this will involve the Seller requesting that the

Legal Title Holder enters into a Scottish Declaration of Trust in favour of the Issuer. The Legal Title Holder has agreed to transfer legal title to the Mortgage Loans and the Collateral Security to the Issuer, and the Issuer has undertaken to seek the transfer of legal title, only following the occurrence of a Perfection Event (as set out below).

None of the above-mentioned transfers to the Issuer is to be completed by registration at the Land Registry or the Registers of Scotland (as the case may be) or notice given to the relevant Borrowers or (in relation to Scottish Mortgage Loans in the Portfolio and their Collateral Security) execution and delivery of assignments of such Mortgage Loans and Collateral Security until the occurrence of one of the events set out below. The English Mortgage Loans in the Portfolio and their Collateral Security are accordingly owned in equity only by the Issuer pending such registration and notification and the Scottish Mortgage Loans in the Portfolio and their Collateral Security are accordingly held on trust for the Issuer under each Scottish Declaration of Trust pending execution and delivery of such assignments and such registration and notification. Legal title in the Mortgage Loans and their Collateral Security will continue to be vested in the Legal Title Holder until the occurrence of a Perfection Event. In the case of the Mortgage Loans secured over registered land in England or Wales or registered or recorded land in Scotland which will be transferred to the Issuer on the Closing Date, the Legal Title Holder has agreed to remain on the Land Registry or the Registers of Scotland, as applicable, as the legal mortgagee or as heritable creditor, as applicable. Following the occurrence of a Perfection Event, the Legal Title Holder has agreed, in the Mortgage Sale Agreement, to transfer legal title to the Issuer, which transfer will be perfected by steps including filing forms and assignments of Standard Securities at the Land Registry or the Registers of Scotland and notifying the Borrower of such transfer, as applicable, to the Issuer.

The Issuer will grant a first fixed charge in favour of the Security Trustee over its interest in the Mortgage Loans (being, in respect of the Scottish Mortgage Loans, an assignment in security of its interest in and to each Scottish Declaration of Trust and the trust constituted thereunder).

Save as mentioned below, the Security Trustee has undertaken not to effect any registration at the Land Registry or the Registers of Scotland (as the case may be) to protect the sale of the Mortgage Loans to the Issuer or the granting of security over the Mortgage Loans by the Issuer in favour of the Security Trustee nor, save as mentioned below, to obtain possession of Title Deeds to the properties the subject of the Mortgage Loans.

Notices of the equitable assignments or declarations of trust in favour of the Issuer and the security in favour of the Security Trustee will not, save as mentioned below, be given to the Borrowers under the Mortgage Loans.

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

- (a) the occurrence of an Insolvency Event occurring in relation to the Legal Title Holder or the Seller; or
- (b) the Legal Title Holder being required to perfect legal title to the Mortgage Loans (i) by law; (ii) by an order of a court of competent jurisdiction; or (iii) by a regulatory authority which has jurisdiction over the Legal Title Holder; or
- (c) the Legal Title Holder calling for perfection by serving notice in writing to that effect on the Issuer and the Security Trustee; or
- (d) the occurrence of a Servicer Termination Event where a replacement servicer has not been appointed in accordance with the Servicing Deed; or
- (e) the Legal Title Holder or the Seller defaults in the performance or observance on any of its covenants or obligations under the Transaction Documents, and the Servicer does not remedy that failure within 30 Business Days after the earlier of the Legal Title Holder or the Seller (as applicable) becoming aware of

the failure or of receipt by the Legal Title Holder or the Seller (as applicable) of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee requiring the Legal Title Holder's or the Seller's (as applicable) non-compliance to be remedied; or

- (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 (acting reasonably), in jeopardy; or
- (g) the delivery of an Enforcement Notice by the Note Trustee on the Issuer; or
- (h) it becoming unlawful in any applicable jurisdiction for the Legal Title Holder to hold legal title in respect of any Mortgage Loan or its Collateral Security in the Portfolio; or
- (i) a Severe Deterioration Event in respect of the Legal Title Holder or the Seller.

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

**"Severe Deterioration Event"** means all or any part of the property, business, undertakings, assets or revenues of the Legal Title Holder or the Seller having an aggregate value in excess of 20 per cent. of the same having been attached as a result of any distress, execution or diligence being levied or any encumbrancer taking possession or similar attachment and such attachment having not been lifted within 30 days.

#### *Warranties and Breach of Warranties in relation to the Mortgage Loans*

The Mortgage Sale Agreement contains certain representations and warranties given by the Seller in favour of the Issuer and the Security Trustee in relation to the Mortgage Loans in the Portfolio and their Collateral Security sold to the Issuer pursuant to the Mortgage Sale Agreement.

No searches, enquiries or independent investigation of title of the type which a prudent purchaser or mortgagee would normally be expected to carry out have been or will be made by the Issuer. The Issuer will rely entirely on the benefit of the representations and warranties given to it by the Seller under the Mortgage Sale Agreement.

If there is an unremedied material breach of any of the Loan Warranties given under the Mortgage Sale Agreement then the Seller will be required to repurchase the relevant Mortgage Loan pursuant to the Mortgage Sale Agreement for consideration in a cash payment and the cash payment amount is equal to the Principal Balance of the relevant Mortgage Loans (excluding Collection Costs) as at the date of repurchase together with accrued but unpaid interest in that month up to and including the date falling immediately prior to the repurchase date, together with an amount equal to all other non-interest amounts due and unpaid (but not capitalised) under such Mortgage Loans.

#### **Lending Criteria**

As at the date of this Prospectus, the Legal Title Holder offers a number of different products, including but not limited to first ranking Standard Interest-only Mortgage Loans, Standard Repayment Mortgage Loans, Retirement Interest only Mortgage Loans and equity release mortgage loans.

The Mortgage Loans comprised in the Portfolio will consist only of Standard Interest-only Mortgage Loans, Standard Repayment Mortgage Loans and Retirement Interest only Mortgage Loans secured by (in the case of English Mortgage Loans) a first charge or (in the case of Scottish Mortgage Loans) a first ranking Standard Security against residential properties located in England or Wales (in the case of English Mortgage Loans) or

Scotland (in the case of Scottish Mortgage Loans). All relevant Borrowers are required to have (in respect of an English Mortgage Loan) good and marketable title or (in respect of a Scottish Mortgage Loan) valid and marketable heritable or long lease title to the relevant Property free from any encumbrance (except the relevant Mortgage or Standard Security and the first charge or first ranking Standard Security) which would adversely affect such title.

All residential property types in England, Wales and mainland Scotland, including the Isle of Wight and Anglesey, are considered as security, subject to meeting the Legal Title Holders property eligibility criteria. Any leasehold property must have a leasehold term at least equal to 90 years for Retirement Interest Only Mortgage Loans and 95 years for Standard Interest-only Mortgage Loans and Standard Repayment Mortgage Loans.

The Legal Title Holder lends to individuals. It is a requirement to verify identification and residency for every Borrower for customer due diligence purposes. Whilst the Legal Title Holder does not lend internationally, customers may be nationals of non-UK countries who are residents in the UK and who hold a permanent right to reside or a UK spousal visa. The Legal Title Holder does not conduct any business with persons listed on international sanctions lists (unless by express permission of the relevant supervisory body such as HM Treasury in the UK). For the avoidance of doubt, as at the date of this Prospectus, the Legal Title Holder has not sought such permission and does not conduct any business with persons listed on international sanctions lists. Such sanctions lists include, *inter alia*, HM Treasury, the EU, the Office of Foreign Assets and Controls ("OFAC") and the United Nations ("UN").

The maximum loan amount permitted by the Legal Title Holder is £3,000,000. The maximum term is not more than 40 years in respect of Standard Repayment Mortgage Loans or Standard Interest-only Mortgage Loans. Retirement Interest only Mortgage Loans do not have a specified maximum term. Instead Retirement Interest only Mortgage Loans are repayable on sale of the security property, death or move to long term care of the last remaining Borrower. The minimum age of Borrowers at the time of application is 50 for single Borrowers, or 40 in the case of joint Borrowers subject to the eldest Borrower being aged 50 or over.

One of the key principles of the Legal Title Holder's Lending Criteria is that Borrower(s) can continue to make payments after their expected retirement age, where the loan term extends into retirement. The Legal Title Holder's detailed affordability assessment considers current and future Mortgage Loan affordability taking into consideration current income sources, and future income sources for the term of the loan (in the case of Standard Repayment Mortgage Loans and Standard Interest-only Mortgage Loans), or the expected mortality in the case of Retirement Interest only Mortgage Loans. Additionally, for Retirement Interest only Mortgage Loans, or both Standard Repayment Mortgage Loans and Standard Interest-Only Mortgage Loans where the Borrower age at mortgage maturity is above 80, affordability is considered following the death of either Borrower in the case of joint Borrowers. If an application does not pass the Legal Title Holder's detailed affordability assessment through all stages of the loan, it will be declined. If the application would pass the affordability assessment for an alternative option (for example a different product or a reduced loan amount), these will be presented to the Broker.

There is no maximum age of Borrowers at the maturity of the Mortgage Loan. There is no maximum age of Borrowers for Retirement Interest only Mortgage Loans as these Mortgage Loans do not have a set maturity date.

The Legal Title Holder accepts a range of income sources through the various life stages of a Borrower. These include, but are not limited to, employed and self-employed income, pensions (including but not limited to state pension, defined benefit pension and defined contribution pension), investment income, rental income, fostering income, benefit income and maintenance payments. In addition to these income streams, the Legal Title Holder can accept assets to support affordability. Assets can either be converted into income streams or be used to pay

down mortgage balances. Acceptable asset types include pension assets, financial investments, other property (non buy-to-let), cash savings and life insurance. Haircuts to certain income streams and assets to support affordability are applied.

Applicants are asked to disclose how they intend to maintain Mortgage Loan payments up to and into retirement. The amounts disclosed are verified through collection of traditional evidence (including but not necessarily limited to payslips, bank statements, SA302s). Each applicant is required to advise, as part of the application process, the age at which they intend or expect to retire. Where pension income is intended to be used post-retirement then the Legal Title Holder will require evidence of the pension amount, or for private pension schemes, to disclose the current fund value together with the amounts of any ongoing contributions.

The Legal Title Holder's Lending Criteria includes maximum loan to value ratios for its products. The loan to value for eligibility purposes is calculated by dividing the principal balance (excluding any capitalised fees) by the open market value of the security property. The maximum loan to value is 75 per cent for Standard Interest-only Mortgage Loans, 85 per cent. for Standard Repayment Mortgage Loans and 75 per cent. for Retirement Interest Only Mortgage Loans (excluding any amounts added to the Mortgage Loan in respect of fees). The Provisional Portfolio includes Mortgage Loans with an original loan to value up to 85.47 per cent. Valuations are carried out in accordance with a valuation methodology as would be acceptable to a Prudent Mortgage Lender.

The Legal Title Holder operates an underwriting mandate structure with applications meeting certain criteria being required to be reviewed by relevant mandate holders. These criteria include loan to value, loan size, credit score and the use of certain income or asset types.

#### *Homogeneity*

The Mortgage Loans comprised in the Provisional Portfolio as at the Portfolio Reference Date are homogeneous for the purposes of SECN 2.2.9R, on the basis that all such Mortgage Loans: (i) have been underwritten by the Legal Title Holder in accordance with similar underwriting standards applying similar approaches with respect to the assessment of a potential borrower's credit risk; (ii) are serviced by the Servicer pursuant to the Servicing Deed in accordance with the same servicing procedures with respect to monitoring, collections and administration of cash receivables generated from such Mortgage Loans (iii) are all first charge mortgage loans; and (iv) form one asset category, namely residential loans secured with one or several mortgages or standard securities on residential immovable property in England, Wales and Scotland.

The Mortgage Loans comprised in the Portfolio as at the Portfolio Reference Date do not include (i) any transferable securities for the purposes of SECN 2.2.9R(5); (ii) any securitisation positions for the purposes of SECN 2.2.10R; or (iii) derivatives for the purposes of SECN 2.2.16R. Any Ported Mortgage Loans included in the Portfolio following the Closing Date will not include (i) any transferable securities for the purposes of SECN 2.2.9R(5); (ii) any securitisation positions for the purposes of SECN 2.2.10R; or (iii) derivatives for the purposes of SECN 2.2.16R.

#### *Underwriting*

For Regulated Mortgage Loans, the underwriting stage consists of a detailed individualised credit, affordability and repayment assessment, which the Legal Title Holder and the Seller believes provides them with a thorough understanding of each loan application. In the underwriting process, the Legal Title Holder focuses on affordability, being the ability of the loan applicant to service and repay the requested loan through its term, or in the case of Retirement Interest only Mortgage Loans either a) through to the estimated maturity date being the estimated mortality date of the last remaining Borrower, or b) in the case where the Fixed Rate Period is greater than the estimated mortality date of the last remaining Borrower, one year after the end of the Fixed Rate Period. Affordability is assessed taking into account income and outgoings through the various life stages

of each of the Borrowers, including understanding when each of the applicants transition from employment to retirement and in the case of the Retirement Interest only Mortgage Loans with joint borrowers, or both Standard Repayment Mortgage Loans and Standard Interest-Only Mortgage Loans with joint Borrowers where the Borrower age at mortgage maturity is greater than 80, on the first death of each of the Borrowers. Additionally, consideration is given to minimum equity requirements and the repayment strategy in the case of Standard Interest-only Mortgage Loans, and security (being the adequacy of the property which will serve as security for the Mortgage Loan). An assessment is also made of the applicant's credit history and credit worthiness.

To ensure strict compliance with underwriting guidelines, the Legal Title Holder has in place mandate and authorisation controls, a staff training and competency program as well as quality assurance sampling procedures. The Legal Title Holder calculates the loan amount that an applicant can afford on the basis of an assessment of the main components of income and expenditure through the life of the Mortgage Loan, or the Borrower in the case of Retirement Interest only Mortgage Loans. This affordability assessment includes allowance for any known committed expenditure such as other credit facilities and includes a monthly contingency for unexpected expenditure during the relevant Fixed Rate Period, and stresses on the Reversionary Rate during the Reversionary Rate period. Proof of income, typically in the form of payslips, an employer reference, an accountant's certificate or tax calculation in the case of self-employed applicants, pension statements (where pension income is or will be used by the applicant), or evidence of acceptable financial investment to be included in the affordability assessment, is required. Income and expected expenditure are assessed for both plausibility and sustainability. The Legal Title Holder's determination of the adequacy of proposed security is based on the valuation of the security property. For additional information on the Legal Title Holder's approach to the valuation of properties, see the section entitled "*Valuations*" below.

Unlike many lenders who principally rely on a scorecard or other automated processes in making their lending decisions, the Legal Title Holder primarily relies on a detailed and personalized underwriting process, which includes an in-depth assessment of a Borrower's individual financial circumstances. Each Mortgage Loan application is individually reviewed by an underwriter, who is overseen by a team leader. Each underwriter is provided with comprehensive training. The Legal Title Holder, as lender of record in respect of the Mortgage Loans with the benefit of the Collateral Security, and the Servicer of the Mortgage Loans may vary the relevant Lending Criteria in a manner as would be acceptable to a Prudent Mortgage Lender.

### *Valuations*

All properties must be physically valued by a Panel Valuer having knowledge of the location of the property and holding one of the following qualifications: AssocRICS, MRICS, FRICS. All valuations must be completed in accordance with the rules and guidance published in the RICS Valuation – Global Standards ("**Red Book**"). The valuation report must include;

- open market valuation for mortgage purposes
- construction details
- saleability, including local market factors
- property condition
- any specialist reports required
- comparable property sales within set criteria within the last six months
- photographs of bathroom, kitchen, front and rear elevations and the street view

Valuations must be dated within the last six months of the Mortgage Loan completion date, otherwise an updated valuation is required.

In a limited number of cases, a cash valuation of the Property in respect of a relevant Mortgage Loan has been received by a Panel Valuer. In these instances, the maximum loan to value accepted by the Legal Title Holder would be 40% (excluding any fees added to the Mortgage Loan).

No revaluation of any Property has been undertaken by any person in respect of the issue of the Notes and the valuations quoted for all Mortgage Loans in the Provisional Portfolio were undertaken no earlier than 7 months prior to the date of the original initial Mortgage Loan origination.

#### *Servicing of the Portfolio*

The Servicer will be required from the Closing Date to service the Portfolio as an agent of the Issuer and the Security Trustee under and in accordance with the terms of the Servicing Deed. The Servicer will delegate day to day management of the Portfolio to the Delegated Servicer, with all key decisions in relation to the Mortgage Loans, including arrears management, agreed by the Servicer, see further section *The Originator, the Servicer and the Legal Title Holder*). The duties of the Servicer or the Delegated Servicer in respect of the Mortgage Loans they service will include, amongst other things:

- operating the Collection Account and ensuring that payments are made into and from the Collection Account in accordance with the Servicing Deed;
- notifying the Borrowers of any change in their monthly payments;
- arranging payments required to be made by the Servicer in accordance with the Transaction Documents;
- keeping records and books of account on behalf of the Issuer in relation to the Mortgage Loans and their related Mortgages and other Collateral Security;
- providing a redemption statement upon the request of a Borrower or the Borrower's solicitor or licensed or qualified conveyancer;
- taking all reasonable steps to recover all sums due to the Issuer, including by the institution of proceedings and/or the enforcement of any Mortgage or any Collateral Security;
- in respect of each Additional Sale Date to confirm whether or not each Additional Mortgage Loan to be sold on the relevant Additional Sale Date satisfies the Additional Mortgage Loan Criteria as at the related Additional Mortgage Loan Cut-Off Date, promptly upon receipt of an Additional Mortgage Loan Sale Notice from the Seller pursuant to the Mortgage Sale Agreement; and
- taking all action and doing all such things as would be reasonable to expect a Prudent Mortgage Lender to do in administering its mortgages in compliance with laws, regulations and guidance (including where required, the provision of forbearance).

#### *Enforcement Procedures*

The Servicer has established procedures for managing Mortgage Loans which are in arrears, including early contact with Borrowers in order to understand the reason and to find a solution to any financial difficulties they may be experiencing. These procedures may vary, from time to time, in accordance with the practice of a Prudent Mortgage Lender, to comply with law, regulation or guidance or with the consent of, *inter alia*, the Issuer and the Security Trustee. The procedures are required to be used by the Servicer in respect of arrears arising on the Mortgage Loans. For information relating to the servicing of the loans contained in the Portfolio, and the enforcement procedures carried out in relation thereto, see further the section entitled "*Summary of the Key Transaction Documents–Servicing Deed*".

In order to realise its security in respect of a Property, the relevant mortgagee or, as applicable, heritable creditor (be it the legal owner (the Legal Title Holder), the equitable or, as the case may be, the beneficial owner (the



Issuer), the Security Trustee or its appointee (if the Security Trustee has taken enforcement action against the Issuer)) will need to obtain possession. Possession is predominantly taken by following the applicable court proceedings and obtaining a court order. A Borrower may voluntarily surrender the property and in rare cases the property may be taken into possession by way of abandonment.

If a mortgagee or, as applicable, heritable creditor takes physical possession, it will, as mortgagee or, as applicable, heritable creditor in possession, have an obligation to account to the Borrower for the income obtained from the Property, including sale proceeds, be liable for any damage to the Property, have a limited liability to repair the Property and, in certain circumstances, may be obliged to make improvements.

Actions for possession are regulated by statute and the courts have certain powers to adjourn possession proceedings, to stay any possession order or postpone the date for delivery of possession. The court will exercise such powers in favour of a Borrower, broadly, where it appears to the court that such Borrower is likely to be able, within a reasonable period, to pay any sums due under the Mortgage Loan or to remedy any default consisting of a breach of any other obligation arising under or by virtue of the Mortgage Loan and/or Mortgage. It is also possible that legislative and/or regulatory direction or guidance may be issued to suspend repossessions or direct the way in which repossessions should take place (such as the actions taken during the COVID-19 pandemic) and the Servicer will, where required, be obliged to comply with and take into account such legislative and/or regulatory direction or guidance where applicable.

The court has a very wide discretion and may adopt a sympathetic attitude towards a Borrower faced with eviction. If a possession order or decree in favour of the relevant mortgagee or, as applicable, heritable creditor is granted, it may be suspended to allow the Borrower more time to pay. Once possession of the Property has been obtained, the relevant mortgagee or, as applicable, heritable creditor has a duty to the Borrower to take reasonable care to obtain a proper and fair price for the Property within a reasonable time. Any failure to do so will put the relevant mortgagee or, as applicable, heritable creditor at risk of an action for breach of such duty by the Borrower, although it is for the Borrower to prove breach of such duty. There is also a risk that a Borrower may also take court action to force the relevant mortgagee or, as applicable, heritable creditor to sell the Property within a reasonable time. The Servicer will apply the net proceeds of sale of the mortgaged property against the sums owed by the Borrower to the extent necessary to discharge the mortgage including any accumulated fees and interest. At this point the Servicer will close the Borrower's account. However, the Borrower remains liable for any deficit remaining after the mortgaged property is sold. The Servicer may pursue the Borrower to the extent of any deficiency resulting from the sale or may write off the balance in accordance with the Arrears and Account Management Policy.

The Servicer may vary the Arrears and Account Management Policy (as defined herein) from time to time in a manner as would be acceptable to a Prudent Mortgage Lender.

## **Insurance Contracts**

It is a requirement of the Legal Title Holder that the Borrower has in place, at the date of completion, buildings insurance against loss by fire, flood and such other risks as is usual for residential property, and all premium due thereon must be fully paid. The insurance company must be authorised by the FCA. Additionally, Borrowers are required to sign a declaration confirming that they will keep the property insured in the future. The conveyancer must confirm that there are no relevant claims outstanding (except for minor claims) and that the insurance policy is not impaired. The sum insured must be sufficient to restore the property to its existing condition and it must be index-linked.

To the extent that a Borrower does not maintain buildings insurance, neither the Seller nor LMC have in place any form of contingency insurance cover.

The Legal Title Holder has a Title Insurance Policy in place covering all re-mortgage Mortgage Loans. All purchase Mortgage Loans (i.e. Mortgage Loans for the purchase of a Property) are subject to a full legal title check.

The Legal Title Holder also has a Mortgage Indemnity Insurance Policy covering the Mortgage Loans with an aggregate claim limit of £2,000,000 per annum.

### **Credit Risk Mitigation**

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

The policies and procedures of the Legal Title Holder in this regard broadly include the following:

- (a) criteria for the granting of credit and the process for approving, amending, renewing and re-financing credits (as to which, in relation to the Mortgage Loans, please see the information set out in this Prospectus headed "*The Mortgage Loans–Lending Criteria*" and "*Summary of the Key Transaction Documents–Servicing Deed*");
- (b) systems in place to administer and monitor the credit-risk bearing portfolio and exposures (as to which it should be noted that the Portfolio will be serviced in line with the servicing procedures of the Servicer – please see further the section of this Prospectus headed "*Summary of the Key Transaction Documents–Servicing Deed*");
- (c) diversification of credit portfolios taking into account the Legal Title Holder's target market and overall credit strategy (as to which, in relation to the Portfolio, please see the section of this Prospectus headed "*Characteristics of the Provisional Portfolio*"); and
- (d) policies and procedures in relation to risk mitigation techniques (as to which, please see further the section of this Prospectus headed "*The Mortgage Loans–Lending Criteria*" and "*Summary of the Key Transaction Documents–Servicing Deed*").

### **Governing Law**

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

## Characteristics of the Provisional Portfolio

The statistical and other information contained in this Prospectus (including the tables below) have been compiled by reference to loans originated by the Legal Title Holder, a subsidiary of the Seller in a provisional portfolio (the "**Provisional Portfolio**") and extracted from the systems of the Legal Title Holder as at the Portfolio Reference Date and reflecting the Principal Balance of the Mortgage Loans on 30 April 2025. For the avoidance of doubt, all statistical and other information contained in this Prospectus with respect to the Portfolio Reference Date refer to such statistical and other information in respect of the Mortgage Loans as at 30 April 2025 and excludes information in respect of Mortgage Loans originated after the Portfolio Reference Date, the Additional Mortgage Loans which may be acquired by the Issuer on an Additional Sale Date and variations resulting from Product Switch Mortgage Loans which the Seller does not elect to repurchase and which satisfy the Product Switch Criteria and so are eligible to remain in the Portfolio. Static and dynamic historical performance data in respect of comparable loans in relation to loans originated by the Legal Title Holder was made available prior to pricing of the Notes on the Reporting Websites and covers the period from 2017 to 31 May 2025. The Legal Title Holder has begun to receive information relating to the environmental performance of the Properties securing the Mortgage Loans in the Portfolio. This information will be included in the Quarterly SR Loan Level Reports.

As at the Portfolio Reference Date, the Provisional Portfolio comprised of 1,053 loans originated by the Legal Title Holder and secured over properties located in England, Wales and Scotland. The aggregate Principal Balance of the loans in the Provisional Portfolio as at the Portfolio Reference Date was £188,830,974. The Properties over which the loans in the Provisional Portfolio are secured have not been revalued for the purposes of the issue of the Notes. Having removed any mortgage loans that are no longer eligible or have been redeemed in full as at the Closing Date, the Closing Date Portfolio to be sold to the Issuer on the Closing Date will include all remaining loans in the Provisional Portfolio.

The characteristics of the Closing Date Portfolio will differ from those set out below as a result of, among other things, repayments and redemptions of loans in the Provisional Portfolio from the Portfolio Reference Date to the Closing Date, removal of any mortgage loans that do not comply with the Loan Warranties as at the Closing Date and the acquisition of Additional Mortgage Loans on Additional Sale Dates. Except as otherwise indicated, these tables have been prepared using the Principal Balance of each loan in the Provisional Portfolio as at the Portfolio Reference Date. Columns may not add up to 100 per cent. due to rounding.

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

|   |               |
|---|---------------|
| Portfolio Reference Date:   | 30 April 2025 |
| Outstanding Principal Balance (£):  | £188,830,974  |
| No. of Mortgage Loans:  | 1,053         |
| Average current Principal Balance per Loan (£):   | £179,327      |
| First-ranking Mortgage / First-ranking Standard Security %:   | 100.00%       |
| Weighted average Original Loan to Value Ratio %:  | 49.23%        |
| Weighted average Current Loan to Indexed Value Ratio %:   | 47.94%        |
| Weighted average interest rate %:   | 6.17%         |
| Weighted average Reversionary Margin over LiveMore Variable Rate % (excluding Fixed for Life Mortgage Loans): | 3.44%         |
| Standard Interest-only Mortgage Loans (as % of Principal Balance):  | 56.81%        |
| Standard Repayment Mortgage Loans (as % of Principal Balance):  | 14.67%        |

|  |         |
|--|---------|
| Retirement Interest Only Mortgage Loans (as % of Principal Balance):   | 28.52%  |
| Weighted average seasoning (months):   | 6.1     |
| Weighted average remaining term (years) <sup>3</sup>   | 13.3    |
| Mortgage Loans with arrears greater than one month (as % of Principal Balance):  | 0.15%   |
| Full property valuation (as % of Principal Balance):   | 100.00% |
| Pensioner borrowers (as % of Principal Balance):   | 27.13%  |
| Fixed rate Mortgage Loan (as % of Principal Balance):  | 100.00% |
| Owner-occupied properties (as % of Principal Balance):   | 100.00% |
| Weighted Average Age (Youngest Borrower):  | 63.71   |
| Refinance Mortgage Loans* (as % of Principal Balance):   | 80.03%  |
| UK Resident (as % of Principal Balance):   | 100.00% |
| % of provisional portfolio (by principal balance) made to Borrowers with a CCJ against them in the 3 years prior to origination <sup>4</sup> | 0.29%   |
| Minimum seasoning (months):  | 0.0     |
| Maximum seasoning (months):  | 25.99   |

\* Includes £ for £ remortgages, remortgages with additional lending for other reasons including (but not necessarily limited to) debt consolidation and equity release or borrowing by unencumbered customers

### ***Outstanding Principal Balances***

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

| <b>Outstanding Principal Balance (£)</b> | <b>Outstanding Principal Balance (£)</b> | <b>% of total</b> | <b>Number of Mortgage Loans</b> | <b>% of Total</b> |
|--|--|-------------------|---------------------------------|-------------------|
| <= 100,000                               | £26,104,523                              | 13.82%            | 423                             | 40.17%            |
| 100,000 < x <= 200,000                   | £51,698,767                              | 27.38%            | 355                             | 33.71%            |
| 200,000 < x <= 300,000                   | £29,610,891                              | 15.68%            | 122                             | 11.59%            |
| 300,000 < x <= 400,000                   | £20,507,505                              | 10.86%            | 60                              | 5.70%             |
| 400,000 < x <= 500,000                   | £12,976,236                              | 6.87%             | 30                              | 2.85%             |
| 500,000 < x <= 600,000                   | £14,814,880                              | 7.85%             | 27                              | 2.56%             |
| 600,000 < x <= 750,000                   | £12,033,408                              | 6.37%             | 18                              | 1.71%             |
| 750,000 < x <= 1,000,000                 | £7,917,553                               | 4.19%             | 9                               | 0.85%             |
| 1,000,000 < x <= 1,500,000               | £7,215,220                               | 3.82%             | 6                               | 0.57%             |
| 1,500,000 < x <= 2,000,000               | £1,500,995                               | 0.79%             | 1                               | 0.09%             |
| £2,000,000 < x <= £3,000,000             | £4,450,995                               | 2.36%             | 2                               | 0.19%             |
| £3,000,000 < x <= £4,000,000             | £0                                       | 0%                | 0                               | 0.00%             |
| x > £4,000,000                           | £0                                       | 0%                | 0                               | 0.00%             |
| <b>Totals</b>                            | <b>£188,830,974</b>                      | <b>100%</b>       | <b>1,053</b>                    | <b>100%</b>       |

<sup>3</sup> The maturity date of the Retirement Interest Only Mortgage Loans is based on expected ONS mortality taking into account the sex and current age of the borrower(s).

<sup>4</sup> Any CCJs within the last three years prior to origination were in aggregate less than £500 for each Mortgage Loan

The minimum, maximum and average Outstanding Principal Balance of the Mortgage Loans as of the Portfolio Reference Date is £8,904, £2,250,995 and £179,327 respectively.

### ***Original Principal Balance***

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

| <b>Original Principal Balance (£)</b> | <b>Outstanding Principal Balance (£)</b> | <b>% of total</b> | <b>Number of Mortgage Loans</b> | <b>% of Total</b> |
|---------------------------------------|--|-------------------|---------------------------------|-------------------|
| £0<= £100,000                         | £25,724,587                              | 13.62%            | 419                             | 39.79%            |
| 100,000 < x <= £200,000               | £51,598,434                              | 27.33%            | 356                             | 33.81%            |
| 200,000 < x <= £300,000               | £29,522,259                              | 15.63%            | 123                             | 11.68%            |
| 300,000 < x <= £400,000               | £20,685,643                              | 10.95%            | 61                              | 5.79%             |
| 400,000 < x <= £500,000               | £13,366,999                              | 7.08%             | 31                              | 2.94%             |
| 500,000 < x <= £600,000               | £14,257,858                              | 7.55%             | 26                              | 2.47%             |
| 600,000 < x <= £750,000               | £12,590,430                              | 6.67%             | 19                              | 1.80%             |
| 750,000 < x <= £1,000,000             | £7,917,553                               | 4.19%             | 9                               | 0.85%             |
| 1,000,000 < x <= £1,500,000           | £7,215,220                               | 3.82%             | 6                               | 0.57%             |
| 1,500,000 < x <= £2,000,000           | £1,500,995                               | 0.79%             | 1                               | 0.09%             |
| £2,000,000< x <=£3,000,000            | £4,450,995                               | 2.36%             | 2                               | 0.19%             |
| £3,000,000< x <=£4,000,000            | £0                                       | 0.00%             | 0                               | 0.00%             |
| x > £4,000,000                        | £0                                       | 0.00%             | 0                               | 0.00%             |
| <b>Totals</b>                         | <b>£188,830,974</b>                      | <b>100%</b>       | <b>1,053</b>                    | <b>100%</b>       |

The minimum, maximum and average Original Principal Balance of the Mortgage Loans as of the Portfolio Reference Date is £10,000, £2,250,995 and £180,225 respectively.

### ***Seasoning***

The following table shows the seasoning of the Mortgage Loans.

| <b>Seasoning (Months)</b> | <b>Outstanding Principal Balance (£)</b> | <b>% of Total</b> | <b>Number of Mortgage Loans</b> | <b>% of Total</b> |
|---------------------------|--|-------------------|---------------------------------|-------------------|
| 0 <= x <= 6               | £101,782,434                             | 53.90%            | 542                             | 51.47%            |
| 6 < x <= 12               | £77,730,728                              | 41.16%            | 469                             | 44.54%            |
| 12 < x <= 18              | £8,898,817                               | 4.71%             | 41                              | 3.89%             |
| 18 < x <= 24              | £0                                       | 0.00%             | 0                               | 0.00%             |
| 24 < x <= 30              | £418,995                                 | 0.22%             | 1                               | 0.09%             |
| 30 < x <= 36              | £0                                       | 0.00%             | 0                               | 0.00%             |
| 36 < x <= 48              | £0                                       | 0.00%             | 0                               | 0.00%             |
| 48 < x <= 60              | £0                                       | 0.00%             | 0                               | 0.00%             |
| x > 60                    | £0                                       | 0.00%             | 0                               | 0.00%             |
| <b>Totals</b>             | <b>£188,830,974</b>                      | <b>100%</b>       | <b>1,053</b>                    | <b>100%</b>       |

The minimum, maximum and weighted average seasoning of the Mortgage Loans as of the Portfolio Reference Date is 0 months, 26 months and 6 months respectively.

**Original Loan to Value Ratios (OLTV Ratios)**

The following table shows the range of Original Loan to Value Ratios.

| <b>Original LTV (%)</b> | <b>Outstanding<br/>Principal<br/>Balance (£)</b> | <b>% of total</b> | <b>Number of<br/>Mortgage<br/>Loans</b> | <b>% of Total</b> |
|-------------------------|--|-------------------|---|-------------------|
| 0% < x <= 30.0%         | £29,402,327                                      | 15.57%            | 354                                     | 33.62%            |
| 30.0% < x <= 35.0%      | £12,747,380                                      | 6.75%             | 69                                      | 6.55%             |
| 35.0% < x <= 40.0%      | £13,406,178                                      | 7.10%             | 84                                      | 7.98%             |
| 40.0% < x <= 45.0%      | £18,666,050                                      | 9.89%             | 100                                     | 9.50%             |
| 45.0% < x <= 50.0%      | £23,477,414                                      | 12.43%            | 104                                     | 9.88%             |
| 50.0% < x <= 55.0%      | £17,932,594                                      | 9.50%             | 73                                      | 6.93%             |
| 55.0% < x <= 60.0%      | £21,298,290                                      | 11.28%            | 84                                      | 7.98%             |
| 60.0% < x <= 65.0%      | £10,236,804                                      | 5.42%             | 49                                      | 4.65%             |
| 65.0% < x <= 70.0%      | £11,702,683                                      | 6.20%             | 42                                      | 3.99%             |
| 70.0% < x <= 75.0%      | £15,634,805                                      | 8.28%             | 52                                      | 4.94%             |
| 75.0% < x <= 80.0%      | £7,760,528                                       | 4.11%             | 22                                      | 2.09%             |
| 80.0% < x <= 85.0%      | £4,655,057                                       | 2.47%             | 13                                      | 1.23%             |
| x > 85%                 | £1,910,864                                       | 1.01%             | 7                                       | 0.66%             |
| <b>Totals</b>           | <b>£188,830,974</b>                              | <b>100%</b>       | <b>1,053</b>                            | <b>100%</b>       |

The minimum, maximum and weighted average Original Loan to Value Ratio of the Mortgage Loans as of the Portfolio Reference Date is 3.08%, 85.47% and 49.23% respectively.

**Current Loan to Indexed Value Ratios (CLTV Ratios)**

The following table shows the range of Current Loan to Indexed Value Ratios (Property Value indexed based on HPI as published by the Office of National Statistics).

| <b>Current LTV (%)</b> | <b>Outstanding<br/>Principal<br/>Balance (£)</b> | <b>% of total</b> | <b>Number of<br/>Mortgage<br/>Loans</b> | <b>% of Total</b> |
|------------------------|--|-------------------|---|-------------------|
| 0% < x <= 30.0%        | £30,817,140                                      | 16.32%            | 368                                     | 34.95%            |
| 30.0% < x <= 35.0%     | £14,007,826                                      | 7.42%             | 74                                      | 7.03%             |
| 35.0% < x <= 40.0%     | £13,339,323                                      | 7.06%             | 79                                      | 7.50%             |
| 40.0% < x <= 45.0%     | £22,451,742                                      | 11.89%            | 114                                     | 10.83%            |
| 45.0% < x <= 50.0%     | £21,946,133                                      | 11.62%            | 92                                      | 8.74%             |
| 50.0% < x <= 55.0%     | £20,594,020                                      | 10.91%            | 87                                      | 8.26%             |
| 55.0% < x <= 60.0%     | £17,993,601                                      | 9.53%             | 71                                      | 6.74%             |
| 60.0% < x <= 65.0%     | £10,262,125                                      | 5.43%             | 44                                      | 4.18%             |
| 65.0% < x <= 70.0%     | £15,122,206                                      | 8.01%             | 49                                      | 4.65%             |
| 70.0% < x <= 75.0%     | £13,669,424                                      | 7.24%             | 49                                      | 4.65%             |
| 75.0% < x <= 80.0%     | £4,377,495                                       | 2.32%             | 13                                      | 1.23%             |
| 80.0% < x <= 85.0%     | £4,249,939                                       | 2.25%             | 13                                      | 1.23%             |
| x > 85%                | £0   | 0.00%             | 0                                       | 0.00%             |
| <b>Totals</b>          | <b>£188,830,974</b>                              | <b>100%</b>       | <b>1,053</b>                            | <b>100%</b>       |

The minimum, maximum and weighted average Current Loan to Indexed Value Ratio of the Mortgage Loans as of the Portfolio Reference Date is 2.90%, 84.96% and 47.94% respectively.

### ***Geographical distribution***

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

| <b>Region</b>    | <b>Outstanding<br/>Principal Balance<br/>(£)</b> | <b>% of total</b> | <b>Number of<br/>Mortgage<br/>Loans</b> | <b>% of Total</b> |
|------------------|--|-------------------|---|-------------------|
| East Anglia      | £23,704,396                                      | 12.55%            | 104                                     | 9.88%             |
| East Midlands    | £13,056,819                                      | 6.91%             | 94                                      | 8.93%             |
| Greater London   | £29,478,717                                      | 15.61%            | 104                                     | 9.88%             |
| North East       | £5,093,956                                       | 2.70%             | 37                                      | 3.51%             |
| North West       | £19,960,647                                      | 10.57%            | 133                                     | 12.63%            |
| Outer South East | £33,192,940                                      | 17.58%            | 149                                     | 14.15%            |
| Scotland         | £10,057,406                                      | 5.33%             | 89                                      | 8.45%             |
| South West       | £18,855,123                                      | 9.99%             | 105                                     | 9.97%             |
| Wales            | £8,382,183                                       | 4.44%             | 58                                      | 5.51%             |
| West Midlands    | £16,395,795                                      | 8.68%             | 107                                     | 10.16%            |
| Yorks and Humber | £10,652,993                                      | 5.64%             | 73                                      | 6.93%             |
| <b>Totals</b>    | <b>£188,830,974</b>                              | <b>100%</b>       | <b>1,053</b>                            | <b>100%</b>       |

### ***Year of origination***

The following table shows the distribution of Mortgage Loans by year of origination

| <b>Year of origination</b> | <b>Outstanding<br/>Principal<br/>Balance (£)</b> | <b>% of total</b> | <b>Number of<br/>Mortgage<br/>Loans</b> | <b>% of Total</b> |
|----------------------------|--|-------------------|---|-------------------|
| 2023                       | £418,995   | 0.22%             | 1                                       | 0.09%             |
| 2024                       | £130,444,386                                     | 69.08%            | 722                                     | 68.57%            |
| 2025                       | £57,967,593                                      | 30.70%            | 330                                     | 31.34%            |
| <b>Totals</b>              | <b>£188,830,974</b>                              | <b>100%</b>       | <b>1,053</b>                            | <b>100%</b>       |

### ***Years to maturity of Mortgage Loans (Year to Maturity)***

The maturity date of the Retirement Interest only Mortgage Loans is based on expected ONS mortality taking into account the sex and current age of the borrower(s).

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

| <b>Years to maturity</b> | <b>Outstanding<br/>Principal<br/>Balance (£)</b> | <b>Balance of<br/>RIO</b> | <b>Balance of<br/>Std Mort</b> | <b>% of<br/>Total</b> | <b>% of RIO</b> | <b>% of total<br/>Std Mort</b> |
|--------------------------|--|---------------------------|--------------------------------|-----------------------|-----------------|--------------------------------|
| 0 < x <= 10              | £75,892,294                                      | £3,673,119                | £72,219,176                    | 40.19%                | 6.82%           | 53.51%                         |
| 10 < x <= 12             | £16,275,406                                      | £3,502,119                | £12,773,286                    | 8.62%                 | 6.50%           | 9.46%                          |

|               |                     |                    |                     |             |             |             |
|---------------|---------------------|--------------------|---------------------|-------------|-------------|-------------|
| 12 < x <= 14  | £17,040,984         | £4,054,464         | £12,986,520         | 9.02%       | 7.53%       | 9.62%       |
| 14 < x <= 16  | £20,800,378         | £7,269,003         | £13,531,376         | 11.02%      | 13.50%      | 10.03%      |
| 16 < x <= 18  | £16,698,085         | £9,113,369         | £7,584,716          | 8.84%       | 16.92%      | 5.62%       |
| 18 < x <= 20  | £16,034,990         | £8,876,632         | £7,158,357          | 8.49%       | 16.48%      | 5.30%       |
| 20 < x <= 22  | £7,282,834          | £6,144,337         | £1,138,497          | 3.86%       | 11.41%      | 0.84%       |
| 22 < x <= 24  | £6,787,734          | £4,317,783         | £2,469,951          | 3.59%       | 8.02%       | 1.83%       |
| 24 < x <= 26  | £5,784,389          | £2,295,044         | £3,489,345          | 3.06%       | 4.26%       | 2.59%       |
| 26 < x <= 28  | £2,618,154          | £2,019,075         | £599,079            | 1.39%       | 3.75%       | 0.44%       |
| 28 < x <= 30  | £2,673,141          | £1,651,369         | £1,021,772          | 1.42%       | 3.07%       | 0.76%       |
| x > 30        | £942,585            | £942,585           | £0                  | 0.50%       | 1.75%       | 0.00%       |
| <b>Totals</b> | <b>£188,830,974</b> | <b>£53,858,899</b> | <b>£134,972,075</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |

The minimum, maximum and weighted average remaining term of the Mortgage Loans as of the Portfolio Reference Date is 3.00 years, 32.17 years and 13.32 years respectively.

#### ***Repayment types***

The following table shows the distribution of repayment types of the Mortgage Loans (the repayment types of each Mortgage Loan determined as at the Portfolio Reference Date).

| <b>Repayment type</b>    | <b>Outstanding<br/>Principal<br/>Balance (£)</b> | <b>% of total</b> | <b>Number of<br/>Mortgage<br/>Loans</b> | <b>% of Total</b> |
|--------------------------|--|-------------------|---|-------------------|
| Standard Repayment       | £27,696,390                                      | 14.67%            | 201                                     | 19.09%            |
| Standard Interest-only   | £107,275,684                                     | 56.81%            | 406                                     | 38.56%            |
| Retirement Interest-only | £53,858,899                                      | 28.52%            | 446                                     | 42.36%            |
| <b>Totals</b>            | <b>£188,830,974</b>                              | <b>100%</b>       | <b>1,053</b>                            | <b>100%</b>       |

#### ***Interest rate types***

The following table shows the distribution of the interest rate types of the Mortgage Loans (the interest type of each Mortgage Loan determined as at the Portfolio Reference Date).

| <b>Interest type</b>   | <b>Outstanding<br/>Principal<br/>Balance (£)</b> | <b>% of<br/>total</b> | <b>Number of<br/>Mortgage<br/>Loans</b> | <b>% of Total</b> |
|--|--|-----------------------|---|-------------------|
| Fixed rate Mortgage Loan<br>(Retirement Interest-Only<br>Mortgage – fixed for life)                                | £18,541,386                                      | 9.82%                 | 144                                     | 13.68%            |
| Fixed rate Mortgage Loan<br>(Standard Interest-only or<br>Standard Repayment<br>Mortgage Loan – fixed for<br>life) | £29,685,292                                      | 15.72%                | 90                                      | 8.55%             |
| Fixed with compulsory future<br>switch to floating rate<br>Mortgage Loan   | £140,604,296                                     | 74.46%                | 819                                     | 77.78%            |
| <b>Totals</b>  | <b>£188,830,974</b>                              | <b>100%</b>           | <b>1,053</b>                            | <b>100%</b>       |



***Fixed Interest rate period***

The following table shows the distribution of the Fixed Interest Rate Period at the point of origination of the relevant Mortgage Loan (the Fixed interest rate period of each Mortgage Loan determined as at the Portfolio Reference Date).

| <b>Fixed Interest rate period</b> | <b>Outstanding Principal Balance (£)</b> | <b>% of total</b> | <b>Number of Mortgage Loans</b> | <b>% of Total</b> |
|-----------------------------------|--|-------------------|---------------------------------|-------------------|
| 2-Year                            | £25,188,278                              | 13.34%            | 140                             | 13.30%            |
| 5-Year                            | £116,258,359                             | 61.57%            | 623                             | 59.16%            |
| 7-Year                            | £0                                       | 0.00%             | 0                               | 0.00%             |
| 10-Year                           | £28,842,950                              | 15.27%            | 146                             | 13.87%            |
| 20-Year                           | £0                                       | 0.00%             | 0                               | 0.00%             |
| Fixed For Life                    | £18,541,386                              | 9.82%             | 144                             | 13.68%            |
| <b>Totals</b>                     | <b>£188,830,974</b>                      | <b>100%</b>       | <b>1053</b>                     | <b>100%</b>       |

***Current interest rate***

The following table shows the distribution of Mortgage Loans by applicable interest rate as at the Portfolio Reference Date.

| <b>Nominal rate (%)</b> | <b>Outstanding Principal Balance (£)</b> | <b>% of total</b> | <b>Number of Mortgage Loans</b> | <b>% of Total</b> |
|-------------------------|--|-------------------|---------------------------------|-------------------|
| 5.0% < x <= 5.5%        | £25,012,909                              | 13.25%            | 85                              | 8.07%             |
| 5.5% < x <= 6.0%        | £60,329,286                              | 31.95%            | 332                             | 31.53%            |
| 6.0% < x <= 6.5%        | £48,963,542                              | 25.93%            | 268                             | 25.45%            |
| 6.5% < x <= 7.0%        | £40,140,903                              | 21.26%            | 263                             | 24.98%            |
| 7.0% < x <= 7.5%        | £8,148,603                               | 4.32%             | 59                              | 5.60%             |
| x > 7.5%                | £6,235,731                               | 3.30%             | 46                              | 4.37%             |
| <b>Totals</b>           | <b>£188,830,974</b>                      | <b>100%</b>       | <b>1,053</b>                    | <b>100%</b>       |

The minimum, maximum and weighted average current interest rate as of the Portfolio Reference Date is 5.23%, 8.35% and 6.17% respectively.

***Reversionary Margin over LiveMore Variable Rate***

The following table shows the distribution of Mortgage Loans by the reversionary margin over the LiveMore Variable Rate as at the Portfolio Reference Date (Fixed For Life loans have no reversionary rates and are shown as its own bucket below)

| <b>Reversionary Margin (%)</b> | <b>Outstanding Principal Balance (£)</b> | <b>% of Total</b> | <b>Number of Mortgage Loans</b> | <b>% of Total</b> |
|--------------------------------|--|-------------------|---------------------------------|-------------------|
| 0.0% < x <= 2.5%               | £0                                       | 0.00%             | 0                               | 0.00%             |
| 2.5% < x <= 3.0%               | £1,069,682                               | 0.57%             | 8                               | 0.76%             |
| 3.0% < x <= 3.5%               | £139,534,613                             | 73.89%            | 811                             | 77.02%            |
| 3.5% < x <= 4.0%               | £0                                       | 0.00%             | 0                               | 0.00%             |

| <b>Reversionary<br/>Margin (%)</b> | <b>Outstanding<br/>Principal<br/>Balance (£)</b> | <b>% of Total</b> | <b>Number of<br/>Mortgage<br/>Loans</b> | <b>% of Total</b> |
|------------------------------------|--|-------------------|---|-------------------|
| Fixed for life                     | £48,226,678                                      | 25.54%            | 234                                     | 22.22%            |
| <b>Totals</b>                      | <b>£188,830,974</b>                              | <b>100%</b>       | <b>1,053</b>                            | <b>100%</b>       |

The minimum, maximum and weighted average reversionary margin over the LiveMore Variable Rate as of the Portfolio Reference Date is 2.75%, 3.50% and 3.44% respectively, excluding Fixed For Life Mortgage Loans.

#### ***Reversion Date***

The following table shows the distribution of Mortgage Loans by reversion date.

| <b>Reversion Date</b>                              | <b>Outstanding<br/>Principal<br/>Balance (£)</b> | <b>% of Total</b> | <b>Number of<br/>Mortgage<br/>Loans</b> | <b>% of Total</b> |
|--|--|-------------------|---|-------------------|
| Non Reversion (Reverted or<br>Variable Rate Loans) | £0   | 0.00%             | 0                                       | 0.00%             |
| Q1-2026  | £100,000   | 0.05%             | 1                                       | 0.09%             |
| Q2-2026  | £7,611,894                                       | 4.03%             | 37                                      | 3.51%             |
| Q3-2026  | £5,687,727                                       | 3.01%             | 35                                      | 3.32%             |
| Q4-2026  | £7,003,676                                       | 3.71%             | 40                                      | 3.80%             |
| Q1-2027  | £4,670,981                                       | 2.47%             | 26                                      | 2.47%             |
| Q2-2027  | £114,000   | 0.06%             | 1                                       | 0.09%             |
| Q3-2027  | £0   | 0.00%             | 0                                       | 0.00%             |
| Q4-2027  | £0   | 0.00%             | 0                                       | 0.00%             |
| Q1-2028  | £0   | 0.00%             | 0                                       | 0.00%             |
| Q2-2028  | £0   | 0.00%             | 0                                       | 0.00%             |
| Q3-2028  | £0   | 0.00%             | 0                                       | 0.00%             |
| Q4-2028  | £0   | 0.00%             | 0                                       | 0.00%             |
| 2029   | £64,511,332                                      | 34.16%            | 396                                     | 37.61%            |
| 2030   | £35,469,719                                      | 18.78%            | 184                                     | 17.47%            |
| 2031   | £0   | 0.00%             | 0                                       | 0.00%             |
| 2032   | £0   | 0.00%             | 0                                       | 0.00%             |
| 2033   | £0   | 0.00%             | 0                                       | 0.00%             |
| >2033  | £15,434,967                                      | 8.17%             | 99                                      | 9.40%             |
| Fixed For Life                                     | £48,226,678                                      | 25.54%            | 234                                     | 22.22%            |
| <b>Totals</b>                                      | <b>£188,830,974</b>                              | <b>100%</b>       | <b>1053</b>                             | <b>100%</b>       |

#### ***CCJ Age at Origination***

The following table represent the distribution of Mortgage Loans, according to the age of previous county court judgments (including the Scottish equivalent) the Borrower under such Mortgage Loan had experienced in the six years prior to the origination of such Mortgage Loan.

| <b>CCJ Age (Years)</b> | <b>Outstanding<br/>Principal<br/>Balance (£)</b> | <b>% of Total</b> | <b>Number of<br/>Mortgage<br/>Loans</b> | <b>% of Total</b> |
|------------------------|--|-------------------|---|-------------------|
| No CCJs                | £186,103,851                                     | 98.56%            | 1038                                    | 98.58%            |
| 0 < x <= 1             | £172,826   | 0.09%             | 2                                       | 0.19%             |
| 1 < x <= 2             | £150,000   | 0.08%             | 1                                       | 0.09%             |
| 2 < x <= 3             | £232,205   | 0.12%             | 3                                       | 0.28%             |
| 3 < x <= 4             | £100,995   | 0.05%             | 1                                       | 0.09%             |
| 4 < x <= 5             | £243,954   | 0.13%             | 1                                       | 0.09%             |
| 5 < x <= 6             | £1,403,171                                       | 0.74%             | 6                                       | 0.57%             |
| x > 6                  | £423,972   | 0.22%             | 1                                       | 0.09%             |
| <b>Totals</b>          | <b>£188,830,974</b>                              | <b>100%</b>       | <b>1,053</b>                            | <b>100%</b>       |

#### *Value of CCJs at Origination*

The following table represent the distribution of Mortgage Loans, according to the value of previous county court judgments (including the Scottish equivalent) the Borrower under such Mortgage Loan had experienced in the six years prior to the origination of such Mortgage Loan.

| <b>CCJ Value</b>     | <b>Outstanding<br/>Principal<br/>Balance (£)</b> | <b>% of Total</b> | <b>Number of<br/>Mortgage<br/>Loans</b> | <b>% of Total</b> |
|----------------------|--|-------------------|---|-------------------|
| No CCJs              | £186,103,851                                     | 98.56%            | 1038                                    | 98.58%            |
| £0 < x <= £500       | £1,305,790                                       | 0.69%             | 8                                       | 0.76%             |
| £500 < x <= £1,000   | £0   | 0.00%             | 0                                       | 0.00%             |
| £1,000 < x <= £1,500 | £673,249   | 0.36%             | 3                                       | 0.28%             |
| £1,500 < x <= £2,000 | £150,000   | 0.08%             | 1                                       | 0.09%             |
| £2,000 < x <= £2,500 | £0   | 0.00%             | 0                                       | 0.00%             |
| £2,500 < x <= £3,000 | £0   | 0.00%             | 0                                       | 0.00%             |
| £3,000 < x <= £3,500 | £74,111  | 0.04%             | 1                                       | 0.09%             |
| x > £3,500           | £523,972   | 0.28%             | 2                                       | 0.19%             |
| <b>Totals</b>        | <b>£188,830,974</b>                              | <b>100%</b>       | <b>1,053</b>                            | <b>100%</b>       |

#### *Previous bankruptcy(ies)/Individual voluntary arrangements*

The following table is based on data recorded at origination of the Mortgage Loan.

| <b>Bankruptcies/IVAs</b> | <b>Outstanding<br/>Principal<br/>Balance (£)</b> | <b>% of Total</b> | <b>Number of<br/>Mortgage<br/>Loans</b> | <b>% of Total</b> |
|--------------------------|--|-------------------|---|-------------------|
| None                     | £188,830,974                                     | 100%              | 1053                                    | 100%              |
| Yes                      | £0   | 0%                | 0                                       | 0%                |
| <b>Totals</b>            | <b>£188,830,974</b>                              | <b>100%</b>       | <b>1053</b>                             | <b>100%</b>       |

#### *Residency split*

The following table shows the distribution of Mortgage Loans by Residency split.

| <b>Residency</b> | <b>Outstanding<br/>Principal<br/>Balance (£)</b> | <b>% of Total</b> | <b>Number of<br/>Mortgage<br/>Loans</b> | <b>% of Total</b> |
|------------------|--|-------------------|---|-------------------|
| UK Resident      | £188,830,974                                     | 100.00%           | 1053                                    | 100.00%           |
| Non-UK Resident  | £0   | 0.00%             | 0                                       | 0.00%             |
| <b>Totals</b>    | <b>£188,830,974</b>                              | <b>100%</b>       | <b>1,053</b>                            | <b>100%</b>       |

#### *Months in arrears*

The following table shows the distribution of Mortgage Loans by months in arrears as at the Portfolio Reference Date.

| <b>Months in Arrears</b> | <b>Outstanding<br/>Principal<br/>Balance (£)</b> | <b>% of Total</b> | <b>Number of<br/>Mortgage<br/>Loans</b> | <b>% of Total</b> |
|--------------------------|--|-------------------|---|-------------------|
| Current or <=1           | £188,540,974                                     | 99.85%            | 1052                                    | 99.91%            |
| 1 < x <= 2               | £290,000   | 0.15%             | 1                                       | 0.09%             |
| 2 < x <=3                | £0   | 0.00%             | 0                                       | 0.00%             |
| x > 3                    | £0   | 0.00%             | 0                                       | 0.00%             |
| <b>Totals</b>            | <b>£188,830,974</b>                              | <b>100%</b>       | <b>1,053</b>                            | <b>100%</b>       |

#### *Number of Borrowers*

The following table shows the distribution of Mortgage Loans by number of borrowers at the point of origination.

| <b>Number of Borrowers</b> | <b>Outstanding<br/>Principal<br/>Balance (£)</b> | <b>% of Total</b> | <b>Number of<br/>Mortgage<br/>Loans</b> | <b>% of Total</b> |
|----------------------------|--|-------------------|---|-------------------|
| 1                          | £68,820,871                                      | 36.45%            | 474                                     | 45.01%            |
| 2                          | £120,010,103                                     | 63.55%            | 579                                     | 54.99%            |
| <b>Totals</b>              | <b>£188,830,974</b>                              | <b>100%</b>       | <b>1053</b>                             | <b>100%</b>       |

#### *Youngest Borrower*

The following table shows the distribution of Mortgage Loans by youngest borrower at the point of origination.

| <b>Youngest Borrower</b> | <b>Outstanding<br/>Principal<br/>Balance (£)</b> | <b>% of Total</b> | <b>Number of<br/>Mortgage<br/>Loans</b> | <b>% of Total</b> |
|--------------------------|--|-------------------|---|-------------------|
| 40 < x <= 50             | £5,509,711                                       | 2.92%             | 15                                      | 1.42%             |
| 50 < x <= 60             | £55,816,332                                      | 29.56%            | 241                                     | 22.89%            |
| 60 < x <= 70             | £99,509,919                                      | 52.70%            | 572                                     | 54.32%            |
| 70 < x <= 80             | £25,183,817                                      | 13.34%            | 194                                     | 18.42%            |
| 80 < x <= 90             | £2,697,039                                       | 1.43%             | 28                                      | 2.66%             |
| x > 90                   | £114,156   | 0.06%             | 3                                       | 0.28%             |
| <b>Totals</b>            | <b>£188,830,974</b>                              | <b>100%</b>       | <b>1,053</b>                            | <b>100%</b>       |

### ***Product Type***

The following table shows the distribution of Mortgage Loans by product type as at the Portfolio Reference Date

| <b>Product Type</b>      | <b>Outstanding<br/>Principal<br/>Balance (£)</b> | <b>% of Total</b> | <b>Number of<br/>Mortgage<br/>Loans</b> | <b>% of Total</b> |
|--------------------------|--|-------------------|---|-------------------|
| Retirement Interest Only | £53,858,899                                      | 28.52%            | 446                                     | 42.36%            |
| Standard Interest-Only   | £107,275,684                                     | 56.81%            | 406                                     | 38.56%            |
| Standard Repayment       | £27,696,390                                      | 14.67%            | 201                                     | 19.09%            |
| <b>Totals</b>            | <b>£188,830,974</b>                              | <b>100%</b>       | <b>1,053</b>                            | <b>100%</b>       |

### ***Debt to Income***

The following table shows the distribution of Mortgage Loans by Debt to Income at the point of origination.

| <b>DTI</b>         | <b>Outstanding<br/>Principal<br/>Balance (£)</b> | <b>% of Total</b> | <b>Number of<br/>Mortgage<br/>Loans</b> | <b>% of Total</b> |
|--------------------|--|-------------------|---|-------------------|
| 0.00 < x <= 1.00   | £3,573,863                                       | 1.89%             | 77                                      | 7.31%             |
| 1.00 < x <= 2.00   | £21,055,365                                      | 11.15%            | 240                                     | 22.79%            |
| 2.00 < x <= 3.00   | £40,295,272                                      | 21.34%            | 242                                     | 22.98%            |
| 3.00 < x <= 4.00   | £40,698,676                                      | 21.55%            | 228                                     | 21.65%            |
| 4.00 < x <= 5.00   | £43,901,139                                      | 23.25%            | 166                                     | 15.76%            |
| 5.00 < x <= 6.00   | £22,619,063                                      | 11.98%            | 65                                      | 6.17%             |
| 6.00 < x <= 7.00   | £9,732,152                                       | 5.15%             | 23                                      | 2.18%             |
| 7.00 < x <= 8.00   | £4,934,425                                       | 2.61%             | 10                                      | 0.95%             |
| 8.00 < x <= 9.00   | £2,021,020                                       | 1.07%             | 2                                       | 0.19%             |
| 9.00 < x <= 10.00  | £0   | 0.00%             | 0                                       | 0.00%             |
| 10.00 < x <= 11.00 | £0   | 0.00%             | 0                                       | 0.00%             |
| 11.00 < x <= 12.00 | £0   | 0.00%             | 0                                       | 0.00%             |
| <b>Totals</b>      | <b>£188,830,974</b>                              | <b>100%</b>       | <b>1,053</b>                            | <b>100%</b>       |

## Characteristics of the UK Residential Mortgage Market

The UK housing market is primarily one of owner-occupied housing, with the remainder in some form of public, private landlord or social ownership. The mortgage market, whereby loans are provided for the purchase of a property and secured on that property, is the primary source of household borrowings in the United Kingdom.

Set out in the following tables are certain characteristics of the UK mortgage market. No assurance can be given that the Mortgage Loans in the Portfolio are or will be representative of the information set out in the tables or generally to the performance of the UK housing market. For information relating to the Mortgage Loans contained in the Provisional Portfolio, see further the section entitled "*Characteristics of the Provisional Portfolio*".

### *Industry Principal Payment Rates*

In the following tables, quarterly industry principal payment rate ("**Industry PPR**") data was calculated by dividing the amount of scheduled and unscheduled early repayments of mortgages made by banks, building societies and other specialist mortgage lenders in a quarter by the quarterly balance of mortgages outstanding for banks, building societies and other specialist mortgage lenders in the United Kingdom. These quarterly payment rates were then annualised using standard methodology.

| Year | Quarter        | Industry PPR Rate for the Quarter (per cent.) | 12-month rolling average (per cent.) |
|------|----------------|---|--------------------------------------|
| 2007 | June 2007      | 23.05   |                                      |
|      | September 2007 | 23.36   |                                      |
|      | December 2007  | 20.96   |                                      |
| 2008 | March 2008     | 18.81   | 21.55                                |
|      | June 2008      | 19.40   | 20.63                                |
|      | September 2008 | 17.43   | 19.15                                |
|      | December 2008  | 13.84   | 17.37                                |
| 2009 | March 2009     | 11.06   | 15.43                                |
|      | June 2009      | 10.35   | 13.17                                |
|      | September 2009 | 11.32   | 11.64                                |
|      | December 2009  | 11.23   | 10.99                                |
| 2010 | March 2010     | 9.70  | 10.65                                |
|      | June 2010      | 10.70   | 10.74                                |
|      | September 2010 | 11.20   | 10.71                                |
|      | December 2010  | 10.86   | 10.62                                |
| 2011 | March 2011     | 9.86  | 10.66                                |
|      | June 2011      | 10.50   | 10.60                                |
|      | September 2011 | 11.83   | 10.76                                |
|      | December 2011  | 11.28   | 10.87                                |
| 2012 | March 2012     | 10.43   | 11.01                                |
|      | June 2012      | 10.76   | 11.07                                |

| Year | Quarter        | Industry PPR Rate for<br>the Quarter (per cent.) | 12-month rolling average<br>(per cent.) |
|------|----------------|--|---|
| 2013 | September 2012 | 11.02  | 10.87                                   |
|      | December 2012  | 11.26  | 10.87                                   |
|      | March 2013     | 10.88  | 10.98                                   |
|      | June 2013      | 12.52  | 11.42                                   |
|      | September 2013 | 14.14  | 12.20                                   |
| 2014 | December 2013  | 14.55  | 13.02                                   |
|      | March 2014     | 13.24  | 13.61                                   |
|      | June 2014      | 13.98  | 13.98                                   |
|      | September 2014 | 14.92  | 14.17                                   |
|      | December 2014  | 13.97  | 14.03                                   |
| 2015 | March 2015     | 13.26  | 14.03                                   |
|      | June 2015      | 14.35  | 14.12                                   |
|      | September 2015 | 15.61  | 14.30                                   |
|      | December 2015  | 15.89  | 14.78                                   |
|      | March 2016     | 15.61  | 15.36                                   |
| 2016 | June 2016      | 15.29  | 15.60                                   |
|      | September 2016 | 16.08  | 15.72                                   |
|      | December 2016  | 15.56  | 15.63                                   |
|      | March 2017     | 15.08  | 15.50                                   |
|      | June 2017      | 15.02  | 15.43                                   |
| 2017 | September 2017 | 16.29  | 15.49                                   |
|      | December 2017  | 16.53  | 15.73                                   |
|      | March 2018     | 15.33  | 15.79                                   |
|      | June 2018      | 15.50  | 15.91                                   |
|      | September 2018 | 16.99  | 16.09                                   |
| 2018 | December 2018  | 16.56  | 16.09                                   |
|      | March 2019     | 14.88  | 15.98                                   |
|      | June 2019      | 14.74  | 15.79                                   |
|      | September 2019 | 15.49  | 15.42                                   |
|      | December 2019  | 15.75  | 15.21                                   |
| 2019 | March 2020     | 14.55  | 15.13                                   |
|      | June 2020      | 11.20  | 14.25                                   |
|      | September 2020 | 13.06  | 13.64                                   |
|      | December 2020  | 14.80  | 13.40                                   |
|      | March 2021     | 15.75  | 13.70                                   |

| Year | Quarter        | Industry PPR Rate for the Quarter (per cent.) | 12-month rolling average (per cent.) |
|------|----------------|---|--------------------------------------|
| 2022 | June 2021      | 15.82   | 14.86                                |
|      | September 2021 | 14.47   | 15.21                                |
|      | December 2021  | 14.77   | 15.20                                |
|      | March 2022     | 14.63   | 14.92                                |
|      | June 2022      | 15.21   | 14.77                                |
|      | September 2022 | 16.12   | 15.18                                |
|      | December 2022  | 17.04   | 15.75                                |
| 2023 | March 2023     | 14.17   | 15.64                                |
|      | June 2023      | 12.94   | 15.07                                |
|      | September 2023 | 14.41   | 14.64                                |
|      | December 2023  | 13.09   | 13.65                                |
| 2024 | March 2024     | 12.79   | 13.31                                |
|      | June 2024      | 13.15   | 13.36                                |
|      | September 2024 | 13.37   | 13.10                                |
| 2025 | December 2024  | 13.85   | 13.29                                |
|      | March 2025     | 13.81   | 13.54                                |

Source of repayment and outstanding mortgage information: UK Finance and Bank of England

### ***Repossession Rate***

The table below sets out the repossession rate of residential properties in the UK since 1987.

| Year | Repossessions (%) | Year | Repossessions (%) | Year | Repossessions (%) |
|------|-------------------|------|-------------------|------|-------------------|
| 1987 | 0.32              | 2000 | 0.20              | 2013 | 0.26              |
| 1988 | 0.22              | 2001 | 0.16              | 2014 | 0.19              |
| 1989 | 0.17              | 2002 | 0.11              | 2015 | 0.09              |
| 1990 | 0.47              | 2003 | 0.07              | 2016 | 0.07              |
| 1991 | 0.77              | 2004 | 0.07              | 2017 | 0.07              |
| 1992 | 0.69              | 2005 | 0.12              | 2018 | 0.06              |
| 1993 | 0.58              | 2006 | 0.18              | 2019 | 0.07              |
| 1994 | 0.47              | 2007 | 0.22              | 2020 | 0.02              |
| 1995 | 0.47              | 2008 | 0.34              | 2021 | 0.02              |
| 1996 | 0.40              | 2009 | 0.43              | 2022 | 0.04              |
| 1997 | 0.40              | 2010 | 0.34              | 2023 | 0.04              |
| 1998 | 0.30              | 2011 | 0.33              | 2024 | 0.06              |



| Year | Repossessions (%) | Year | Repossessions (%) | Year | Repossessions (%) |
|------|-------------------|------|-------------------|------|-------------------|
| 1999 | 0.27              | 2012 | 0.30              |      |                   |

Source: UK Finance

### ***House Price to Earnings Ratio***

The following table shows the ratio for each year of the median annual sale price of houses compared to the gross annual workplace-based earnings in England and Wales. Earnings data are taken from the Annual Survey of Hours and Earnings release, produced by the Office for National Statistics. The affordability ratios are calculated using earnings data on the following basis: full-time earnings, annual earnings where possible, otherwise annualised weekly earnings, workplace-based earnings. Annual estimates of earnings are based on the tax year that ended on 5th April in the reference year and relate to employees on adult rates of pay who have been in the same job for more than a year. Annualised weekly earnings are not produced on an identical basis to annual earnings and are therefore not directly comparable.

While this is indicative of housing affordability, it does not take into account the fact that the majority of households have more than one income to support a mortgage loan.

| Year | House Price to Earnings Ratio | Year | House Price to Earnings Ratio |
|------|-------------------------------|------|-------------------------------|
| 2002 | 5.06                          | 2014 | 6.95                          |
| 2003 | 5.85                          | 2015 | 7.37                          |
| 2004 | 6.53                          | 2016 | 7.59                          |
| 2005 | 6.74                          | 2017 | 7.77                          |
| 2006 | 6.96                          | 2018 | 7.85                          |
| 2007 | 7.17                          | 2019 | 7.73                          |
| 2008 | 6.9                           | 2020 | 7.81                          |
| 2009 | 6.35                          | 2021 | 8.95                          |
| 2010 | 6.85                          | 2022 | 8.45                          |
| 2011 | 6.74                          | 2023 | 8.28                          |
| 2012 | 6.76                          | 2024 | 7.54                          |
| 2013 | 6.74                          |      |                               |

Source: Office for National Statistics

### ***House Price Index***

UK residential property prices can be measured by, among other indexes, the non-seasonally adjusted Nationwide House Price Index (a national house price index that is derived from Nationwide lending data for properties at the post survey approval stage). Nationwide is a UK building society.

The UK housing market has been through various economic cycles in the recent past, with year-to-year increases in the Nationwide House Price Index occurring in the late 1990s to the late 2000s and decreases occurring in the early 1990s and from 2008 to 2012.

| Quarter        | Retail Price Index |                 | Nationwide House Price Index |                 |
|----------------|--------------------|-----------------|------------------------------|-----------------|
|                | Index              | % annual change | Index                        | % annual change |
| December 2005  | 193.7              | 2.4             | 314.0                        | 3.2             |
| March 2006     | 194.2              | 2.4             | 319.8                        | 4.9             |
| June 2006      | 197.6              | 3.0             | 329.2                        | 4.8             |
| September 2006 | 199.3              | 3.5             | 336.1                        | 6.9             |
| December 2006  | 201.4              | 4.0             | 343.2                        | 9.3             |
| March 2007     | 203.0              | 4.5             | 350.2                        | 9.5             |
| June 2007      | 206.3              | 4.4             | 362.7                        | 10.2            |
| September 2007 | 207.1              | 3.9             | 367.3                        | 9.3             |
| December 2007  | 209.8              | 4.2             | 367.0                        | 6.9             |
| March 2008     | 211.1              | 4.0             | 357.8                        | 2.2             |
| June 2008      | 215.3              | 4.4             | 348.1                        | -4.0            |
| September 2008 | 217.4              | 5.0             | 329.5                        | -10.3           |
| December 2008  | 215.5              | 2.7             | 312.9                        | -14.7           |
| March 2009     | 210.9              | -0.1            | 298.7                        | -16.5           |
| June 2009      | 212.6              | -1.3            | 307.3                        | -11.7           |
| September 2009 | 214.4              | -1.4            | 319.5                        | -3.0            |
| December 2009  | 216.9              | 0.6             | 323.4                        | 3.4             |
| March 2010     | 219.3              | 4.0             | 324.9                        | 8.8             |
| June 2010      | 223.5              | 5.1             | 336.6                        | 9.5             |
| September 2010 | 224.5              | 4.7             | 333.9                        | 4.5             |
| December 2010  | 227.0              | 4.7             | 325.1                        | 0.5             |
| March 2011     | 230.9              | 5.3             | 323.9                        | -0.3            |
| June 2011      | 234.9              | 5.1             | 332.7                        | -1.2            |
| September 2011 | 236.2              | 5.2             | 332.3                        | -0.5            |
| December 2011  | 238.6              | 5.1             | 328.7                        | 1.1             |
| March 2012     | 239.6              | 3.8             | 324.6                        | 0.2             |
| June 2012      | 242.2              | 3.1             | 329.1                        | -1.1            |
| September 2012 | 243.1              | 2.9             | 327.0                        | -1.6            |
| December 2012  | 246.0              | 3.1             | 325.0                        | -1.1            |
| March 2013     | 247.4              | 3.3             | 325.3                        | 0.2             |
| June 2013      | 249.7              | 3.1             | 333.7                        | 1.4             |
| September 2013 | 250.9              | 3.2             | 341.0                        | 4.3             |
| December 2013  | 252.5              | 2.6             | 348.0                        | 7.1             |

| <b>Quarter</b> | <b>Retail Price Index</b> |      | <b>Nationwide House Price Index</b> |      |
|----------------|---------------------------|------|-------------------------------------|------|
| March 2014     | 253.9                     | 2.6  | 355.3                               | 9.2  |
| June 2014      | 256.0                     | 2.5  | 372.1                               | 11.5 |
| September 2014 | 256.9                     | 2.4  | 376.7                               | 10.5 |
| December 2014  | 257.4                     | 1.9  | 377.0                               | 8.3  |
| March 2015     | 256.4                     | 1.0  | 376.2                               | 5.9  |
| June 2015      | 258.5                     | 1.0  | 387.5                               | 4.1  |
| September 2015 | 259.3                     | 0.9  | 390.5                               | 3.7  |
| December 2015  | 260.0                     | 1.0  | 393.1                               | 4.3  |
| March 2016     | 260.0                     | 1.4  | 396.1                               | 5.3  |
| June 2016      | 262.2                     | 1.4  | 407.4                               | 5.1  |
| September 2016 | 264.2                     | 1.9  | 411.6                               | 5.4  |
| December 2016  | 265.8                     | 2.2  | 410.8                               | 4.5  |
| March 2017     | 267.7                     | 3.0  | 412.3                               | 4.1  |
| June 2017      | 271.5                     | 3.5  | 418.9                               | 2.8  |
| September 2017 | 274.2                     | 3.8  | 422.3                               | 2.6  |
| December 2017  | 276.4                     | 4.0  | 421.8                               | 2.7  |
| March 2018     | 277.5                     | 3.7  | 422.5                               | 2.5  |
| June 2018      | 280.6                     | 3.4  | 428.1                               | 2.2  |
| September 2018 | 283.3                     | 3.3  | 431.1                               | 2.1  |
| December 2018  | 284.9                     | 3.1  | 427.3                               | 1.3  |
| March 2019     | 284.4                     | 2.5  | 424.3                               | 0.4  |
| June 2019      | 289.0                     | 3.0  | 430.7                               | 0.6  |
| September 2019 | 290.7                     | 2.6  | 432.5                               | 0.3  |
| December 2019  | 291.1                     | 2.2  | 430.7                               | 0.8  |
| March 2020     | 291.7                     | 2.6  | 434.7                               | 2.5  |
| June 2020      | 292.5                     | 1.2  | 439.1                               | 2.0  |
| September 2020 | 293.9                     | 1.1  | 447.5                               | 3.5  |
| December 2020  | 294.4                     | 1.1  | 458.5                               | 6.4  |
| March 2021     | 295.8                     | 1.4  | 462.1                               | 6.3  |
| June 2021      | 302.3                     | 3.4  | 484.2                               | 10.3 |
| September 2021 | 307.2                     | 4.5  | 493.8                               | 10.3 |
| December 2021  | 314.7                     | 6.9  | 504.9                               | 10.1 |
| March 2022     | 320.5                     | 8.4  | 520.2                               | 12.6 |
| June 2022      | 337.2                     | 11.5 | 539.5                               | 11.4 |
| September 2022 | 345.3                     | 12.4 | 544.9                               | 10.3 |

| <b>Quarter</b> | <b>Retail Price Index</b> |      | <b>Nationwide House Price Index</b> |      |
|----------------|---------------------------|------|-------------------------------------|------|
| December 2022  | 358.3                     | 13.9 | 529.0                               | 4.8  |
| March 2023     | 364.0                     | 13.6 | 514.9                               | -1.0 |
| June 2023      | 374.8                     | 11.2 | 522.6                               | -3.1 |
| September 2023 | 376.4                     | 9.0  | 519.0                               | -4.7 |
| December 2023  | 378.0                     | 5.5  | 517.0                               | -2.3 |
| March 2024     | 380.7                     | 4.6  | 520.2                               | 1.0  |
| June 2024      | 386.2                     | 3.0  | 528.7                               | 1.2  |
| September 2024 | 388.7                     | 3.3  | 531.9                               | 2.5  |
| December 2024  | 391.2                     | 3.5  | 535.7                               | 3.6  |
| March 2025     | 393.7                     | 3.4  | 540.3                               | 3.9  |

Source: Office for National Statistics and Nationwide Building Society, respectively

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## Information Relating to the Regulation of Mortgages in the UK

### *Regulated Mortgage Contracts*

In the United Kingdom, regulation of residential mortgage business under the Financial Services and Markets Act 2000 ("FSMA") came into force on 31 October 2004 (the "**Regulation Effective Date**"). Entering into a Regulated Mortgage Contract as a lender, arranging Regulated Mortgage Contracts and or advising in respect of, and administering regulated mortgage contracts (and/or agreeing to do any of those activities) are (subject to applicable exemptions regulated activities under the FSMA and the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (as amended) (the "**RAO**") requiring authorisation and permission from the FCA:

The current definition of a 'Regulated Mortgage Contract' is such that if a mortgage contract was entered into on or after 21 March 2016, the contract will be a Regulated Mortgage Contract if, at the time it is entered into, the following conditions are met: (a) the borrower is an individual or trustee; (b) the obligation of the borrower to repay is secured by a mortgage on land in the EEA; (c) at least 40% of that land is used, or is intended to be used, (i) in the case of credit provided to an individual, as or in connection with a dwelling; or (ii) in the case of credit provided to a trustee who is not an individual, as or in connection with a dwelling by an individual who is a beneficiary of the trust, or by a related person. In relation to a contract entered into before 23:00 on 31 December 2020, 'land' means land in the United Kingdom or within the territory of an EEA State and in relation to a contract entered into on or after 23:00 on 31 December 2020, 'land' means land in the United Kingdom. A related person (in relation to a borrower, or in the case of credit provided to trustees, a beneficiary of the trust) is (1) that person's spouse or civil partner; (2) 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 (3) that person's parent, brother, sister, child, grandparent or grandchild) (a "**Related Person**").

On and from the Regulation Effective Date, subject to any exemption, persons carrying on any specified regulated mortgage-related activities by way of business must be authorised under the FSMA. The specified activities currently are: (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 taking any necessary steps for the purposes of 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. If requirements as to the authorisation of lenders and brokers are not complied with, a Regulated Mortgage Contract will be unenforceable against the borrower except with the approval of a court and the unauthorised person may commit a criminal offence. An unauthorised person who carries on the regulated mortgage activity of administering a Regulated Mortgage Contract that has been validly entered into may commit an offence, although this will not render the contract unenforceable against the borrower.

The Legal Title Holder holds authorisation and permission to enter into a Regulated Mortgage Contract as lender and to administer Regulated Mortgage Contracts. Brokers are in certain circumstances 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. Under articles 29A, 62 and 63 of the RAO, the Issuer does not carry on the regulated activity of administering Regulated Mortgage Contracts by having the Regulated Mortgage Contracts administered by the Legal Title Holder which has the required FSMA authorisations and permissions. If such administration agreement terminates, the Issuer will have a period of not more than one month (beginning with the day on which such arrangement terminates) in which to arrange for mortgage administration to be carried out by a replacement servicer having the required FSMA authorisation and permission. In addition, no variation is permitted to be made to a Mortgage Loan and no Further Mortgage Advance or Product Switch is permitted to be made in

relation to a Mortgage Loan where it would result in the Issuer arranging or advising in respect of, administering (servicing) or entering into a Regulated Mortgage Contract or agreeing to carry on any of these activities, if the Issuer would be required to be authorised under the FSMA to do so.

Prior to the occurrence of a Perfection Event, the Issuer will only hold beneficial title to the Mortgage Loans and their Collateral Security. In the event that legal title is transferred to the Issuer upon the occurrence of a Perfection Event, the Issuer must arrange for a servicer to administer these Mortgage Loans and is not expected to enter into any new Regulated Mortgage Contracts as lender under article 61(1) of the RAO. However, in the event that a mortgage is varied, such that a new contract is entered into and that contract constitutes a Regulated Mortgage Contract, then the arrangement of, advice on, administration of, and entering into of such variation, would need to be carried out by an appropriately authorised entity.

The regime under the FSMA regulating financial promotions covers the content and manner of the promotion of agreements relating to qualifying credit and by whom such promotions can be issued or approved. In this respect, the FSMA regime not only covers financial promotions of Regulated Mortgage Contracts but also promotions of certain other types of secured credit agreements under which the lender is a person (such as the Legal Title Holder) who carries on the regulated activity of entering into a Regulated Mortgage Contract. Failure to comply with the financial promotion regime (as regards who can issue or approve financial promotions) is a criminal offence and will render the Regulated Mortgage Contract or other secured credit agreement in question unenforceable against the borrower except with the approval of a court. There is a risk that failure by a relevant entity to comply with the financial promotion regime may render the Mortgage Loans unenforceable and may adversely affect the Issuer's ability to make payments on the Notes.

The FCA's Mortgages and Home Finance: Conduct of Business Sourcebook (MCOB), which sets out the FCA's rules for regulated mortgage activities, came into force on 31 October 2004. These rules cover, *inter alia*, certain pre-origination matters such as financial promotion and pre-application illustrations, pre-contract and start-of-contract and post-contract disclosure, contract changes, charges and arrears and repossessions.

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 MCOB rule, and may set off the amount of the claim against the amount owing by the borrower under the mortgage loan or any other loan that the borrower has taken with that authorised person (or exercise analogous rights in Scotland). There is a risk that any such set-off may adversely affect the Issuer's ability to make payments on the Notes.

***Changes to mortgage regulation and to the regulatory structure in the UK may adversely affect payments on the Notes***

The final rules in relation to the FCA Mortgage Market Review ("MMR") generally came into force on 26 April 2014. These rules required a number of material changes to the mortgage sales process, both in terms of advice provision in nearly all scenarios and significantly enhanced affordability assessment and evidencing.

The rules permit interest-only loans however; in relation to regulated mortgage contracts, there is a clear requirement for a clearly understood and credible strategy for repaying the capital (evidence of which the lender must obtain before entering into the loan).

Further reforms were made to the MCOB rules as a result of the implementation of the European Mortgage Credit Directive (2014/17/EU) ("**Mortgage Credit Directive**") from 21 March 2016. The changes were aimed at updating the regulatory regime for both first and second charge mortgages to align with the Mortgage Credit Directive (MCD) while addressing specific consumer protection needs, especially in the context of second charge mortgages.

In May 2025, the FCA launched a consultation with proposals to simplify aspects of its rules relating to mortgage advice and selling standards and to modify affordability rules for mortgage term reductions and

remortgaging. The consultation is part of a broader 'Mortgage Rule Review' further details of which are expected later in 2025. The proposals also include retiring existing guidance (FG 13/7 relating maturing interest-only mortgages and FG 24/2 relating to financial hardship) owing to the FCA's conclusion (subject to consultation responses) that the same protections are already afforded under existing rules and/or the Consumer Duty. The consultation closes on the 4 June 2025 with final rules expected later in 2025.

To the extent that any 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 Mortgage Loan. There is a risk that any such claim or set-off may reduce the amounts available to meet the payments due in respect of the Notes.

Under FSMA, a lender which is not authorised by the FCA which enters into a Regulated Mortgage Contract will render the agreement unenforceable. The borrower is entitled to recover any money or other property paid or transferred to him under the agreement and compensation for any losses sustained by them.

There is a risk that any further changes to the FCA's MCOB rules or the FSMA or changes in the regulatory structure, may adversely affect the Mortgage Loans, the Legal Title Holder, the Issuer, the Servicer and their respective businesses and operations.

### ***FCA Consumer Duty***

The FCA published final rules on the introduction of a consumer duty on regulated firms ("**Consumer Duty**"), which requires firms to act to deliver good outcomes for retail customers and aims to set a higher level of consumer protection in respect of retail financial services. The Consumer Duty came into effect from 31 July 2023 for products and services that remain open to sale or renewal and came into effect from 31 July 2024 for closed products and services.

The Consumer Duty applies to firms authorised under the Financial Services and Markets Act 2000, as amended ("**FSMA**") in relation to in-scope regulated activities and ancillary activities (relating to retail market business as defined in the FCA Handbook) subject to the territorial application of FCA rules. Note that it may not be necessary to be conducting activities from a physical place of business in the UK in order for activities to be regarded as taking place "in" the UK.

There are three main elements to the new Consumer Duty, comprising a new consumer principle (Principle 12), that "a firm must deliver good outcomes for retail customers" which is incorporated within the FCA's Principles for Businesses. Alongside Principle 12, the FCA has introduced accompanying regulatory rules in PRIN2A, including 'cross-cutting' rules and four sets of outcomes based rules, relating to (i) communications, (ii) products and services, (iii) price and value and (iv) consumer support and redress.

The Consumer Duty applies not only at origination of a product but throughout its life cycle (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 consumer (although not meaning that a firm is responsible for all harm), 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 cycle of the product in-scope of the Consumer Duty.

The Consumer Duty applies to products and services offered to retail customers, and to all firms who determine or have a material influence over customer outcomes – not just those with a direct customer relationship. The Consumer Duty applies in respect of Regulated Mortgage Contracts and mortgage loans which are regulated credit agreements. It applies to product manufacturers and distributors, which include purchasers of in scope mortgage loans, as well as firms administering or servicing those mortgage loans. For the purposes of the Consumer Duty, firms will be treated as 'manufacturers' if they have a role in the design or operation of a product or service. Although the Consumer Duty does not apply retrospectively, the FCA requires firms to apply the

Consumer Duty to existing products on a forward-looking basis. Under the Consumer Duty rules, if a firm identifies through complaints, its internal monitoring or from any other source, that retail customers have suffered foreseeable harm as a result of acts or omissions by the firm, it must act in good faith and take appropriate action to rectify the situation, including providing redress where appropriate and at all times in accordance with the DISP complaint handling rules in the FCA Handbook.

The FCA may further seek redress for customers who have suffered losses resulting from a firm's breach of the Consumer Duty. Under Section 384 of FSMA, the FCA has the power to require restitution if it is satisfied that a firm has contravened a relevant requirement (including requirements under the Consumer Duty), or has been knowingly concerned in the contravention of such a requirement, where the firm has made a profit as a result of the contravention or one or more persons have suffered loss or been otherwise adversely affected as a result of the contravention.

If the FCA determined that there has been a Consumer Duty breach in respect of any of the Mortgage Loans, which resulted in retail customers having suffered losses, and required that financial redress was made in respect of such Mortgage Loans, there is a risk that such redress (if exercised by the FCA) may adversely affect the ultimate amount received by the Issuer in respect of the relevant Mortgage Loans, and the realisable value of the Portfolio and/or the ability of the Issuer to make payment in full on the Notes when due.

Regulatory expectation regarding what constitutes a "good consumer outcome" for Borrowers in particular situations may continue to evolve resulting in additional compliance costs or remedial steps, which may have a material adverse effect on the Servicer and/or the Issuer and their respective businesses and operations, which may in turn adversely affect the Issuer's ability to make payments of interest and/or principal due on the Notes.

### ***Unfair relationships***

Under the Consumer Credit Act 1974 ("CCA"), the "extortionate credit" regime was replaced by an "unfair relationship" test. The "unfair relationship" test applies to all existing and new credit agreements, except Regulated Mortgage Contracts under the FSMA. If the court makes a determination that the relationship between a lender and a borrower is unfair, then it may make an order, among other things, requiring the Seller, or any assignee such as the Issuer, to repay amounts received from such borrower. In applying the "unfair relationship" test, the courts are able to consider a wider range of circumstances surrounding the transaction, including the lender's or any associate of the lender's conduct before and after making the agreement. There is no statutory definition of the word "unfair" in the CCA as the intention is for the test to be flexible and subject to judicial discretion and it is therefore difficult to predict whether a court would find a relationship "unfair". However, the word "unfair" is not an unfamiliar term in UK legislation due to the Unfair Terms in Consumer Contracts Regulations 1994 and 1999 and the CRA. The courts may, but are not obliged to, look solely to the CCA for guidance. The principle of "treating customers fairly" under the FSMA, and guidance published by the FSA and, as of 1 April 2013, the FCA on that principle and former guidance by the Office of Fair Trading (the "OFT") on the unfair relationship test, may also be relevant. Under the CCA, once the debtor alleges that an "unfair relationship" exists, the burden of proof is on the creditor to prove the contrary.

Compliance with the relevant regulatory rules by the lender (or a person acting on behalf of the lender) 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.

If a mortgage loan subject to the unfair relationship test is found to be unfair, the court has a wide range of powers and may require the lender (and any associate or former associate of the lender) to repay sums to the borrower, or to do, not do or cease doing anything in relation to the agreement or any related agreement, and may require the lender to reduce or discharge any sums payable by the debtor or surety, return to a surety any



security provided by him, alter the terms of the agreement, direct accounts to be taken or otherwise set aside any duty imposed on the borrower or surety. The term lender is the person providing the credit under a consumer credit agreement or the person to whom his rights and duties under the agreement have passed by assignment or operation of law.

If a court determined that there was an unfair relationship between the lender and the borrower in respect of any of the Mortgage Loans and ordered that financial redress was made in respect of such Mortgage Loans, there is a risk that such redress may adversely affect the ultimate amount received by the Issuer in respect of the relevant Mortgage Loans, and the realisable value of the Portfolio and/or the ability of the Issuer to make payment in full on the Notes when due.

### ***Mortgage Prisoners***

The FCA are aware that there are some consumers who cannot switch to a more affordable mortgage despite being up to date with their mortgage payments. This includes those unable to meet the enhanced affordability assessments brought in as a result of the 2008 financial crisis and subsequent regulation that tightened lending standards. These borrowers are often referred to as "mortgage prisoners".

Under Policy Statement PS19/27 which came into effect on 28 October 2019, the FCA amended its responsible lending rules and guidance to help remove potential barriers to consumers switching to a more affordable mortgage and to reduce the time and costs of switching for all relevant consumers. The changes mean that mortgage lenders can choose to carry out a modified affordability assessment where a consumer has a current mortgage, is up-to-date with their mortgage payments (and has been for the last 12 months), does not want to borrow more, other than to finance any relevant product, arrangement or intermediary fee for that mortgage and is looking to switch to a new mortgage deal on their current property. Further, inactive lenders and administrators acting for unregulated entities (such as the Issuer), were required to review their customer books and develop and implement a communication strategy for contacting relevant consumers to tell them it could be simpler for them to remortgage. The communication exercise was originally intended to be completed by 1 December 2020 however, to help firms manage the operational challenge presented by COVID-19, the FCA extended the window during which lenders were expected to contact eligible customers about switching options by 6 weeks, to 15 January 2021.

The modification of the responsible lending rules should make it easier for a borrower who is a mortgage prisoner to switch to a new lender and this, together with the proposed notification obligations, could increase redemption rates where there are a significant number of mortgage prisoners held by a lender.

Residual uncertainty regarding COVID-19, geopolitical and economic risks relating to the introduction of global tariffs and the full-scale invasion of Ukraine by Russia, rapid increases in inflation and the cost of living and a rising interest rate environment have had significant impacts on the mortgage market (as to which see further "*Risk Factors–Risks relating to the underlying assets–Deterioration in Economic Conditions*" above). Lenders reported that they were unable to offer a range of switching options or support re-mortgaging for mortgage prisoners as quickly as initially anticipated.

On 20 July 2021, the FCA published terms of reference setting out the next steps it will take in its mortgage prisoners review. The review was intended to evaluate the effects of the FCA's previous interventions that were designed to remove regulatory barriers to switching for mortgage prisoners and provide further data and insights to the Treasury so that it may explore potential solutions to the mortgage prisoner issues. In November 2021, the FCA published its findings following its mortgage prisoner review. The FCA also noted that it would focus on those areas in the market where it identified the greatest harm that could affect mortgage prisoners and other borrowers. This included focusing on carrying out work to understand the issues facing borrowers with interest only, or part repayment mortgages, that do not have a credible strategy to repay the capital borrowed at the end

of the mortgage term. The FCA also noted that it would enforce its guidance for firms on the fair treatment of vulnerable customers, to help ensure fair outcomes for customers with characteristics of vulnerability.

In a letter dated 31 August 2023, sent by the FCA to the House of Commons (Treasury Committee), the FCA provided an update on its work relating to mortgage prisoners. The letter noted that in line with its view published in November 2021, the FCA did not consider that there were any further regulatory solutions it could deliver relating to mortgage prisoners.

There is a risk that increased redemption rates in respect of the Mortgage Loans comprising the Portfolio due to Borrowers switching their mortgages to alternative lenders could, in certain circumstances, adversely affect the yield to maturity of the Notes by increasing voluntary prepayment rates above those anticipated (see "*Yield to maturity and the Issuer's ability to redeem the Notes on its scheduled redemption dates or its final maturity dates may be affected by the rate of prepayment on the Mortgage Loans*").

### ***Breathing Space Regulations***

The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 (the "**Breathing Space Regulations**") (which came into force in England and Wales on 4 May 2021) will give eligible individuals the right to legal protection from their creditors, including almost all enforcement action, during a period of "breathing space". A standard breathing space will give an individual with problem debt legal protection from creditor action for up to 60 days; and a mental health crisis breathing space will give an individual protection from creditor action for the duration of their mental health crisis treatment (which is not limited in duration) plus an additional 30 days.

However, the Breathing Space Regulations do not apply to mortgages, except for arrears which are uncapitalised at the date of the application under the Breathing Space Regulations. Interest can still be charged on the principal secured debt during the breathing space period, but not on the arrears. Any mortgage arrears incurred during any breathing space period are not protected from creditor action. The Borrower must continue to make mortgage payments in respect of any mortgage secured against their primary residence (save in respect of arrears accrued prior to the moratorium) during the breathing space period, otherwise the relevant debt adviser may cancel the breathing space period.

In February 2021 the FCA issued a policy statement (PS21/1) on the application of the Breathing Space Regulations in which they confirm that no changes are currently 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.

In Scotland, eligible individuals are afforded similar legal protection under the Bankruptcy (Scotland) Act 2016 although the moratorium period of 6 months is longer than in England and Wales and does not make any accommodation for mental health crisis. However, the Scottish Bankruptcy and Diligence (Scotland) Act, which received Royal Assent on 15 July 2024, will permit regulations to be made for the introduction of a similar form of moratorium in Scotland as currently exists under the Breathing Space Regulations. The date of commencement of each of the provisions are still to be determined and timescales for the introduction on the proposed moratorium is currently unknown.

There is a risk that delays in the initiation of enforcement action in respect of the Mortgage Loans may result in lower recoveries and may adversely affect the ability of the Issuer to make payments due under the Notes.

### ***Distance Marketing***

In the United Kingdom, the Financial Services (Distance Marketing) Regulations 2004 (the "**Distance Marketing Regulations**") apply to contracts for financial services entered into on or after 31 October 2004 by

a "consumer" within the meaning of the Distance Marketing Regulations and by means of distance communication (i.e. without any substantive simultaneous physical presence of the originator and the borrower).

The Distance Marketing Regulations require suppliers of financial services by way of distance communication to provide certain information to consumers. This information generally has to be provided before the consumer is bound by the contract and includes, but is not limited to, general information in respect of the supplier and the financial service, the contractual terms and conditions, and whether or not there is a right of cancellation.

A regulated mortgage contract under the FSMA, if originated by a UK lender (who is authorised by the FCA) from an establishment in the United Kingdom, will not be cancellable under the Distance Marketing Regulations, but will be subject to related pre-contract disclosure requirements in MCOB. Failure to comply with MCOB pre-contract disclosure could result in, among other things, disciplinary action by the FCA and possible claims for damages under Section 138D of FSMA.

Certain other agreements for financial services will be cancellable under the Distance Marketing Regulations if the borrower does not receive prescribed information at the prescribed time. Where the credit agreement is cancellable under the Distance Marketing Regulations, the borrower may send notice of cancellation at any time before the expiry of 14 days beginning with (i) the day after the day on which the contract is made (where all of the prescribed information has been provided prior to the contract being entered into); or (ii) the day after the day on which the last of the prescribed information is provided (where all the of prescribed information was not provided prior to the contract being entered into).

Compliance with the Distance Marketing Regulations may be secured by way of injunction (interdict in Scotland), obtained by an enforcement authority, granted on such terms as the court thinks fit to ensure such compliance, and certain breaches of the Distance Marketing Regulations may render the originator or intermediaries (and their respective relevant officers) liable to a fine. If the borrower cancels the contract under the Distance Marketing Regulations, then: (a) the borrower is liable to repay the principal and any other sums paid by or on behalf of the originator to the borrower, under or in relation to the contract, within 30 calendar days of cancellation; (b) the borrower is liable to pay interest, early repayment charges and other charges for services actually provided in accordance with the contract only if: (i) the amount is in proportion to the extent of the service provided before cancellation (in comparison with the full coverage of the contract) and is not such that it could be construed as a penalty; (ii) the borrower received certain prescribed information at the prescribed time about the amounts payable; and (iii) the originator did not commence performance of the contract before the expiry of the relevant cancellation period (unless requested to do so by the borrower); and (c) any security provided in relation to the contract is to be treated as never having had effect. If a significant portion of the Mortgage Loans are characterised as being cancellable under the Distance Marketing Regulations, then there is a risk that there could be an adverse effect on the Issuer's receipts in respect of the Mortgage Loans, affecting the Issuer's ability to make payments in full on the Notes when due.

### ***The Consumer Rights Act 2015***

The Consumer Rights Act 2015 (the "CRA") applies to 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 provides that a consumer (which would include a borrower under all or almost all of the Mortgage Loans) may challenge a term in an agreement on the basis that it is "unfair" within the CRA and is 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 provided that a regulator may take action to stop the use of terms which are considered to be unfair.

The FCA stated that the finalised FCA guidance "*Fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015*" applies equally to factors that firms should consider to achieve fairness under the Unfair Terms in Consumer Contracts Regulations 1999 ("**UTCCR**").

The CRA significantly reformed and consolidated 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 revoked the UTCCR in respect of contracts made on or after 1 October 2015 and introduced a new regime for dealing with unfair contractual terms as follows:

- (a) Under Part 2 of the CRA an unfair term of a consumer contract (a contract between a trader and a consumer) is not binding on a consumer (an individual acting for purposes that are wholly or mainly outside that individual's trade, business, craft or profession). Additionally, an unfair notice is not binding on a consumer, although a consumer may rely on the term or notice if the consumer chooses to do so. A term will be unfair where, contrary to the requirement of good faith, it causes significant imbalance in the parties' rights and obligations under the contract to the detriment of the consumer. In determining whether a term is fair it is necessary to: (i) take into account the nature of the subject matter of the contract; (ii) refer to all the circumstances existing when the term was agreed; and (iii) refer to all of the other terms of the contract or any other contract on which it depends.
- (b) Schedule 2 of the CRA contains an indicative and non-exhaustive "grey list" of terms of consumer contracts that may be regarded as unfair. Notably, paragraph 11 of Schedule 2 lists "a term which has the object or effect of enabling the trader to alter the terms of the contract unilaterally without a valid reason which is specified in the contract", although paragraph 22 of Schedule 2 provides that this does not include a term by which a supplier of financial services reserves the right to alter the rate of interest payable by or due to the consumer, or the amount of other charges for financial services without notice where there is a valid reason if the supplier is required to inform the consumer of the alteration at the earliest opportunity and the consumer is free to dissolve the contract immediately.
- (c) A term of a consumer contract which is not on the "grey list" may nevertheless be regarded as unfair.

Where a term of a consumer contract is "unfair" it will not bind the consumer. However, the remainder of the contract will, so far as 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 court cannot substitute an unfair term with a fair one.

(d) Regulatory Developments

In July 2019, the FCA and the Competition and Markets Authority (the "**CMA**") entered into a memorandum of understanding in relation to consumer protection (the "**MoU**") which replaced the original memorandum of understanding entered into between the FCA and the CMA on 12 January 2016. A new memorandum of understanding between the CMA and the FCA was published in 2024, in light of the DMCCA.

The MoU states that the FCA will consider fairness within the meaning of the CRA and the UTCCR, of standard terms, and within the meaning of the CRA of negotiated terms, in financial services contracts entered into by authorised firms or appointed representatives and within the meaning of the Consumer Protection from Unfair Trading Regulations 2008 (the "**CPUTR**"), of commercial practices in financial services and claims management services of an authorised firm or appointed representative. In the MoU 'authorised' includes having an interim permission and a 'relevant permission' includes an interim permission.

The FCA's consideration of fairness under the CRA and CPUTR includes contracts for mortgages and the selling of mortgages, consumer credit and other credit-related activities.

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 – see below).

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 variations in mortgage contracts dated February 2000; (ii) an FSA statement of good practice on the 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 above-mentioned 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 finalised guidance: "Fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015" (FG 18/7), outlining factors the FCA considered firms should have regard to when drafting and reviewing variation terms in consumer contracts. This follows developments in case law, including at the Court of Justice of the European Union (the "CJEU"). The finalised guidance relates to all financial services consumer contracts entered into since 1 July 1995. The FCA state that firms should consider both this guidance and other rules that apply when they draft and use variation terms in their consumer contracts. The FCA stated that the finalised guidance will apply to FCA authorised persons and their appointed representatives in relation to any consumer contracts which contain variation terms.

The Unfair Contract Terms and Consumer Notices Regulation Guide (UNFCOG in the FCA handbook) explains the FCA's policy on how it uses its powers under the CRA and the CMA published guidance on the unfair terms provisions in the CRA on 31 July 2015 (the "CMA Guidance"). The CMA indicated in the CMA Guidance that the fairness and transparency provisions of the CRA are regarded to be "effectively the same as those of the UTCCR" (save in applying the consumer notices and negotiated terms). The document further notes that "the extent of continuity in unfair terms legislation means that existing case law generally, and that of the Court of Justice of the European Union particularly, is for the most part as relevant to the Act as it was the UTCCRs".

In general, the interpretation of the CRA is open to some doubt, particularly in the light of sometimes conflicting reported case law between English courts and the CJEU. The broad and general wording of the CRA makes any assessment of the fairness of terms largely subjective and makes it difficult to predict whether or not a term would be held by a court to be unfair. It is therefore possible that any Mortgage Loans which have been made to Borrowers covered by the CRA may contain unfair terms which may result in the possible unenforceability of the terms of the underlying loans.

If any term of the Mortgage Loans is found to be unfair for the purpose of the CRA, this may reduce the amounts available to meet the payments due in respect of the Notes. No assurance can be given that any changes in legislation, guidance or case law on unfair terms will not have a material adverse effect on the legal title holder, the Issuer and/or the Servicer and their respective businesses and operations. There can be no assurance that any such changes (including changes in regulators' responsibilities) will not affect the Mortgage Loans.

***Decisions of the Ombudsman could lead to some terms of the Mortgage Loans being varied, which may adversely affect payments on the Notes***

Under the FSMA, the Financial Ombudsman Service (the "**Ombudsman**") is required to make decisions on, among other things, complaints relating to the activities and transactions under its jurisdiction on the basis of what, in the Ombudsman's opinion, would be fair and reasonable in all the circumstances of the case, taking into account, among other things, law and guidance, rather than strictly on the basis of compliance with law. Complaints properly brought before the Ombudsman for consideration must be decided on a case-by-case basis, with reference to the particular facts of any individual case. Each case would first be adjudicated by an adjudicator. Either party to the case may appeal against the adjudication. In the event of an appeal, the case proceeds to a final decision by the Ombudsman. The Ombudsman may order a money award to a debtor, which may adversely affect the ability of the Issuer to meet its obligations under the Notes.

As the Ombudsman is required to make decisions on the basis of, among other things, the principles of fairness, and may order a monetary award to a complaining borrower, it is not possible to predict how any future decision of the Ombudsman would affect the ability of the Issuer to make payments to Noteholders.

***Consumer Protection from Unfair Trading Regulations 2008 and the Digital Markets, Competition and Consumers Act 2024***

The Consumer Protection from Unfair Trading Regulations 2008 (the "**CPUTR**"), came into force on 26 May 2008. The CPUTR prohibit certain practices which are deemed "unfair" within the terms of the CPUTR. Breach of the CPUTR does not (of itself) render an agreement void or unenforceable, but is a criminal offence punishable by a fine and/or imprisonment. The possible liabilities for misrepresentation or breach of contract in relation to the underlying credit agreements may result in irrecoverable losses on amounts to which such agreements apply.

The CPUTR did not originally provide consumers with a private act of redress. Instead, consumers had to rely on existing private law remedies based on the law of misrepresentation and duress. The Consumer Protection (Amendment) Regulations 2014 (SI No.870/2014) were laid before Parliament on 1 April 2014 and came into force on 1 October 2014. In certain circumstances these amendments to the CPUTR give consumers a right to redress for misleading or aggressive commercial practices (as defined in the CPUTR), including a right to unwind agreements.

The DMCCA revokes and restates the CPUTR in Part 4 of the DMCCA with amendments. The new regime commenced on 6 April 2025 and around the same time the CMA also published guidance "Unfair commercial practices: CMA207" on the scope of the regime and two further pieces of guidance on its enforcement powers "Direct consumer enforcement guidance CMA200" and "Consumer protection: enforcement guidance CMA58". The DMCCA will apply to acts or omissions on or after 6 April 2025 and the CPUTR to acts or omissions prior to that date. Similar to the CPUTR, if there is a finding of an unfair practice, a trader will have committed an offence under section 237 of the DMCCA (subject to defences). Unless subject to a right of redress under section 233 (which affords a consumer rights such as unwinding a contract and damages under secondary regulation in the context of the prohibited practices of "misleading action" and "aggressive practice"), contracts will remain enforceable.

Under the DMCCA, the FCA (or another enforcer listed in the Act e.g. the CMA) (following consultation with the infringer) could apply to the court under Part 3, for an enforcement order to stop a "relevant infringement". An enforcement order may include a requirement to take such enhanced consumer protection measures as the court considers just and reasonable. Section 221 states that these may include redress measures (these include paying consumers compensation or giving the affected consumer the option to terminate contract), compliance measures or choice measures. The court has the power to impose a monetary penalty (up to 10% of the total value of the turnover of the respondent). Separately, the CMA also has the power to directly enforce consumer

laws without having to take businesses to court (with similar sanctions to the above). A relevant infringement is defined as a commercial practice which harms the collective interests of consumers, is connected to the UK (as defined under section 149 of the DMCCA) and the commercial practice is in breach of an enactment listed in the DMCCA (covering certain unfair trading practices listed in Part 4 of the DMCCA, the CCA and certain parts of the CRA and UTCCRs).

***The effect (if any) of the CPUTRs on the Mortgage Loans, the Servicer and the Seller and their respective businesses and operations will depend on whether those entities engage in any of the practices described in the CPUTRs. Whilst engaging in an unfair commercial practice does not render a contract void or unenforceable, to do so is an offence punishable by a fine and/or imprisonment and the possible liabilities for misrepresentation or breach of contract in relation to the underlying credit agreement may result in losses on amounts to which such agreements apply. Mortgage repossession***

There is a protocol for mortgage repossession cases in England and Wales (the "Pre-Action Protocol") which sets out the steps that judges will expect any lender to take before starting a claim. A number of mortgage lenders, including the Legal Title Holder, have confirmed that they will delay the initiation of repossession action for at least three months after a borrower, who is an owner-occupier, is in arrears. The application of such a moratorium may be subject to the wishes of the relevant borrower and may not apply in cases of fraud. In addition, MCOB rules (Chapter 13) prevent, in relation to the Regulated Mortgage Contracts, repossessing the mortgaged property unless all other reasonable attempts to resolve the position have failed and must not automatically capitalise a payment shortfall where the impact would be material. The Mortgage Repossessions (Protection of Tenants etc.) Act 2010 came into force on 1 October 2010. This Act gives courts in England and Wales the same power to postpone and suspend repossession for up to two months on application by an unauthorised tenant (i.e. a tenant in possession without the lender's consent) as generally exists on application by an authorised tenant. In addition, under the Pre-Action Protocol the lender must consider whether to postpone the start of a possession claim where the borrower has made a genuine complaint to the FOS about the potential possession claim.

In Scotland, Part I of the Home Owner and Debtor Protection (Scotland) Act 2010 imposes additional requirements on heritable creditors (the Scottish equivalent of a mortgagee) in relation to the enforcement of standard securities over residential property in Scotland. Under Part I of the Act, the heritable creditor, which may be the Legal Title Holder or, in the event of it taking legal title to the Scottish Mortgage Loans and their Collateral Security, the Issuer, has to obtain a court order to exercise its power of sale (in addition to initiating the enforcement process by the service of a two-month "calling up" notice), unless the borrower and any other occupiers have surrendered the property voluntarily. In applying for the court order, the heritable creditor also has to demonstrate that it has taken various preliminary steps to attempt to resolve the borrower's position, and comply with further procedural requirements.

The Pre-Action Protocol, MCOB 13 and these Acts may have adverse effects in markets experiencing above average levels of repossession claims. There is a risk that delays in the initiation of responsive action in respect of the Mortgage Loans may result in lower recoveries and may adversely affect the ability of the Issuer to make payments on the Notes.

#### ***FCA responses to coronavirus and the cost of living crisis***

On 20 March 2020, the FCA published guidance entitled "Mortgages and coronavirus: Payment Deferral Guidance" in connection with the Covid-19 outbreak; the guidance was updated on 4 June 2020, on 16 June 2020 and again on 17 November 2020, such update coming into effect on 20 November 2020 (the "FCA Payment Deferral Guidance"). Amongst other things, this guidance provided that mortgage lenders were required, where an eligible borrower was experiencing or reasonably expected to experience payment difficulties as a result of circumstances relating to coronavirus, and wished to receive a payment deferral, to

grant a borrower a payment deferral for three monthly payments, unless the mortgage lender agreed with the borrower a different option that the lender reasonably considered to be in the best interests of the borrower. Such deferrals were not permitted to extend beyond 31 July 2021. The Payment Deferral Guidance expired in January 2021.

On 16 September 2020, additional guidance for firms entitled "Mortgages and coronavirus: additional guidance for firms" came into force (the "**Tailored Support Guidance**") to supplement the FCA Payment Deferral Guidance. Following a number of interim updates, the Tailored Support Guidance was republished in finalised form on 25 March 2021, with effect from 29 March 2022. The Tailored Support Guidance applied to firms dealing with borrowers facing payment difficulties due to circumstances related to coronavirus who are not receiving payment deferrals under the FCA Payment Deferral Guidance, including where they are not or are no longer eligible for payment deferral. The Tailored Support Guidance was designed to enable firms to continue to deliver short and long-term support to borrowers affected by the coronavirus pandemic and the Government's response to it.

The Tailored Support Guidance was revoked on 4 November 2024 following a decision by the FCA to incorporate relevant elements of it into FCA rules further to PS24/2: "Strengthening protections for borrowers in financial difficulty: Consumer credit and mortgages". The new FCA rules (and related guidance) applied on and from 4 November 2024. Amongst other things they, broaden the scope of MCOB 13 to support a wider range of customers including those who are at risk of missing payments (even before they do so) or experiencing financial difficulty. Guidance on capitalisation has been added to the rules as to when it may be appropriate to agree to capitalise a payment shortfall (automatic capitalisation is not permitted). There are enhanced disclosure requirements for all customers in payment shortfall.

The FCA expects mortgage lenders to be flexible and employ a full range of short and long-term forbearance options to support their borrowers and minimise avoidable financial distress and anxiety experienced by customers in financial difficulty. This may include short term arrangements under which the lender permits the customer to make no or reduced payments for a specified period.

Since 1 April 2021, subject to any relevant government restrictions on repossessions, firms have been able to enforce repossessions provided they act in accordance with the Tailored Support Guidance (now revoked), 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. This point is reiterated in PS24/2 in which the FCA notes that MCOB 13 remain clear that firms must not seek repossession unless all other reasonable attempts to resolve the position have failed.

On 13 March 2023, the FCA published finalised guidance: "Guidance for firms supporting their existing mortgage borrowers impacted by the rising cost of living" (FG23/2). 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. FG23/2 has been replaced by FG24/2 "Guidance for firms supporting their existing mortgage borrowers impacted by the rising cost of living" since 4 November 2024. The FCA explains in the guidance that its intention is to reflect changes introduced by PS24/2 and that the updated guidance does not impose new expectations or requirements on firms. In May 2025, the FCA released a consultation paper (CP 25/11) which proposes to retire FG24/2 on the basis that it restates FCA handbook requirements which are underpinned by the Consumer Duty. The consultation closes on the 4 June 2025 with the final position expected to be published later in 2025.



### ***Mortgage Charter and Mortgage Charter Enabling Provisions***

On 23 June 2023, a group of mortgage lenders agreed with the Chancellor of the Exchequer and the FCA a series of new commitments to support regulated residential mortgage borrowers (the "**Mortgage Charter**"), following a prolonged period of high inflation and a resulting increase in UK interest rates.

Whilst the original commitments in the Mortgage Charter did not directly bind any UK mortgage lenders that were not a signatory to the Mortgage Charter at the time, the FCA has enabled FCA regulated lenders to implement the Mortgage Charter through Policy Statement (PS23/8): Mortgage Charter: enabling provisions (the "**Mortgage Charter Enabling Provisions**") which amended the Mortgages and Home Finance: Conduct of Business sourcebook (the "**MCOB**") in order to support the implementation of the Mortgage Charter. These changes enable lenders to offer support mechanisms set out in the Mortgage Charter even though such lenders were not original signatories to the Mortgage Charter. The FCA has separately indicated in its Policy Statement (PS23/8) that firms (including mortgage lenders and administrators) will also need to meet expectations set out under the Consumer Duty's 'consumer understanding' outcome. Firms will need to make sure customers understand the features, costs, and benefits of the option they choose. This extends the principles of the Mortgage Charter to other UK mortgage lenders, including those that are not direct signatories to the Mortgage Charter, as indicated in the Mortgage Charter Enabling Provisions.

Notwithstanding that, as at the date of this Prospectus, the Legal Title Holder is not a signatory to the Mortgage Charter, it remains committed to continuing to support Borrowers residing in the Property on which their Mortgage Loan is secured and who may be facing financial difficulties and, where applicable, appropriate and in the best interests of the relevant Borrower, the Legal Title Holder intends to provide support pursuant to the requirements of MCOB as amended by the Mortgage Charter Enabling Provisions.

Some of the commitments under the Mortgage Charter include:

- (a) from 26 June 2023, borrowers 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;
- (b) from 10 July 2023, customers approaching the end of a fixed rate deal will have the opportunity to secure a new fixed rate up to six months in advance, as well as being able to manage their new deal and request a better like-for-like deal with their lender up until their new term starts, if one is available;
- (c) for customers up-to-date with their payments, lenders will offer:
  - (i) a switch to interest-only payments for six months; or
  - (ii) an extension of their mortgage term to reduce monthly payments and give customers the option to revert to their original term within 6 months,

which can be carried out without a new affordability check or by affecting the relevant borrower's credit score.

The Legal Title Holder will also act in accordance with the forbearance policy described in the section entitled "*The Mortgage Loans-Characteristics of the Mortgage Loans*" of this Prospectus, including any updates to such policy as would be made by a Prudent Mortgage Lender, in order to adhere to applicable regulatory requirements imposed, and/or guidance issued by, without limitation, the FCA. The Legal Title Holder intends to continue to monitor whether it may become a signatory to the Mortgage Charter.

### ***Interest only loans***

On 15 August 2023 the FCA published their "Research Note: Interest-only mortgages: analysis of FCA mortgage data and consumer research" following which they consulted with 12 mortgage lenders and administrators to help inform a review of their existing guidance "Dealing fairly with interest-only mortgage customers who risk being unable to repay their loan" dated 29 August 2013 (FG13/7). In May 2025, the FCA

released a consultation paper (CP25/11) in which it proposes to retire FG13/7 on the basis that it believes the guidance has fulfilled its original purpose of improving industry risk management and customer communications, contributing to faster-than-expected redemptions of interest only mortgages and appropriate support for customers who cannot pay monies at maturity. It proposes that, going forwards, firms will be required to meet the standards under the Consumer Duty and existing applicable rules in MCOB. The consultation paper goes on to state firms should continue to reduce 'foreseeable harm' by supporting interest only customers at risk of facing a shortfall. Where customers have a shortfall at the end of their mortgage, they should receive time and support to resolve the situation. The FCA proposes to introduce a rule to make clear that firms should not take repossession action unless all other reasonable attempts to resolve the position have failed. The consultation closes on 4 June 2025, with final rules expected later in 2025.

### ***Land Registration Reform in Scotland***

The Land Registration etc. (Scotland) Act 2012 (the "**2012 Act**") came into force in Scotland on 8 December 2014. One of the policy aims of the 2012 Act is to encourage the transfer of property titles recorded in the historic General Register of Sasines to the more recently established Land Register of Scotland with the aim of eventually closing the General Register of Sasines.

Previously, title to a property that was recorded in the General Register of Sasines would usually only be required to be moved to the Land Register of Scotland (a process known as "first registration") when that property was sold or if the owner decided 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 Portfolio recorded in the General Register of Sasines, pursuant to the terms of the Deed of Charge following a Perfection Event (a "**Scottish Sasine Sub-Security**")) or (ii) the recording of an assignation of a Standard Security (which, in the latter case, would extend to any assignation granted by the Legal Title Holder in favour of the Issuer in respect of Scottish Mortgages in the Portfolio recorded in the General Register of Sasines, pursuant to the terms of the Mortgage Sale Agreement following a Perfection Event (a "**Scottish Sasine Transfer**")).

Since 1 April 2016, the General Register of Sasines has been closed to the recording of Standard Securities. Notwithstanding 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 the Registers of Scotland have reserved the right to consult further on this issue in the future).

If the General Register of Sasines becomes closed to assignations of Standard Securities at any time after the date of this Prospectus, then this would also have an impact on the registration of Scottish Sasine Transfers in addition to impacting on the registration of Scottish Sasine Sub-Security executed following a Perfection Event, with the probability of higher legal costs and a longer period required to complete registration than would currently be the case.

As noted above, such events will only occur following a Perfection Event and given that the proportion of properties in Scotland which remain recorded in the General Register of Sasines continues to decline (the Registers of Scotland estimate that, as at April 2025 approximately 87 per cent. of functional property titles in Scotland were registered in the Land Register of Scotland), it is likely that, in relation to the Provisional Portfolio, where, as at the Portfolio Reference Date, 5.33 per cent. (by Principal Balance) of the Properties are located in Scotland, only a minority of the Scottish Mortgages will be recorded in the General Register of Sasines.

### ***Welsh tax rules on second homes***

On 1 March 2022, the Welsh government announced an increase to the maximum level of council tax premiums for second homes. The maximum level at which local authorities can set council tax premium on second homes and long-term empty properties will be increased from the current maximum level of 100% to 300% effective from April 2023.

### ***Other changes to the regulatory regime***

No assurance can be given that changes will not be made to the regulatory regime and developments described above in respect of the mortgage market in the UK generally, the relevant Legal Title Holder's particular sector in that market or specifically in relation to the Legal Title Holder. Any such action or developments, in particular, but not limited to, the cost of compliance, may have a material adverse effect on the Legal Title Holder, the Issuer, the Servicer and their respective businesses and operations. There is a risk that this may adversely affect the Issuer's ability to make payments in full on the Notes when due.

### ***Broker commissions***

Certain of the Mortgage Loans were originated through intermediaries. In line with market practice, the Originator may have paid commissions to such intermediaries in the form of a fee. There is a risk that where these commissions have not been disclosed a Borrower may, depending on the circumstances of the case, have a claim against the Legal Title Holder in respect of the affected Mortgage Loan.

In the event of a successful claim where only the existence but not the amount of the commission was disclosed to a Borrower then, depending on the circumstances of the case courts have ordered (and it is likely that a court may order) payment to such Borrower of the amount of commission paid in respect of the affected Mortgage Loan together with interest on that amount (although the court does have discretion as to the remedy that it would award the Borrower in the circumstances).

If there was a failure to disclose the existence of the commission to a Borrower (i.e. where the commission is “fully secret”) the remedy is likely to be greater and may include rescission of the contract where a Borrower can make counter-restitution. Alongside any claim relating to undisclosed commissions, where the Mortgage Loan is not a Regulated Mortgage Contract there is the additional risk that a Borrower could claim the relationship between the Borrower and legal title holder of the affected Mortgage Loan gives rise to an unfair relationship, and therefore may be subject to a claim under Sections 140A-140C of the Consumer Credit Act. If such a claim was successful, the court may impose a range of remedies in favour of a Borrower, including repayment of sums paid by such a Borrower, rendering the agreement or security unenforceable, or otherwise altering the terms of the agreement.

The MCOB rules have required the disclosure of the existence and amount of broker commissions for Regulated Mortgage Contracts from 31 October 2004. Accordingly, the risk of non-disclosure of broker commissions is low in the context of the Mortgage Loans which are originated under the MCOB rules.

If there were any successful non-disclosure of broker commission claims (in terms of the existence or amount of such broker commission) or unfair relationship claims made by Borrowers in respect of any Mortgage Loans and the court ordered that financial redress or rescission be made in respect of such Mortgage Loans, such redress or rescission may adversely affect the ultimate amount received by the Issuer in respect of the relevant Mortgage Loans and the realisable value of the Portfolio and/or the Issuer's ability to make payment in full on the debt when due.

The non-disclosure or partial disclosure of commissions by intermediaries has recently received renewed focus owing to the motor finance consumer credit Court of Appeal case *Johnson v FirstRand Bank Limited*, *Wrench v FirstRand Bank Limited* and *Hopcraft v Close Brothers* [2024] EWCA Civ 1106. The Supreme Court heard the appeal case against the Court of Appeal's decision in April 2025 and it is expected to hand down its judgment

in July 2025. The media attention may encourage other customers to consider undisclosed or partially disclosed commission in respect of their products including the types of claims mentioned above in respect of the Mortgage Loans. As noted above, this is unlikely to impact Regulated Mortgages Contracts originated since 31 October 2004 owing to rules that would have required the mortgage intermediary to disclose existence and the amount of the commission.

## Summary of the Key Transaction Documents

### *Mortgage Sale Agreement*

#### *Portfolio*

Under a mortgage sale agreement to be entered into on or around the Closing Date between, amongst others, the Seller, the Legal Title Holder, the Issuer, the Security Trustee and the Servicer (the "**Mortgage Sale Agreement**"), the Seller shall in consideration for payment of the Initial Purchase Price and the issuance and payment under the Residual Certificates as detailed below:

- (a) on the Closing Date, sell, assign or otherwise transfer to the Issuer pursuant to the Mortgage Sale Agreement a portfolio of English and Welsh residential mortgage loans each secured by an English Mortgage and, where applicable, other Collateral Security (the "**English Mortgage Loans**"); and
- (b) sell to the Issuer pursuant to the Mortgage Sale Agreement and hold the portfolio of Scottish residential mortgage loans each secured by a Scottish Mortgage and, where applicable, other Collateral Security (the "**Scottish Mortgage Loans**") on trust under a Scottish Declaration of Trust for the benefit of the Issuer.

On any Further Purchase Date the Seller shall, in consideration of the Ported Mortgage Loan Consideration, sell Ported Mortgage Loans which may be sold as either an English Mortgage Loan or a Scottish Mortgage Loan (as applicable).

The English Mortgage Loans and their Collateral Security comprising the Portfolio will be assigned by way of equitable assignment to the Issuer, while the Scottish Mortgage Loans and their Collateral Security comprising the Portfolio will be held on trust for the Issuer under each Scottish Declaration of Trust. The Mortgage Loans and Collateral Security and all monies derived therefrom from time to time are referred to herein as the "**Portfolio**".

The consideration due to the Seller in respect of the sale of the Portfolio shall be:

- (a) in respect of the Closing Date Portfolio, the Initial Purchase Price, which is due and payable on the Closing Date;
- (b) in respect of any Ported Mortgage Loan, the Ported Mortgage Loan Consideration, which is due and payable the relevant Further Purchase Date;
- (c) in respect of each Additional Mortgage Loan, the Additional Mortgage Loan Purchase Consideration; and
- (d) the deferred consideration consisting of the Residual Payments payable pursuant to the applicable Payment Priorities, the right to such Residual Payments being represented by Residual Certificates to be issued by the Issuer and delivered to, or at the direction of, the Seller on the Closing Date.

Any Residual Payments payable pursuant to the Residual Certificates will be paid in accordance with the priority of payments set out in the sections headed "*Cashflows–Application of Available Revenue Receipts prior to the service of an Enforcement Notice on the Issuer*" and "*Cashflows–Distributions following the service of an Enforcement Notice on the Issuer*".

The Legal Title Holder shall transfer to the Issuer within five Business Days of the Closing Date an amount equal to all:

- (a) principal collections received on the Mortgage Loans and their Collateral Security comprised in the Closing Date Portfolio from (but excluding) the Cut-Off Date to (but excluding) the Closing Date; and

- (b) all other collections which do not constitute principal received on the Mortgage Loans and their Collateral Security comprised in the Closing Date Portfolio from (but excluding) the Revenue Cut-Off Date to (but excluding) the Closing Date.

The Legal Title Holder shall transfer to the Issuer within five Business Days of an Additional Sale Date an amount equal to all:

- (a) principal collections received on the relevant Additional Mortgage Loans and their Collateral Security purchased on the Additional Sale Date from (but excluding) the Additional Mortgage Loan Cut-Off Date to (but excluding) the Additional Sale Date; and
- (b) all other collections which do not constitute principal received on the Additional Mortgage Loans and their Collateral Security purchased on the Additional Sale Date from (but excluding) the Additional Mortgage Loan Cut-Off Date to (but excluding) the Additional Sale Date.

*Title to the Mortgages, Registration and Notifications*

The completion of the transfer or, in the case of Scottish Mortgage Loans and their Collateral Security, assignation, of the Mortgage Loans and their Collateral Security (and, where appropriate, their registration or recording) to the Issuer is, save in the limited circumstances referred to below, deferred. Legal title to the Mortgage Loans and their Collateral Security therefore remains with the Legal Title Holder until the occurrence of a Perfection Event. Notice of the sale of the Mortgage Loans and their Collateral Security to the Issuer will not be given to any Borrower until the occurrence of a Perfection Event.

The transfers to the Issuer will be completed by or on behalf of the Legal Title Holder after any of the following Perfection Events occurs:

- (a) the occurrence of an Insolvency Event occurring in relation to the Legal Title Holder or the Seller; or
- (b) the Legal Title Holder being required to perfect legal title to the Mortgage Loans (i) by law; (ii) by an order of a court of competent jurisdiction; or (iii) by a regulatory authority which has jurisdiction over the Legal Title Holder; or
- (c) the Legal Title Holder calling for perfection by serving notice in writing to that effect on the Issuer and the Security Trustee; or
- (d) the occurrence of a Servicer Termination Event where a replacement servicer has been appointed in accordance with the provisions of the Servicing Deed; or
- (e) the Legal Title Holder or the Seller defaults in the performance or observance on any of its covenants or obligations under the Transaction Documents, and the Servicer does not remedy that failure within 30 Business Days after the earlier of the Legal Title Holder or the Seller (as applicable) becoming aware of the failure or of receipt by the Legal Title Holder or the Seller (as applicable) of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee requiring the Legal Title Holder's or the Seller's (as applicable) non-compliance to be remedied; or
- (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 (acting reasonably), in jeopardy; or
- (g) the delivery of an Enforcement Notice by the Note Trustee on the Issuer; or
- (h) it becoming unlawful in any applicable jurisdiction for the Legal Title Holder to hold legal title in respect of any Mortgage Loan or its Collateral Security in the Portfolio; or
- (i) a Severe Deterioration Event in respect of the Legal Title Holder or the Seller,

(each of the events set out in paragraphs (a) to (i) above inclusive being a "**Perfection Event**").

Following a Perfection Event, notice of the legal assignments and assignments will be given to the Borrowers and the Issuer will take steps to register and record such legal assignments and assignments at the Land Registry and Registers of Scotland (as applicable).

None of the Note Trustee, the Security Trustee or the Issuer has made or has caused to be made on its behalf any enquiries, searches or investigations, but each is relying entirely on the representations and warranties made by the Seller and the Legal Title Holder contained in the Mortgage Sale Agreement.

#### *Conditions to Sale*

The sale of Mortgage Loans and their Collateral Security to the Issuer will be subject to various conditions precedent being satisfied on the Closing Date.

#### *Representations and Warranties*

On each Purchase Date, the Loan Warranties (described below in this "*Representations and Warranties*" section) will be given by the Seller and the Legal Title Holder in respect of the Mortgage Loans and their Collateral Security originated by the Seller and the Legal Title Holder to the Issuer on that day. Furthermore, the Seller will make, on a Product Switch Effective Date, the Product Switch Warranties only in relation to a Product Switch Mortgage Loan to be retained within the Portfolio.

The warranties that will be given to the Issuer and the Security Trustee by the Seller and the Legal Title Holder pursuant to the Mortgage Sale Agreement (the "**Loan Warranties**") include:

- 1 Immediately prior to the sale of the relevant Mortgage Loans and their related Collateral Security, the Seller was the absolute beneficial owner of the Mortgage Loans, the Collateral Security and the other property to be assigned and transferred by the Seller to the Issuer pursuant to the Mortgage Sale Agreement (or, in relation to a Scottish Mortgage Loan, its related Collateral Security and other related property to be assigned and transferred, has an unencumbered right to call for the beneficial interest therein to be transferred to it or its nominee).
- 2 Immediately prior to the sale of the relevant Mortgage Loans and their related Collateral Security, subject to completion of any registration of the Mortgage or the Legal Title Holder's title in the Mortgage, the Legal Title Holder was the absolute legal owner and title holder of the Mortgage Loans, the Collateral Security and the other property to be assigned and transferred by the Seller to the Issuer. The Seller has not assigned (whether by way of absolute assignment, assignation or by way of security only), transferred, charged, disposed of or dealt with the benefit of any of the Mortgage Loans or their related Mortgages, any of the other rights relating thereto or any of the property, rights, titles, interests or benefits to be sold or assigned pursuant to the Mortgage Sale Agreement other than (i) pursuant to the Mortgage Sale Agreement or (ii) the Deed of Reassignment entered into by, among others, the Seller and dated on or about the Closing Date or (iii) any security interest which will be released immediately prior to sale.
- 3 The Mortgage Loan Conditions and the Mortgage Loan Agreement for each Mortgage Loan and its related Mortgage and the related Collateral Security constitute a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms and is non-cancellable (except that (a) enforceability may be limited by (i) 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; (ii) the UTCCR or the Consumer Rights Act 2015 insofar as they relate to any obligation in the Mortgage Loan other than the obligation to pay interest and principal; or (iii) fraud and (b) no warranty is given in relation to any obligation of the Borrower to pay early repayment charges, administration fees, exit fees or other fees or charges or charges payable in the event of Borrower default) and each such related Mortgage and the related Collateral Security

secures the repayment of all advances, interest, costs and expenses payable by the relevant Borrower to the Legal Title Holder under the relevant Mortgage Loan in priority to any other charges registered against the relevant Mortgaged Property provided that nothing in this paragraph constitutes a representation or a warranty as to the sufficiency of such Property as security for indebtedness secured on it.

- 4 As at the date the Mortgage Loan was originated, the Legal Title Holder had all necessary consents, authorisations, approvals, licences and orders including without limitation all necessary licences under FSMA to originate the Mortgage Loans.
- 5 Each Mortgage constitutes a first ranking charge by way of legal mortgage (in England and Wales) or a first ranking Standard Security (in Scotland) over the relevant Mortgaged Property.
- 6 Prior to making a Mortgage Loan to a Borrower, the Legal Title Holder instructed or required to be instructed on its behalf solicitors to carry out in relation to the relevant Mortgaged Property all investigations, searches and other actions that would have been undertaken by the Legal Title Holder acting in accordance with standards consistent with those of a Reasonable and Prudent Mortgage Lender and a report on title was received by or on behalf of the Legal Title Holder from such solicitors which, either initially or after further investigation revealed no material matter which would cause the Legal Title Holder, acting reasonably, to decline the Mortgage Loan having regard to its Lending Criteria in force at that time.
- 7 The Seller and Legal Title Holder have not waived or agreed to waive any of their respective rights against any valuer, solicitor or other professional who has provided information, carried out work or given advice in connection with the Mortgage Loan and the related Mortgage.
- 8 In relation to each English Mortgage Loan the Borrower has, or will on registration of the Borrower's acquisition of the Mortgaged Property have, a good and marketable title to, and absolute unencumbered legal and beneficial ownership of, the relevant Mortgaged Property and in relation to each Scottish Mortgage Loan the Borrower has, or will on registration of the Borrower's acquisition of the Mortgaged Property have, a valid and marketable heritable or long lease title to, and absolute unencumbered legal and beneficial ownership of, the relevant Mortgaged Property (in each case, subject to any prior encumbrances that are permitted pursuant to the loan terms, the Lending Criteria and noted in initial variations).;
- 9 Interest on each Mortgage Loan has been calculated and charged in accordance with the Standard Documentation save in cases where payment concessions or arrangements to pay have been negotiated with the Borrower in the ordinary course of servicing of the Mortgage Loan in a manner that would be acceptable to a Prudent Mortgage Lender or where forbearance arrangements have been entered into where required as a result of compliance with any Applicable Laws, regulations, guidance, decrees or orders of, or correspondence from or other agreements with, any governmental state or other authority having jurisdiction over the Legal Title-Holder.
- 10 Neither the Legal Title Holder nor the Seller is aware of any material breach by a Borrower of its Mortgage Loan Conditions in a manner that would have a material adverse effect on the validity of that Mortgage Loan or on such Borrower's title to the relevant Mortgaged Property.
- 11 So far as the Legal Title Holder and Seller are aware, the underwriting, origination and completion of each Mortgage Loan was not the subject of fraud by any person (including, without limitation, the Borrower or any professional or third party employed or engaged on behalf of the Legal Title Holder and Seller).
- 12 The Legal Title Holder and Seller are not aware of any material claim outstanding under any of the Insurance Contracts.
- 13 Any person who at the date when the Mortgage Loan was originated has been identified by the Borrower to the Legal Title Holder as residing or about to reside in the relevant Mortgaged Property:



- (a) is named as joint Borrower; or
  - (b) has signed a form of consent declaring that he or she agrees that any present or future rights or interests as he or she may have or acquire over or in respect of the relevant Mortgaged Property shall be postponed and made subject to the rights, interests and remedies of the Legal Title Holder under the relevant Mortgage and that he or she shall not claim any such rights or interests against the Legal Title Holder and in relation to each Scottish Mortgage, all necessary MH/CP Documentation has been obtained to ensure that neither the relevant Mortgage nor the relevant Mortgaged Property is subject to a right of occupancy;
  - (c) if such person lacks mental capacity to sign the declaration described in paragraph (b) above, the Legal Title Holder has received a copy of the relevant Court of Protection document or confirmation from that person's general practitioner as to lack of capacity and evidence that a care plan is in place.
- 14** Under the Mortgage Loan Conditions in respect of each Retirement Interest-only Mortgage Loan, subject to any voluntary prepayment made by a Borrower or any event of default thereunder, each Borrower is required to repay the Mortgage Loan upon the earlier of the Borrower (or, in the case of paragraphs (b) and (c)), the last Borrower residing at the Mortgaged Property:
- (a) acquiring another property for use as a main residence;
  - (b) leaving the Property to live elsewhere, with no reasonable prospect of returning to the Property (for example, by moving into a residential care home); or
  - (c) dying.
- 15** Under the Mortgage Loan Conditions in respect of each Standard Repayment Mortgage Loan or Standard Interest-only Mortgage Loan, subject to any voluntary prepayment made by a Borrower or any event of default thereunder, each Borrower is required to repay the Mortgage Loan in full on the date specified in the relevant Term Asset Mortgage Loan.
- 16** The Legal Title Holder and Seller have not received written notice of any litigation or claim calling into question in any material way its title to any Mortgage Loan and its Mortgage or the value of any security. Neither the Legal Title Holder nor the Seller are engaged in any litigation, and no litigation is pending or threatened by the Legal Title Holder or 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 Mortgage Loan received by the Legal Title Holder or Seller in connection with the origination of any Mortgage Loan.
- 17** All formal approvals, consents and other steps necessary to permit a legal or equitable or beneficial transfer or a transfer of servicing of the Mortgage Loans and their related Collateral Security to be sold pursuant to the Mortgage Sale Agreement away from the Legal Title Holder or, as applicable, the Seller whenever required under the Transaction Documents have been obtained or taken and there is no requirement in order for the transfer to be effective to notify the Borrower before, on or after any equitable or beneficial transfer of the Mortgage Loans and their Collateral Security and the Mortgage Loans are not subject to any contractual confidentiality restrictions which may restrict the ability of the Issuer to acquire the same.
- 18** None of the terms in any Mortgage Loan Conditions and the Mortgage Loan Agreement in relation to each Mortgage Loan and none of the terms of its Collateral Security are unfair terms within the meaning of the CRA in any material respect.
- 19** No related Collateral Security nor any Mortgage Loan consists of stock or marketable securities (in either case for the purposes of Section 122 of the Stamp Act 1891) chargeable securities (for the purpose of Section 99 of the Finance Act 1986), a "chargeable interest" (for the purposes of Section 48 of the Finance Act 2003), a "chargeable interest" (for the purposes of Section 4 of the Land and Buildings Transaction Tax (Scotland) Act

2013), or a "chargeable interest" (as such term is defined for the purposes of section 4 of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017).

- 20 No Mortgage Loan is a "consumer buy to let mortgage contract" within the meaning of Article 4(1) of the Mortgage Credit Directive Order 2015.
- 21 Not more than seven months prior to the Mortgage Completion Date for the relevant property the relevant property was valued by an independent valuer from the panel of valuers from time to time appointed by the Legal Title Holder and the results of such valuation are in the form of a valuation report.
- 22 Each Mortgage Loan and its Collateral Security has been made on the terms of the Standard Mortgage Documentation applicable thereto at the time of origination and prior to making that Mortgage Loan the Legal Title Holder took reasonable steps to verify that each Mortgage Loan was made in accordance with the applicable Lending Criteria in effect at the time of its origination (or, in respect of a Product Switch Mortgage Loan, that each such Product Switch Mortgage Loan was made in all material respects in accordance with the internal policies of the Legal Title Holder in effect at the time of the Product Switch Effective Date and the standard of a Prudent Mortgage Lender) or was an Approved Exception Loan.
- 23 The origination and administration practices employed by the Legal Title Holder with respect to origination of each Mortgage Loan have been in all material respects consistent with the practice of a Reasonable and Prudent Mortgage Lender including, without limitation, in relation to rules set out in the FCA MCOB handbook.
- 24 Each Mortgage Loan is assignable or capable of being held in trust without the Borrower's consent.
- 25 The registration or recording of each Mortgage has been completed at the Land Registry or the Registers of Scotland by an approved solicitor or qualified conveyancer and the Legal Title Holder is registered or recorded as the legal title holder or heritable creditor in respect of each Mortgage or an application to register the Legal Title Holder as the legal title holder or heritable creditor of the Mortgage is being or will be made to the Land Registry or the Registers of Scotland by an approved solicitor or qualified conveyancer in accordance with the instructions set out in the Standard Documentation.
- 26 Each Mortgage Loan is governed by either the respective laws of England and Wales or Scotland.
- 27 The Legal Title Holder has full recourse to the Borrower under the relevant Mortgage Loan and no lien or right of set off or counterclaim has been created or arisen between the Legal Title Holder and any Borrower which would entitle such Borrower to reduce the amount of any payment otherwise due under the relevant Mortgage Loan Conditions and the Mortgage Loan Agreement.
- 28 Each relevant Mortgaged Property is located in England or Wales or Scotland.
- 29 Each Mortgage Loan was originated by the Legal Title Holder in Sterling and is denominated in Sterling and is currently repayable in Sterling.
- 30 As at the date the Mortgage Loan was originated, each Mortgage Loan is required, pursuant to the Mortgage Loan Conditions, to be insured by a Buildings Policy to an amount not less than the full reinstatement value of the Mortgaged Property.
- 31 Each Borrower is an individual and no Borrower is an employee or an officer of the Legal Title Holder or the Seller.
- 32 All Property Deeds and Mortgage Loan Files (including, without limitation and if such exists, the certificate of title, the deeds constituting the Mortgage Loan, the correspondence file and microfiche or electronically stored data relating to each of the Mortgage Loans) are held by (or to the order of) the Legal Title Holder or the Seller

or have been lodged by or on behalf of the Legal Title Holder or the Seller (as applicable) or applicable legal titleholder at the Land Registry or Registers of Scotland.

- 33 No Mortgage Loan has an Original Loan to Value Ratio or Current Loan to Indexed Value Ratio higher than 100%.
- 34 Each Mortgage Loan has a standardised risk weight equal to or smaller than 40% on an exposure value-weighted average basis for the portfolio as at the relevant Purchase Date, as such terms are described in Article 243 of the UK CRR.
- 35 No Mortgage Loan, to the best of the Seller or the Legal Title-Holder's knowledge, is a Mortgage Loan to a Borrower who is a "credit-impaired debtor" as described in SECN 2.2.12R, and, in accordance with any official guidance issued in relation thereto.
- 36 No Mortgage Loan is a Self-Certified Mortgage Loan.
- 37 Each Mortgage Loan was granted to the Borrower in respect of a Property for the purpose of the acquisition or financing of the Borrower's main residence.
- 38 The Legal Title Holder has applied the same sound and well-defined credit-granting criteria for the Mortgage Loans as it has applied to equivalent mortgage loans originated by the Legal Title Holder that are not part of the Portfolio. In particular:
  - (a) the Legal Title Holder 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 Portfolio; and
  - (b) the Legal Title Holder 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.
- 39 Each Mortgage Loan (save for the Excepted Additional Mortgage Loans) was originated on or after 1 January 2023.
- 40 Each Mortgage Loan was originated by the Legal Title Holder in the ordinary course of business pursuant to underwriting standards that are no less stringent than those the Legal Title Holder applied at the time of origination to similar exposures that are not included in the Portfolio.
- 41 At origination of each Mortgage Loan, variable direct debit instructions in favour of the Legal Title Holder (or other arrangements acceptable to the Legal Title Holder to ensure regular payment) were completed in respect thereof and such completed variable direct debit instructions were held by or on behalf of the Legal Title Holder.
- 42 No Mortgage Loan has a Principal Balance of greater than £2,500,000 (excluding mortgage fees) as at the relevant Purchase Date.
- 43 The Legal Title-Holder has procured that since the creation of each Loan full and proper accounts, books and records have been kept showing clearly all transactions, payments, receipts and proceedings relating to that Loan and its related Mortgage and all such accounts, books and records are up to date, accurate and in the possession of the Legal Title-Holder or held to its order.
- 44 No Mortgage Loan has a final expected maturity beyond the date falling two years prior to the Final Maturity Date.
- 45 No Mortgage Loan or its related Mortgage contains an obligation to make any further advance to the Borrower.

- 46 All Mortgage Loans are either Standard Interest-only Mortgage Loans, Standard Repayment Mortgage Loans or Retirement Interest-only Mortgage Loans. Each Mortgage Loan is a “regulated mortgage contract” under article 61 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) and the Retirement Interest-only Mortgage Loan is also a “MCD exempt lifetime mortgage”.
- 47 At least one contractual monthly instalment due (i) in respect of each Mortgage Loan other than a Ported Mortgage Loan was paid by the relevant Borrower or (ii) in respect of each Ported Mortgage Loan, was paid by the relevant Borrower under the existing Mortgage Loan prior to entering into the related Ported Mortgage Loan.
- 48 Each Mortgage Loan that is secured over a leasehold Mortgage Property has an unexpired lease term of not less than 80 years.
- 49 Each Mortgage Loan and any Collateral Security is an interest or right (other than rent charge) held for the purposes of securing the payment of money or the performance of another obligation.
- 50 No Mortgage Loan is considered by the Seller as being in "default" within the meaning of (i) Article 178(1) of Regulation (EU) No.575/2013 (the "**EU CRR**"), as further specified by the Delegated Regulation on the materiality threshold for credit obligations past due developed in accordance with Article 178 of the EU CRR and by the European Banking Authority Guidelines on the application of the definition of default developed in accordance with Article 178(7) of the EU CRR, (ii) Article 178(1) of EU CRR as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRR**") and (iii) SECN 2.2.12R(2).
- 51 The Seller has been and will be the entity indirectly involved in the original agreement which created the obligations of the Borrowers giving rise to the Mortgage Loans and involved in the key origination matters and each lending policy decisions in relation to the Mortgage Loans.

#### *Repurchase by the Seller*

The Seller will agree to be liable for the repurchase of any Mortgage Loan and its Collateral Security sold by the Seller pursuant to the Mortgage Sale Agreement if (i) any Loan Warranty made by the Seller or the Legal Title Holder in relation to that Mortgage Loan and/or its Collateral Security proves to be materially untrue as at the Closing Date, or in respect of an Additional Mortgage Loan, as at the Additional Sale Date, and that default has not been remedied within 45 calendar days in accordance with the Mortgage Sale Agreement (ii) the Legal Title Holder grants Further Mortgage Advance or Product Switch which does not meet the Product Switch Criteria in respect of a Mortgage Loan (see "*Further Mortgage Advances, Product Switches and Porting*" below).

Any Mortgage Loans and their Collateral Security will be required to be repurchased following receipt by the Seller of a loan repurchase notice substantially in the form set out in and delivered in accordance with the Mortgage Sale Agreement (a "**Mortgage Loan Repurchase Notice**") requiring the Seller to repurchase the relevant Mortgage Loan and its Collateral Security in accordance with the terms of the Mortgage Sale Agreement.

The Seller or the Legal Title Holder must, pursuant to the terms of the Mortgage Sale Agreement, notify the Issuer and the Security Trustee of any breach of a Loan Warranty as soon as the Seller or the Legal Title Holder becomes aware of such breach.

#### *Repurchase price*

The consideration payable by the Seller in respect of the repurchase of an affected Mortgage Loan and its Collateral Security shall be a cash payment such that cash payment amount is equal to the Principal Balance of the relevant Mortgage Loans (excluding Collection Costs) (excluding Collection Costs) as at the date of

repurchase together with accrued but unpaid interest in that month up to and including the date falling immediately prior to the repurchase date, together with an amount equal to all other non-interest amounts due and unpaid (but not capitalised) under such Mortgage Loans.

*Further Mortgage Advances, Product Switches and Porting*

(a) Further Mortgage Advances

A Borrower may request or the Legal Title Holder (or the Servicer on behalf of the Legal Title Holder) may offer a Borrower a Further Mortgage Advance from time to time. The Mortgage Conditions and the Mortgage Loan Agreement in respect of the Mortgage Loans comprising the Portfolio contain no obligation on the part of the Legal Title Holder to make any Further Mortgage Advance. Should a Further Mortgage Advance be agreed in relation to any Mortgage Loan, following an application by the Borrower or an offer by the Legal Title Holder (or, for so long as the relevant Mortgage Loan is serviced by a member of the LiveMore Group, the Servicer on behalf of the Legal Title Holder), the Mortgage Loan subject to such Further Mortgage Advance will be repurchased by the Seller on the date such Further Mortgage Advance is made.

(b) Product Switches

A Borrower may request or, for so long as the relevant Mortgage Loan is serviced by a member of the LiveMore Group, the Legal Title Holder (or the Servicer on behalf of the Legal Title Holder) may offer a Borrower (and the Borrower may accept), a Product Switch.

If, the Legal Titleholder (or the Servicer on behalf of the Legal Title Holder) offers a Borrower a Product Switch and the Borrower accepts such Product Switch but such Product Switch does not meet the Product Switch Criteria (or if otherwise the Seller elects to repurchase such Product Switch Mortgage Loan and specifies so in the relevant Product Switch Notice), the Seller must repurchase the relevant Product Switch Mortgage Loan and its Collateral Security in accordance with the terms of the Mortgage Sale Agreement. See "*Repurchase by the Seller*" above.

(c) Porting

Under the Mortgage Conditions of certain of the Mortgage Loans, upon the application of a Borrower, the Legal Title-Holder may grant to such Borrower a loan on substantially the same commercial terms as the existing Mortgage Loan between the Legal Title-Holder and the Borrower but such new loan will be secured by a new mortgage on a different property to that on which the Mortgage with respect to the Mortgage Loan was secured. The "portable" feature of the Mortgage Loan as set out in the Mortgage Conditions allows a Borrower to redeem its existing Mortgage Loan and thereafter enter into a new loan on substantially similar commercial terms with respect to a different property and is designed to be used where a Borrower wishes to sell the property that the Mortgage Loan is secured on and purchase a new property.

Where a Mortgage Loan is subject to a Port it will be redeemed in full, immediately following which the Seller may sell the Ported Mortgage Loan and its Collateral Security to the Issuer on a Further Purchase Date. The sale and purchase of any Ported Mortgage Loans shall be subject to the Ported Mortgage Loans complying with the Ported Mortgage Loan Criteria on the relevant Further Purchase Date. Promptly following the occurrence of a Further Purchase Date, the Seller and the Issuer shall deliver to the Security Trustee a confirmation of the Ported Mortgage Loans purchased by the Issuer on or following the occurrence of such Further Purchase Date. Where a Port has been agreed in accordance with the terms of the Servicing Deed, the Mortgage Sale Agreement and relevant Mortgage Conditions, then (i) the Servicer (to the extent required) is authorised by the Issuer to debit the Collection Account and (ii) the Cash Administrator (to the extent required) is authorised by the Issuer to debit the Deposit Account to apply such amount (as applicable) as payment on behalf of the Issuer of the Ported Mortgage Loan Consideration payable on such Further Purchase Date

#### *Acquisition of Additional Mortgage Loans during the Additional Sale Period*

With respect to any Mortgage Loans to be beneficially acquired by the Issuer on any Additional Sale Date, any such Mortgage Loans will be sold from the Warehouse Borrower before being acquired by the Seller and on-sold to the Issuer on the relevant Additional Sale Date.

During the Additional Sale Period, the Seller may sell, and the Issuer will be entitled to purchase (subject to the satisfaction of the Additional Mortgage Loan Criteria), Additional Mortgage Loans with a cumulative Principal Balance (determined as at the relevant Additional Sale Date for each relevant Additional Mortgage Loan) no greater than the Maximum Additional Mortgage Loans Principal Balance. During the Additional Sale Period, any Additional Mortgage Loans that the Issuer purchases will be purchased by utilising amounts standing to the credit of the Pre-Funding Revenue Reserve and the Pre-Funding Principal Reserve. Such Additional Mortgage Loans will, if offered to the Issuer for purchase by the Seller, be included in the Mortgage Pool provided, inter alia, the Additional Mortgage Loan Criteria are met. Any purchase of an Additional Mortgage Loan by the Issuer will be subject to (amongst other things) satisfaction of the following criteria on the relevant Additional Sale Date (the "**Additional Mortgage Loan Criteria**"):

- (a) the provision, by each of the Legal Title Holder, the Seller and the Issuer of a solvency certificate, dated as of the relevant Additional Sale Date, signed by an authorised officer of the relevant company;
- (b) no Enforcement Notice having been served;
- (c) each Additional Mortgage Loan is listed in the Pre-Funding Preliminary Data Tape;
- (d) no Event of Default under (and as defined in) Notes Condition 11 (*Events of Default*) of the Notes having occurred and having been notified to the Trustee, or any Servicer Termination Event having occurred which, in any such case, is continuing on the relevant Additional Sale Date;
- (e) each Additional Mortgage Loan having complied, at the time of origination, with the applicable Lending Criteria in effect at the time of its origination or was an Approved Exception Loan;
- (f) the relevant Additional Sale Date is during the Additional Sale Period;
- (g) one or more Additional Sale Interest Rate Swaps substantially in the same form as the Initial Interest Rate Swap(s) are entered into by the Issuer, or the Initial Interest Rate Swap(s) or any existing Additional Sale Interest Rate Swap(s) have been amended (subject to any agreed change in the notional amount and fixed rate) (an "**Additional Sale Interest Rate Swap Adjustment**") in relation to any Additional Mortgage Loans which are Fixed Rate Loans on or prior to the relevant Additional Sale Date;
- (h) following the entry into of an Additional Sale Interest Rate Swap(s) or Additional Sale Interest Rate Swap Adjustment in respect of such Additional Sale Date, the blended weighted average Swap Fixed Rate across all Interest Rate Swaps entered into by the Issuer shall not be higher than 3.991%; and
- (i) the weighted average Current Loan to Indexed Value Ratio of the Portfolio following the relevant Additional Sale Date will be lower than 80%.

As used in this Prospectus:

**"Additional Mortgage Loans"** means Mortgage Loans which are sold and assigned or transferred to the Issuer during the Additional Sale Period in accordance with the Mortgage Sale Agreement, and **"Additional Mortgage Loan"** means any one of them;

**"Additional Mortgage Loan Criteria"** means the criteria to be satisfied in relation to the purchase of each Additional Mortgage Loan by the Issuer on the Closing Date or relevant Additional Sale Date (as applicable) as set out in the Mortgage Sale Agreement.

**"Additional Mortgage Loan Cut-Off Date"** means with respect to the purchase of Additional Mortgage Loans, the date specified as such in the Additional Mortgage Loan Sale Notice.

**"Additional Mortgage Loan Purchase Consideration"** means, in respect of any Additional Mortgage Loan, a cash payment to the Seller or to such person as the Seller may direct, in an amount equal to (i) the product of (x) the Principal Balance of the relevant Additional Mortgage Loan as at the Additional Sale Date (the **"Additional Mortgage Loan Principal Balance"**) and (y) [103] *minus* (ii) the net swap premium and/or any swap fees (if any) owed to the Swap Provider (and if such amount is a negative amount to be received by the Issuer from the Swap Provider *plus* such amount) in respect of the Additional Sale Interest Rate Swap or Additional Sale Interest Rate Swap Adjustment being entered into in connection with the sale of such Additional Mortgage Loans.

**"Additional Mortgage Loan Purchase Premium"** means, in respect of any Additional Mortgage Loan, a cash payment to the Seller or to such person as the Seller may direct in an amount equal to (x) the Additional Mortgage Loan Purchase Consideration, *minus* (y) the Additional Mortgage Loan Principal Balance, in each case in respect of such Additional Mortgage Loan.

**"Additional Mortgage Loan Sale Notice"** means, in respect of each Additional Sale Date on which Additional Mortgage Loans are to be sold to the Issuer on such Additional Sale Date, the notice by the Seller to the Issuer (copying the Servicer, the Cash Administrator, the Warehouse Borrower and the Swap Provider) substantially in the form set out in Schedule 8 (*Additional Mortgage Loan Sale Notice*) of the Mortgage Sale Agreement, which shall include a data tape in respect of the relevant Additional Mortgage Loans.

**"Additional Sale Date"** means any Business Day prior to the Final Additional Sale Date and specified as such date in an Additional Mortgage Loan Sale Notice.

**"Additional Sale Period"** means the period commencing on (and including) the Closing Date and ending on (but excluding) the Final Additional Sale Date.

**"Administrator"** means a qualified insolvency practitioner who is appointed as an administrative receiver or manager under Section 29(2) of the Insolvency Act 1986;

**"Affiliate"** means, in relation to any person, a subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

**"Approved Exception Loan"** means a Mortgage Loan which does not comply with the Lending Criteria in all respects, which in respect of the Pre-Funding Preliminary Data Tape comprises loans with the following loan IDs (i) LMC0000006 and (ii) LMC0002328.

**"Assigned Rights"** in relation to any Mortgage Loan, all estates, rights, title, interest and benefit of the Issuer in and to the relevant Mortgage Loan and any Collateral Security (excluding Collection Costs), which has been assigned to the Issuer under or pursuant to the Mortgage Sale Agreement.

**"Authorisation"** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, permission or registration.

**"Bankruptcy Event"** means, in respect of a natural person:

- (a) the initiation of, or consent to, Bankruptcy Proceedings by such person;
- (b) the initiation of Bankruptcy Proceedings against such person;
- (c) the making of a bankruptcy order or award of sequestration against such person;
- (d) the enforcement of any security over the whole or part of the assets and revenues of such person;

- (e) any distress, execution, attachment, diligence or similar process being levied or enforced or imposed upon or against any part of the assets or revenues of such person;
- (f) the application to any court for an order under Section 253 of the Insolvency Act 1986 by such person;
- (g) the appointment of any insolvency practitioner by the court under Section 273 of the Insolvency Act 1986 in relation to such person;
- (h) the making of an arrangement or composition (including a deed of arrangement governed by the Deed of Arrangement Act 1914) with such person's creditors;
- (i) the making of a voluntary trust deed for creditors in relation to such person; or
- (j) any event, under the applicable laws of any jurisdiction, that has analogous effect to any of the events specified in paragraphs (a) to (i) above.

**"Bankruptcy Proceedings"** means the commencement of proceedings or any application made for the appointment of a liquidator, Administrator, Receiver, trustee in bankruptcy or trustee in sequestration in respect of any Person.

**"Buildings Policy"** all buildings insurance policies relating to the freehold or, in Scotland, heritable Mortgaged Properties which have been taken out in the name of the relevant Borrower or in the name of the Borrower and the Seller or LMC's (as applicable) or in the name of the Borrower with the Seller's or LMC's (as applicable) interest noted, in accordance with the applicable Mortgage Conditions;

**"CCJ"** means a county court judgment or an order of the Enforcement of Judgments Office, or an equivalent judgment or order under applicable law, as the context requires;

**"Closing Date Portfolio"** means all Mortgage Loans which the Issuer has acquired in accordance with the Transaction Documents on the Closing Date;

**"Collateral Security"** means, in relation to each Mortgage Loan, all charges and securities by way of legal mortgage or Standard Security (and any other collateral security therefor, including, without limitation, any guarantee, any insurance policies in respect of which the interest of the Issuer may be given effect to by way of co-insurance or the notifying of the Issuer's interest and any other assignment, assignation, notification or deposit which may be effected in connection with the securing of the relevant Mortgage Loan together with any documentation incidental to the protection of the Issuer and any documents affecting the ability of the Issuer to realise the value of the property charged to it to which the Issuer is or shall become beneficially entitled).

**"Collection Costs"** means, in relation to a Mortgage Loan, any amounts representing fees or the right to charge fees (excluding any interest charges) which are additional to the prescribed Mortgage Loan repayments in the relevant Mortgage Loan Agreement and which were excluded in the calculation of the Initial Purchase Price in respect of such Mortgage Loan.

**"CONC"** means the FCA Handbook module known as the Consumer Credit sourcebook.

**"Current Balance"** means, in relation to a Mortgage Loan on a particular date, the aggregate of:

- (a) the Principal Balance as at such date; *plus*
- (b) any amount of interest, fees, costs, service charges, legal expenses and premia which are payable but have not been capitalised and added to the Principal Balance;

**"Current Loan to Indexed Value Ratio"** or **"Current LTV"** means, in relation to a Mortgage Loan on a particular date, the Current Balance *divided by* the indexed valuation of the related Property, expressed as a percentage.



**"English Mortgage"** means a Mortgage over Property situated in England or Wales.

**"English Property"** means a freehold or leasehold residential property located in England or Wales.

**"Excepted Additional Mortgage Loans"** means any Additional Mortgage Loans identified by the following account numbers: (1) LMC0000006; and (2) LMC0000009.

**"Final Additional Sale Date"** means 15 September 2025.

**"Further Mortgage Advance"** means a further advance of principal made to a Borrower in relation to a Mortgage Loan beyond the original amount advanced (at origination) of such Mortgage Loan but excluding the amount of any retention advanced to the relevant Borrower as part of the initial advance after completion of the Mortgage.

**"Further Purchase Date"** means each day on which the sale and purchase of any Ported Mortgage Loans is completed subject to and in accordance with the terms of the Mortgage Sale Agreement.

**"Holding Company"** means a holding company as defined in Section 1159 of the Companies Act.

**"Insolvency Event"** means, in respect of a relevant entity:

- (a) an order is made or an effective resolution passed for the winding up of the relevant entity (or it proposes or makes any compromise or arrangement with its creditors); or
- (b) the relevant entity ceases or threatens to cease to carry on the whole of its business or stops payment or threatens to stop payment of its debts; or
- (c) is deemed unable to pay its debts within the meaning of Section 123(1)(a) (on the basis that the reference in such section to £750 is read as a reference to £10 million), (b), (c) (on the basis that the words "for a sum exceeding £10 million" is inserted after the words "extract registered bond" and "extract registered protest"), (d) or (e) of the Insolvency Act 1986 or becomes unable to pay its debts as and when they fall due or the value of its assets is less than the amount of its liabilities (taking into account its contingent); or
- (d) proceedings (including, but not limited to, presentation of an application for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator) are initiated against the relevant entity under any applicable liquidation, administration, reorganisation (other than a reorganisation where the relevant entity is solvent) or other similar laws; an encumbrancer takes possession or an administrative or other receiver, administrator or other similar official is appointed in relation to the property, undertaking or assets of the relevant entity or the appointment of an administrator takes effect; or a distress, execution or diligence or other process is levied or enforced upon or sued out against the property, chattels, undertaking or assets of the relevant entity and in any of the foregoing cases it is not discharged within fifteen (15) Business Days; or 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 or takes steps with a view to obtaining a moratorium in respect of any indebtedness; or
- (e) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (d) above.

**"Insurance Contracts"** means insurance contracts or policies arranged by the Legal Title Holder from time to time relating to the Portfolio.

**"Land Charges Department"** means the department operating under the authority of the Land Charges Act 1972 to maintain registers of land charges, pending actions, writs and orders affecting land and other Encumbrances registered against the names of owners of property in England and Wales that is not registered under the Land Registration Acts.

**"Lending Criteria"** means the lending criteria applied by the Legal Title Holder when originating the Mortgage Loans.

**"LiveMore Group"** means LiveMore Holdings Limited and any company which is a subsidiary (as defined in the Companies Act 2006) of LiveMore Holdings Limited.

**"Maximum Additional Mortgage Loans Principal Balance"** means £17,234,936.

**"MCOB"** means the FCA Handbook module known as the Mortgages and Home Finance: Conduct of Business sourcebook.

**"MH/CP Documentation"** means an affidavit, declaration, consent or renunciation granted in terms of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 and/or (as applicable) the Civil Partnership Act 2004 in connection with a Scottish Mortgage or its relevant Property.

**"Monthly Payment"** means, in relation to a Mortgage Loan, the amount determined pursuant to the relevant Mortgage Conditions as being payable on each Monthly Payment Date.

**"Monthly Payment Date"** means each date under which payments are due under the Mortgage Loans or as subsequently amended by the Legal Title Holder and the relevant Borrower to another date in the month provided that such date is within 30 calendar days of the contractual date for payment in the Mortgage Conditions.

**"Mortgage"** means, in England or Wales, a charge or, in Scotland, a Standard Security over freehold or leasehold real or heritable property to secure a Mortgage Loan.

**"Mortgage Conditions"** means, in respect of a Mortgage Loan, the terms and conditions regulating the same.

**"Mortgage Loan Agreement"** means any agreement in relation to a Mortgage Loan between the Legal Title Holder of the relevant Mortgage Loan and an Obligor or Obligors under such Mortgage Loan (as borrower(s) or guarantor(s)) and **"Mortgage Loan Agreements"** means all or some of them, as the context may require.

**"Mortgage Loans"** means all mortgage loans and including all capital and interest, fees, charges and other amounts from time to time owed (excluding Collection Costs) by Mortgagors under or in relation to such mortgage loans which have been, are purported or are intended to be sold to the Issuer pursuant to the Mortgage Sale Agreement, and **"Mortgage Loan"** means any one of them.

**"Mortgagor"** means the mortgagor or grantor of security in respect of a Mortgage Loan made to a Borrower.

**"Obligor"** means a borrower or a guarantor under a Mortgage Loan Agreement.

**"Original Advance Amount"** means, in relation to any Mortgage Loan, the aggregate principal amount advanced to the relevant Borrower(s) at the origination of such Mortgage Loan plus any fees capitalised and added to the outstanding principal balance of the Mortgage Loan as at origination in accordance with the Mortgage Conditions.

**"Original Loan to Value Ratio"** or **"Original LTV"** means the ratio, expressed as a percentage, which (a) the Principal Balance of each Mortgage Loan that is secured over the relevant Property as at the origination of the relevant Mortgage Loan bears to (b) the valuation of the relevant Property at origination of the Mortgage Loan.

**"Payment Priorities"** means the Pre-Enforcement Revenue Priority of Payments, the Pre-Enforcement Principal Priority of Payments and the Post-Enforcement Priority of Payments.

**"Person"** means any person, firm, company or body corporate, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) or two or more of the foregoing;

**"Porting"** or **"Port"** means any substitution of a Property which is subject to a Mortgage in respect of a Mortgage Loan with another Property where such substitution is contractually required to be permitted pursuant to the relevant Mortgage Conditions.

**"Ported Mortgage Loan Criteria"** means:

- (a) no Enforcement Notice has been given by the Security Trustee which remains in effect;
- (b) the Loan Warranties are true in respect of the Ported Mortgage Loan;
- (c) there are no deficiency records in the Class F Principal Deficiency Sub-Ledger;
- (d) the Liquidity Reserve Fund is funded to the Liquidity Reserve Fund Required Amount on the immediately preceding Interest Payment Date;
- (e) the existing Mortgage Loan was originated at least 3 months prior to the time the Ported Mortgage Loan was made;
- (f) the Original LTV of the Ported Mortgage Loan is not higher than the Current Loan to Indexed Value Ratio of the existing Mortgage Loan;
- (g) the Principal Balance of the Ported Mortgage Loan is not higher than the Principal Balance of the existing Mortgage Loan immediately prior to Porting;
- (h) the repayment terms of each Ported Mortgage Loan is substantially the same as the repayment terms of the existing Mortgage Loan and the interest rate on the Ported Mortgage Loan is at least the same as the existing Mortgage Loan;
- (i) the provision, by each of the Legal Title Holder and the Seller of solvency certificates, dated as of the Further Purchase Date, signed by an authorised officer of the relevant company;
- (j) no Event of Default under (and as defined in) Condition 11 (*Events of Default*) of the Notes having occurred and having been notified to the Note Trustee or any Servicer Termination Event having occurred which, in any such case, is continuing on the Further Purchase Date;
- (k) the Further Purchase Date is a Business Day;
- (l) in respect of each Ported Mortgage Loan to be acquired on the relevant Further Purchase Date the inclusion of such Ported Mortgage Loan in the Portfolio will not affect the homogeneity (as determined in accordance with SECN 2.2.9R) of the Mortgage Loans comprising the Portfolio,

provided that, limbs (c) and (d) above apply only following the day on which the Liquidity Reserve Fund is funded to the Liquidity Reserve Fund Required Amount for the first time since the Closing Date;

**"Ported Mortgage Loan Consideration"** means in respect of any Ported Mortgage Loan, a cash payment to the Seller or to such person as the Seller may direct, in an amount equal to the Principal Balance of the relevant Ported Mortgage Loan as at the Further Purchase Date;

**"Ported Mortgage Loan Notice"** means a notice relating to the sale of Ported Mortgage Loans including a list of Ported Mortgage Loans as set out under the Mortgage Sale Agreement.

**“Ported Mortgage Loans”** means any Mortgage Loan sold by the Seller to the Issuer on any Further Purchase Date.

**“Pre-Funding Preliminary Data Tape”** means the data tape delivered by the Seller to the Issuer on or before the Closing Date having the file name *“Exmoor 2025 Pre-Funding Preliminary Data Tape”*.

**"Principal Balance"** means, in relation to a Mortgage Loan on a particular date, the Original Advance Amount as adjusted on that date to reflect (a) any reduction in the outstanding principal amount as a result of repayments or overpayments, the exercise of a right of set-off or any amounts in respect of a Losses which has been written off by the Servicer and (b) any increase in the outstanding principal amount as a result of capitalisation of any fees, costs, premia or interest in accordance with the Mortgage Loan Conditions.

**"Product Switch"** means any variation in the financial terms and conditions applicable to a Mortgage Loan other than any variation:

- (a) agreed with a Borrower to control or manage actual or anticipated arrears on the Mortgage Loan;
- (b) imposed by statute, notice, instruction, publication of any government authority or other relevant regulator (including through any direct correspondence with, or guidance, policies and publications of, the FCA), any court judgment or other legally binding requirement of any government authority having jurisdiction with respect to the Mortgage Loans;
- (c) agreed with a Borrower to change the Mortgage Loan from a Standard Interest-only Mortgage Loan to a Standard Repayment Mortgage Loan.

**"Product Switch Criteria "** has the meaning given to it in *"The Mortgage Loans – Product Switches meeting the Product Switch Criteria"* above.

**"Product Switch Effective Date"** means in relation to a Mortgage Loan, the date upon which that Mortgage Loan becomes a Product Switch Mortgage Loan.

**"Product Switch Mortgage Loan"** means a Mortgage Loan where a Product Switch has been agreed between the Legal Title Holder and the relevant Borrower.

**"Product Switch Notice"** means a notice substantially in the form set out in Schedule 7 to the Mortgage Sale Agreement.

**"Product Switch Swap Condition"** has the meaning given to it in *"The Mortgage Loans – Characteristics of the Mortgage Loans - Product Switches"* above.

**"Product Switch Warranties"** means, in relation to the Product Switch Mortgage Loans, the representations, warranties and undertakings referred to in paragraphs 5 (*First ranking charge*), 8 (*Good and unencumbered title*), 16 (*No litigation or claim*), 17 (*Formal approvals and consents*), 22 (*Standard Mortgage Documentation*) and 32 (*Property Deeds and Mortgage Loan Files*) of Part 1 (*Loan Warranties*) of Schedule 1 (*Warranties*) of the Mortgage Sale Agreement and **"Product Switch Warranty"** shall mean any one of them.

**"Properties" or "Property"** means an English Property or Scottish Property upon which the obligations of a Borrower are secured.

**"Purchase Date"** means:

- (a) in relation to the Closing Date Portfolio, the Closing Date or such earlier date as the Seller and the Issuer may agree;
- (b) in relation to an Additional Mortgage Loan, the relevant Additional Sale Date for such Additional Mortgage Loan; and

(c) in relation to any Ported Mortgage Loan, the Further Purchase Date for that Ported Mortgage Loan

**"Relevant Product Switch Mortgage Loan"** means any Product Switch Mortgage Loan which has been switched to a Fixed Rate Loan.

**"Scottish Mortgage"** means the Standard Security securing a Scottish Mortgage Loan.

**"Scottish Property"** means a heritable or leasehold residential property located in Scotland.

**"Self-Certified Mortgage Loan"** means a Mortgage Loan which was marketed and underwritten on the premise that the Borrower or, where applicable, intermediaries were made aware that the information provided by the Borrower might not be verified by the Seller.

**"Standard Security"** means a Standard Security in terms of the Conveyancing and Feudal Reform (Scotland) Act 1970.

**"Swap Transaction"** means each interest rate swap transaction entered into between the Issuer and the Swap Provider under the Swap Agreement on or around the Closing Date (the **"Initial Interest Rate Swaps"**) to hedge against the possible variance between the fixed rates of interest payable on Fixed Rate Loans in the Portfolio and the floating rates of interest payable on the Notes, any further interest rate swap transaction entered into in connection with the purchase by the Issuer of an Additional Mortgage Loan (an **"Additional Sale Interest Rate Swap"**) or any Relevant Product Switch Mortgage Loan (a **"Product Switch Interest Rate Swap"**) and any further interest rate swap or any replacement interest rate swap transaction entered into between the Issuer and the Swap Provider thereafter, each as may be adjusted by any Product Switch Interest Rate Swap Adjustment.

**"Title Insurance Policy"** means a title insurance policy (howsoever described) in respect of the Mortgages, the Mortgage Loans and/or the Properties pertaining to the Portfolio and any other title insurance contracts or policies in replacement, addition or substitution thereof arranged by the Legal Title Holder and/or a third party from time to time relating to the Mortgages, the Mortgage Loans and/or the Properties pertaining to the Portfolio, and **"Title Insurance Policies"** means all of those policies.

**"Unhedged Relevant Product Switch Mortgage Loans Limit"** means the aggregate Current Balance of the Relevant Product Switch Mortgage Loans following the Closing Date in the Portfolio does not exceed 1 per cent. of the Current Balance of the Mortgage Loans in the Closing Date Portfolio.

**"Valuation"** means, in relation to any Mortgage Loan, the most recent valuation obtained by the Legal Title Holder from a Valuer in respect of the Property which is the subject of such Mortgage Loan.

**"Valuer"** means an independent valuer approved by the Legal Title Holder in accordance with the Lending Criteria (holding one of the following qualifications of the Royal Institution of Chartered Surveyors (**"RICS"**), ASSOCRICS, MRICS or FRICS or such other recognised and reputable official institution or society of valuers and/or surveyors that would customarily be recognised by a Prudent Mortgage Lender) for the Valuation of a Property.

**"Warehouse Borrower"** means LION 2022-1 Limited.

#### *Governing Law*

The Mortgage Sale Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by English law (other than those terms of the Mortgage Sale Agreement specific to the law of Scotland relating to the Scottish Mortgage Loans and their Collateral Security, which shall be construed in accordance with Scots law).

## ***Servicing Deed***

### *Introduction*

The Issuer, the Security Trustee, the Seller, the Servicer, the Legal Title Holder and the Replacement Servicer Facilitator will enter into, on or around the Closing Date, an agreement pursuant to which the Servicer agree to service the Mortgage Loans and their Collateral Security (the "**Servicing Deed**"). The services to be provided by the Servicer are set out in the Servicing Deed, and may include any services incidental thereto as may be agreed to in writing by the Issuer, the Seller, the Security Trustee and the Servicer (the "**Services**").

On or about the Closing Date, the Issuer and the Seller will appoint LiveMore Capital Limited to be its agent to service the Mortgage Loans originated by the Legal Title Holder and their Collateral Security. The Servicer must comply with any proper directions and instructions that the Issuer or, following the Security Trustee notifying the Servicer that an Enforcement Notice has been served, the Security Trustee may from time to time give to it in accordance with the provisions of the Servicing Deed.

The Servicer's actions in servicing the Mortgage Loans and their Collateral Security in accordance with the terms of the Servicing Deed (including the procedures of the Servicer set out therein) are binding on the Issuer.

### *Powers*

The Servicer has the power, among other things:

- (a) to exercise the rights, powers and discretions of the Issuer and the Seller in relation to the Mortgage Loans and their Collateral Security and to perform the obligations of the Issuer and the Seller in relation to the Mortgage Loans and their Collateral Security; and
- (b) to do or cause to be done any and all things which it reasonably considers necessary, convenient or incidental to the administration of the Mortgage Loans and their Collateral Security or the exercise of such rights, powers and discretions.

### *Undertakings by the Servicer*

The Servicer has undertaken, amongst other things, to:

- (a) provide the Services using reasonable skill and care, in accordance with Applicable Law, and in a manner as would a Reasonable and Prudent Mortgage Servicer;
- (b) comply with any proper directions, orders and instructions which the Issuer or the Security Trustee may from time to time give to it in accordance with the provisions of the Servicing Deed;
- (c) keep in force (and procure, to the extent reasonably possible, that any delegate or subcontractor appointed by it pursuant to the Servicing Deed keeps in force) all regulatory and governmental authorisations, approvals, licences, consents and permissions which are necessary from time to time to execute and perform the Services; and shall promptly notify the Issuer in the event of any suspension, termination, withdrawal or adverse modification of any such regulatory authorisations, approvals, licences, consents and permissions, or, to the extent legally and contractually permitted to do so, receipt of service of process as to the initiation of any regulatory proceeding to effectuate any such suspension, termination, withdrawal or adverse modification;
- (d) not knowingly fail to comply with any legal or regulatory requirements in the performance of the Services;
- (e) make all payments required to be made by it pursuant to the Servicing Deed (as to which see further below) on the due date for payment in Sterling (or as otherwise required under the Transaction

Documents) in immediately available funds for value on such day without set-off (including, without limitation, any fees owed to it) or counterclaim, but subject to any deductions required by law;

- (f) not amend, terminate or cancel any of the Mortgage Loan Documents applicable to a Mortgage Loan and its Collateral Security (including, without limitation, the Mortgage Loan Conditions) nor will it capitalise, waive or reschedule any overdue amounts payable in respect of any Mortgage Loan without the prior written consent of the Issuer or, after service of an Enforcement Notice, the Security Trustee, unless to do so would be in accordance with the Mortgage Sale Agreement, the Standard Documentation, or the Servicing Deed, using the Change Control Mechanism, or in accordance with the practice of a Reasonable and Prudent Mortgage Lender or a Reasonable and Prudent Mortgage Servicer;
- (g) deliver to the Issuer, the Security Trustee and the Replacement Servicer Facilitator, a notice of any Servicer Termination Event or any event which, with the giving of notice or lapse of time or certification, would constitute the same; and
- (h) deal with Further Mortgage Advances, Product Switches or Porting in accordance with the provisions of the Servicing Deed.

#### *Portfolio information*

On or before each Calculation Date, the Seller and Reporting Entity (as applicable) will prepare and provide the Servicer with all information as is reasonably required by the Servicer and the Cash Administrator to prepare the Quarterly SR Loan Level Reports and the Quarterly SR Investor Reports (the "**Portfolio Information**").

#### *Advances made pursuant to Further Mortgage Advances, Product Switches and Porting*

If, at any time, a Borrower requests a Further Mortgage Advance, a Product Switch, or a Port and the Legal Title Holder (or the Servicer on behalf of the Legal Title Holder) agrees to such request, the Servicer will promptly notify the Issuer and, following the delivery of an Enforcement Notice, the Security Trustee and provide such assistances and enter into such documents as may be reasonably required.

Subject to the terms of the Servicing Deed and the Mortgage Sale Agreement, the Servicer will also administer and service the Mortgage Loans and their Collateral Security in connection with any advances made pursuant to a Port (if applicable) including (without limitation) determining whether the relevant Borrower has complied with the conditions for the advance of any amounts pursuant to a Port, Further Mortgage Advance or Product Switch and performing all associated functions and the lender's duties in connection with such drawing or Port (if applicable) subject to the conditions of the Servicing Deed and the Mortgage Sale Agreement.

Where a Port has been agreed in accordance with the terms of the Servicing Deed, the Mortgage Sale Agreement and relevant Mortgage Conditions, then (i) the Servicer (to the extent required) is authorised by the Issuer to debit the Collection Account and (ii) the Cash Administrator (to the extent required) is authorised by the Issuer to debit the Deposit Account to apply such amount (as applicable) as payment on behalf of the Issuer of the Ported Mortgage Loan Consideration payable on such Further Purchase Date

#### *Setting of Interest Rates on the Mortgage Loans*

Subject to the terms of the Mortgage Sale Agreement, the Issuer grants the Legal Title Holder full right, liberty and authority from time to time, in accordance with the Mortgage Conditions, to determine and set the interest rate in relation to each Mortgage Loan sold by the Seller to the Issuer which have not at the relevant date of determination been repurchased by the Seller, provided that the interest due on the Mortgage Loan is determined in accordance with the Mortgage Conditions as well as any subsequent regulation or regulatory guidance, as applicable, or in line with the Arrears and Account Management Policy.

### *Setting of Variable Rates*

The Issuer will grant the Legal Title Holder the full right, liberty and authority from time to time to determine, in accordance with the Mortgage Conditions (including limits on the quantum of increases in variable interest rates that may be applied to those Mortgage Loans), the LiveMore Variable Rate.

The Legal Title Holder shall calculate at the end of each Collection Period the LiveMore Variable Rate to determine that it has not fallen below the VR Floor for each such period.

If the LiveMore Variable Rate has fallen below the VR Floor for any such period (the "**Initial VR Floor Breach**"), the Legal Title Holder will notify the Issuer, the Seller, the Security Trustee, and the Cash Administrator. The Legal Title Holder or the Seller shall (as applicable) be required to take steps to remedy the Initial VR Floor Breach within 60 days from and including the last day of the relevant Collection Period (the "**VR Floor Remedy Period**") by either:

- (A) the Legal Title Holder setting and determining the LiveMore Variable Rate at a level such that the LiveMore Variable Rate calculated at the end of the VR Floor Remedy Period shall be above the VR Floor; or
- (B) if the Legal Title Holder does not set and determine the LiveMore Variable Rate in accordance with paragraph (A) above, the Seller paying to the Issuer an amount in cash equal to the product of (i) the VR Floor for the VR Floor Remedy Period less the LiveMore Variable Rate for the VR Floor Remedy Period; (ii) the Principal Balance of the Variable Rate Mortgage Loans in the Portfolio on the first day of the VR Floor Remedy Period and (iii) the actual number of days in the VR Floor Remedy Period divided by 360 (the "**VR Floor Remedy Period Compensation Payment**"),

**provided that** the Legal Title Holder shall have no obligation to determine and/or set the LiveMore Variable Rates to remedy the Initial VR Floor Breach.

If the Seller remedies the Initial VR Floor Breach by making the VR Floor Remedy Period Compensation Payment to the Issuer, the Legal Title Holder shall continue to calculate the LiveMore Variable Rate at the end of each subsequent Collection Period. If the LiveMore Variable Rate has fallen below the VR Floor for any subsequent Collection Period (a "**Subsequent VR Floor Breach**"), the Seller shall be required to remediate such Subsequent VR Floor Breach by paying to the Issuer an amount in cash equal to the product of (i) the VR Floor for such Collection Period less the LiveMore Variable Rate for such Collection Period; (ii) the Principal Balance of the Variable Rate Mortgage Loans in the Portfolio on the first day of such Collection Period and (iii) the actual number of days in the relevant Collection Period divided by 360 (each such payment a "**VR Floor Compensation Payment**").

A failure by the Seller to pay the VR Floor Remedy Period Compensation Payment or any VR Floor Compensation Payment shall constitute a Servicer Termination Event.

**"Variable Rate Mortgage Loans"** means Mortgage Loans which are subject to the Reversionary Rate as set by the Legal Title Holder.

**"LiveMore Variable Rate"** means 3-month historic compounded daily SONIA rate, plus a margin between 0.00 per cent. and 1.00 per cent.

**"VR Floor"** means, in respect of any Collection Period, the Compounded Daily SONIA as determined on the last day of the Collection Period as it applies to such period minus 0.10 per cent.

### *Operation of Collection Account*

The Legal Title Holder will operate the Collection Account, opened in the name of the Legal Title Holder with the National Westminster Bank plc or such other bank with which the Collection Account is held from time to



time (the "**Collection Account Bank**") in accordance with the terms of the Servicing Deed and the Collection Account Declaration of Trust (as to which, see "*The Collection Account Declaration of Trust*" below). Revenue Receipts and Principal Receipts arising in relation to the Mortgage Loans will be paid directly into the Collection Account. In respect of the Mortgage Loans comprising the Portfolio, the Legal Title Holder shall transfer to the Deposit Account all collections received into a Collection Account arising in respect of payments received from Borrowers on or prior to the fifth Business Day immediately following receipt of such amounts into the Collection Account. In accordance with the Servicing Deed, where a Port has been agreed, the Servicer is authorised to debit the Collection Account in an amount equal to the Ported Mortgage Loan Consideration payable by the Issuer in respect of the related Ported Mortgage Loan to be purchased on a Further Purchase Date and apply such amount as payment on behalf of the Issuer of the Ported Mortgage Loan Consideration payable on such Further Purchase Date.

*Replacement of Collection Account Bank*

If the rating of the Collection Account Bank falls below the Collection Account Bank Rating and there exists a financial institution having a rating of at least the Collection Account Bank Rating and which is a bank as defined in Section 991 of the Income Tax Act 2007, the Servicer shall assist the Legal Title Holder (or any other entity which may then hold legal title to the Mortgage Loans and their Collateral Security) to, and the Legal Title Holder (or any other entity which may then hold legal title to the Mortgage Loans and their Collateral Security) shall, as soon as reasonably practicable (such time period to be not more than 60 calendar days) following such occurrence:

- (a) open a replacement collection account in the name of the Seller with a financial institution:
  - (i) having a rating of at least the Collection Account Bank Rating;
  - (ii) approved in writing by the Issuer and the Security Trustee; and
  - (iii) which is a bank as defined in Section 991 of the Income Tax Act 2007; or
- (b) obtain an unconditional and unlimited guarantee of the obligations of the Collection Account Bank from a financial institution having the Collection Account Bank Rating; or
- (c) take any other action as the Rating Agencies may agree will not result in a downgrade of the Notes.

In the event a replacement collection account is opened, the Servicer will (i) procure, where possible, that all payments made under the Direct Debiting Scheme are transferred to such replacement Collection Account, (ii) procure, where possible, that all Monthly Payments made by a Borrower under a payment arrangement other than the Direct Debiting Scheme are made to such replacement Collection Account from the date on which the replacement Collection Account is opened, and (iii) procure that all amounts standing to the credit of the Collection Account is transferred to the replacement Collection Account promptly after such replacement Collection Account is opened.

As used in this Prospectus:

**"Collection Account"** means the account in the name of the Legal Title Holder held with the Collection Account Bank or such additional or replacement bank accounts.

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

### *Compensation of the Servicer*

The Servicer receives fees under the terms of the Servicing Deed. The Issuer shall pay the Servicer (i) a servicing fee of 0.25 per cent. (inclusive of VAT) per annum on the aggregate Principal Balance of the relevant Mortgage Loans in the Portfolio as determined as at the close of business on the Calculation Date in respect of the immediately preceding Collection Period, or such other amount as agreed between the Issuer and the Servicer from time to time, (ii) an arrears management fee for each Collection Period equal to £63.18 for each Arrears Loan in the Portfolio as of the last day of the Collection Period, (iii) a redemption fee for each Collection Period equal to £157.96 for each loan redeemed in full or in part during a Collection Period and (iv) a product switch fee for each Collection Period in respect of each Product Switch Mortgage Loan which is retained in the Portfolio and not otherwise repurchased by the Seller in accordance with the Mortgage Sale Agreement during the relevant Collection Period, which shall be an amount equal to the relevant amount charged to the Borrower in respect of the relevant Product Switch in accordance with the Mortgage Loan Agreement (with any such amount being an amount in line with what a Prudent Mortgage Lender would charge for servicing a product switch).

The Servicer Fees (except the Product Switch Fee) shall be adjusted for each twelve-month period, with the first adjustment to occur on or around 17 July 2025, to reflect an increase in the Retail Price Index for the prior twelve-month period (the "**RPI Adjustment**"). The RPI Adjustment shall be applied to all amounts used in calculating the Servicer Fees as required to accurately give effect to such adjustments.

"**Retail Price Index**" means the General Index of Retail Prices for all items (including mortgage payments), or such other index as may replace it from time to time, prepared by the UK Government Statistical Service and published by the Office for National Statistics (or by any government department or successor body upon which duties in connection with such index shall have devolved).

### *Removal or Resignation of the Servicer*

The Issuer (with the written consent of the Security Trustee) and/or (after the delivery of an Enforcement Notice) the Security Trustee itself may, at once or at any time thereafter while such event continues, by notice in writing to the Servicer (with a copy to the Security Trustee and the Replacement Servicer Facilitator), terminate the Servicer's appointments under the Servicing Deed if any of the following events (each a "**Servicer Termination Event**") occurs and is continuing in relation to the Servicer, provided that the Servicer's appointment shall not be terminated until a replacement servicer (the "**Replacement Servicer**") has been appointed:

- (a) the Servicer defaults in the payment on the due date of any payment due and payable by it under the Servicing Deed and such default continues unremedied:
  - (i) where the failure to pay has arisen other than as a result of a Disruption Event, for a period of 5 Business Days after the earlier of the Servicer becoming aware of the relevant default or the receipt by the Servicer (with a copy to the Replacement Servicer Facilitator) of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee, as the case may be, requiring the same to be remedied; or
  - (ii) where the failure to pay has arisen as a result of a Disruption Event, following the cessation of the Disruption Event or, if earlier, 30 Business Days following the Servicer becoming aware of the relevant default and receipt by the Servicer (with a copy to the Replacement Servicer Facilitator) of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee (with a copy to the Replacement Servicer Facilitator) requiring the same to be remedied;

- (b) the Servicer defaults in the performance or observance of any of its other covenants and obligations under the Servicing Deed, which failure in the reasonable opinion of the Issuer (prior to the delivery of an Enforcement Notice) or the opinion of the Note Trustee (after the delivery of an Enforcement Notice) as notified to the Security Trustee, is materially prejudicial to the interests of the Noteholders, and the Servicer does not remedy that failure within 30 Business Days after the earlier of the Servicer becoming aware of the failure or of receipt by the Servicer of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee (with a copy to the Replacement Servicer Facilitator) requiring the Servicer's non-compliance to be remedied; or
- (c) an Insolvency Event occurs in relation to the Servicer;
- (d) the Servicer ceasing to carry on the whole of its business or ceases to carry on the whole or substantially the whole of its residential mortgage servicing business; or
- (e) it becomes unlawful in any applicable jurisdiction for the Servicer to perform any of its obligations as contemplated by the Servicing Deed provided that this does not result or arise from compliance by the Servicer with any instruction from the Issuer or the Security Trustee;
- (f) subject to the terms of the Servicing Deed the Seller fails to pay the VR Floor Remedy Period Compensation Payment or any VR Floor Compensation Payment when due or at any time thereafter while such breach is continuing with immediate effect; or
- (g) the service by the Delegated Servicer of a DSA Termination Notice (in accordance with the Continuing Servicing Agreement), in connection with the Delegated Servicing Agreement.

**"Disruption Event"** means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for the payments to be made in connection with a Transaction Document (or otherwise in order for the transactions contemplated by the Transaction Documents to be carried out) which disruption is not caused by, and is beyond the control of, the relevant party seeking to rely on such disruption; or
- (b) the occurrence of any other event which results in the disruption (of a technical or systems related nature) to the treasury or payments operations of the party seeking to rely on such disruption which prevents that party, or any other party to the Transaction Documents, from:
  - (i) performing its payment obligations under the Transaction Documents; or
  - (ii) communicating with any other party to a Transaction Document in accordance with the terms of the relevant Transaction Documents.

Upon and following the termination of the appointment of the Servicer as servicer under the Servicing Deed:

- (a) the Issuer and the Replacement Servicer Facilitator, shall use its reasonable endeavours to procure the appointment by the Issuer and the Legal Title Holder of a Replacement Servicer which satisfies the conditions set out in the Servicing Deed;
- (b) the Issuer or (following the delivery of an Enforcement Notice) the Security Trustee shall give notice in writing to the Replacement Servicer Facilitator of the occurrence of a Servicer Termination Event and request it to identify and select a Replacement Servicer
- (c) Upon being so notified, the Replacement Servicer Facilitator shall use reasonable endeavours to identify and select a Replacement Servicer which satisfies the conditions set out in paragraph (d) below within

30 calendar days of the occurrence of the applicable Servicer Termination Event and provide details of its selection (the "**Proposed Replacement**") to the Issuer and the Security Trustee. The Replacement Servicer Facilitator will consult with the Issuer and Legal Title Holder when selecting a Proposed Replacement.

- (d) no replacement or termination of the appointment of the Servicer may be made unless:
  - (i) a Replacement Servicer enters into an agreement on substantially the same terms as the Servicing Deed, and the Servicer is not released from its obligations under the relevant provisions of the Servicing Deed, until such Replacement Servicer has entered into such new agreement;
  - (ii) (if there are any Mortgage Loans then outstanding) the rights of the Issuer thereunder are charged in favour of the Security Trustee on terms satisfactory to the Security Trustee;
  - (iii) the Issuer and the Security Trustee consent in writing to such termination and the appointment of the Replacement Servicer (such consent to be given on receipt by the Security Trustee of a certificated signed by two Authorised Signatories of the Issuer that the Proposed Replacement satisfies the requirements under the Servicing Deed), save when failure to terminate the appointment of the Servicer and appoint a Replacement Servicer would cause the ratings of the Notes to be withdrawn, qualified or downgraded;
  - (iv) such Replacement Servicer has all licences, approvals, authorisations, permissions and consents which may be necessary in connection with the performance of the Services, and is duly authorised under FSMA;
  - (v) such Replacement Servicer has experience with and systems capable of administering portfolios of residential mortgage loans in the United Kingdom; and
  - (vi) such Replacement Servicer will not cause the ratings of the Notes to be withdrawn, qualified or downgraded.

Upon the appointment of a Replacement Servicer, the expectation is that the Servicer shall:

- (a) deliver any power of attorney in favour of the Replacement Servicer necessary to enable the delegate or Replacement Servicer to perform the Services;
- (b) take such further action as the Issuer or, after the delivery of an Enforcement Notice, the Security Trustee shall reasonably direct to enable the Services to be performed by the Replacement Servicer; and
- (c) notify the Rating Agencies in writing of the identity of the Replacement Servicer.

Additionally, upon the appointment of a Replacement Servicer, the expectation is that the legal title to the Mortgage Loans shall also be transferred to such Replacement Servicer (or other nominated third party legal title holder) (a "**Successor Legal Title Holder**"), on terms to be agreed with such Successor Legal Title Holder at the time of such transfer.

#### *Voluntary Resignation*

The Servicer (being the "**Resigning Servicer**") may voluntarily resign upon the expiry of not less than three months' notice of termination given by the Servicer to the Issuer and the Security Trustee (or such shorter time as may be agreed between the Servicer, the Issuer and the Security Trustee) provided that (if the Notes remain outstanding) such resignation has no adverse effect on the then current ratings of the Notes (as confirmed to the Security Trustee in writing by the relevant Rating Agencies) unless the Security Trustee or the holders of the Notes (acting by way of Extraordinary Resolution) agree otherwise. *provided that:* (i) a Replacement Servicer in respect of the Servicer shall be appointed, such appointment to be effective not later than the date of such

termination; (ii) such Replacement Servicer entered into a servicing agreement on the same terms as the Servicing Deed or on such terms as are commercially acceptable within the market, and the Servicer is not released from its obligations under the Servicing Deed until such substitute servicer has entered into such new agreement; (iii) such Replacement Servicer has all licences, approvals, authorisations, permissions and consents which may be necessary in connection with the performance of the Services, and is duly authorised under; and (iv) such Replacement Servicer has experience with and systems capable of administering portfolios of residential mortgage loans in the UK and is approved by the Issuer.

The costs incurred in connection with the transfer of the servicing of the Mortgage Loans to the Replacement Servicer are payable by the Servicer, except (i) if the Servicer is forced to resign due to a change in applicable law (in which case such costs will be borne by the Issuer) or (ii) a material breach by the Issuer of its obligation under the Servicing Deed or where the Servicer resigns and the Issuer has not appointed a Replacement Servicer within six (6) months of the date of resignation. Where the Servicer or the Legal Title Holder fails to pay such transfer costs, the Issuer shall pay such transfer costs (as a Servicer' cost or Legal Title Holder's cost) in accordance with the Pre-Enforcement Revenue Priority of Payments, in which case the Issuer will have a claim against the Servicer or the Legal Title Holder for such transfer costs.

#### *Delivery of documents and records*

If the appointment of the Servicer is terminated or the Servicer resigns, the Servicer must deliver to the Issuer or as it shall direct (which shall, for the avoidance of doubt, include the Replacement Servicer Facilitator), *inter alia*, the Title Deeds and Loan Files relating to the Mortgage Loans and their Collateral Security in its possession.

Neither the Note Trustee nor the Security Trustee is obliged to act as servicer in any circumstances.

#### *Enforcement Procedures*

the Servicer will, in relation to any default by a Borrower under or in connection with a Mortgage Loan and its related Mortgage and other Collateral Security, comply with the Arrears and Account Management Policy or, to the extent that the Arrears and Account Management Policy is not applicable having regard to the nature of the default in question, take such action as is not materially prejudicial to the interests of the Issuer, provided that:

- (a) The Servicer shall only become obliged to comply with the Arrears and Account Management Policy (to the extent applicable) or to take action as aforesaid after it has become aware of the default;
- (b) it is acknowledged by the Issuer that mortgage lenders generally exercise discretion in pursuing their respective enforcement procedures and that the Servicer may exercise such discretion as would be exercised by a Prudent Mortgage Lender in applying the Arrears and Account Management Policy to the defaulting Borrower or taking action as referred to above, provided that in exercising such discretion the interests of the Issuer in the Mortgage Loans and their related Mortgages and other Collateral Security are not materially prejudiced;
- (c) in any case where any of the Insurance Contracts requires exact compliance with certain enforcement procedures, the Servicer shall provide the prior written consent of the relevant insurance company for any deviation by it from such enforcement procedures; and
- (d) the Servicer may exercise forbearance or take such other action in accordance with the practice of a Prudent Mortgage Lender, and in compliance with any applicable laws, regulations and regulatory guidance, in relation to the recovery of amounts from Borrower(s) and/or the relevant Property.

### *Limit to Servicer's liability*

The Servicer's liability in contract, tort (including negligence or breach of statutory or regulatory duty) or otherwise in respect of the Servicing Deed shall: (a) be limited to £500,000 in aggregate for so long as the Servicer is appointed under the Servicing Deed; and (b) not include any claim for any increased costs and expenses, loss of profit, business, contracts, revenues or anticipated savings or for any special indirect or consequential damage of any nature whatsoever.

The Servicer shall at all times indemnify and keep the Issuer and the Security Trustee indemnified against all Claims sustained or incurred by the Issuer or the Security Trustee (as applicable), to the extent arising directly out of the fraud, negligence or the wilful default of the Servicer or any breach by it of the provisions of this Deed or any other Transaction Document to which it (in its capacity as Servicer) is party. As used in this Prospectus:

**"Arrears and Account Management Policy"** means the arrears policy of the Servicer from time to time.

**"Business Continuity Plan"** means the business continuity plan of the Servicer as agreed between the Servicer and the Legal Title Holder from time to time using the Change Control Mechanism and/or as required by a regulatory authority or Applicable Law;

**"Change Control Mechanism"** means the process of agreeing operational changes between the Legal Title Holder and the Servicer as set out in the Servicing Deed.

**"Claim"** means any loss, liability, fine, penalties, action, cause of action, damage, claim, cost, charge, demand and expense (including reasonable and proper professional fees) incurred or sustained by a party to the Servicing Deed;

**"Complaints Policy"** means the Servicer's policy for dealing with complaints as agreed between the Servicer and the Legal Title Holder from time to time using the Change Control Mechanism and/or as required by a regulatory authority or Applicable Law;

**"Continuing Servicing Agreement"** means the continuing servicing agreement dated on or about the Closing Date between, amongst others, LiveMore Capital Limited and Pepper (UK) Limited;

**"Direct Debiting Scheme"** means the scheme for the manual and automated debiting of bank accounts opened in accordance with the detailed rules of certain members of the Association for Payments Clearing Services.

**"Loan Files"** means, in relation to each Mortgage Loan, the file or files (including files which may be kept in microfiche format or similar electronic data retrieval system) containing correspondence between the Borrower and the Seller and including the relevant Standard Documentation applicable to that Mortgage Loan, each letter of offer in respect of a Mortgage Loan and other relevant documents (excluding Title Deeds).

**"Policy Documents"** means:

- (a) the Arrears and Account Management Policy;
- (b) the Complaints Policy; and
- (c) the Business Continuity Plan.

**"Primary Servicing Specification"** means the activities detailed in Schedule 1 (*Primary Servicing Specification*) to the Servicing Deed as from time to time amended or supplemented by the agreement of the Servicer and the Legal Title Holder using the Change Control Mechanism and/or as required by a regulatory authority or Applicable Law;

**"Prudent Mortgage Lender"**, when used to refer to any person acting as or in accordance with the standards of a "Prudent Mortgage Lender", means the standards of lending and underwriting that would be expected of a reasonable and prudent mortgage lender underwriting loans of a similar type and with similar terms to the Mortgage Loans.

**"Reasonable and Prudent Mortgage Lender"**, means a reasonable and prudent mortgage lender, lending to Borrowers in England and Wales in relation to English Mortgage Loans, and in Scotland in relation to Scottish Mortgage Loans;

**"Reasonable and Prudent Mortgage Servicer"**, means a reasonable and prudent mortgage servicer, lending to Borrowers in England and Wales in relation to English Mortgage Loans, and in Scotland in relation to Scottish Mortgage Loans;

**"Service Specification"** means the Primary Servicing Specification and Special Servicing Specification;

**"Special Servicing Specification"** means the activities detailed in Schedule 2 (*Special Servicing Specification*) of the Servicing Deed as from time to time amended or supplemented by the agreement of the Servicer and the Legal Title Holder using the Change Control Mechanism and/or as required by a regulatory authority or Applicable Law;

**"Standard Documentation"** means the standard documentation in connection with their activities as originators of Mortgage Loans, or any update or replacement therefor as the Legal Title-Holder may from time to time introduce acting in accordance with the standards of a Prudent Mortgage Lender including, without limitation, any amendments or variations thereto relating to changing the basis on which interest is calculated on the Mortgage Loans from a monthly to daily basis.

**"Title Deeds"** means the conveyancing deeds and documents of title relating to Mortgages and any Collateral Security connected with the Mortgages.

#### *Continuing Servicing Agreement*

The Issuer, the Servicer and Pepper (UK) Limited (the **"Delegated Servicer"**) will, on the Closing Date, enter into a continuing servicing agreement (the **"Continuing Servicing Agreement"**) pursuant to which, in the event of a Servicer Termination Event occurring, provision is made for the Issuer and the Delegated Servicer to use reasonable commercial efforts to enter into a replacement servicing agreement upon terms materially consistent with those applicable to the Servicing Agreement, and subject to the payment of a project fee to be agreed at the time.

Any obligations for the Delegated Servicer to provide mortgage administration services to the Issuer pursuant to the Continuing Servicing Agreement may be terminated by either the Delegated Servicer or the Issuer for convenience at any time by serving not less than six (6) months' notice.

Further, whilst no back-up servicer has been appointed in respect of the Transaction as at the Closing Date, the Issuer may appoint a back-up servicer in the future subject to certain conditions. The Continuing Servicing Agreement will automatically terminate upon the appointment of a Replacement Servicer.

#### *Governing Law*

The Servicing Deed and any non-contractual obligations arising out of or in connection with it will be governed by English law.

### **Deed of Charge**

On the Closing Date, the Issuer will enter into the Deed of Charge with, *inter alios*, the Security Trustee.

## *Security*

Under the terms of the Deed of Charge, the Issuer will provide the Security Trustee with the benefit of, *inter alia*, the following security (the "**Security**") as trustee for itself and for the benefit of the Secured Creditors (including the Noteholders and the Certificateholders):

- (a) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit in, to and under the Transaction Documents (other than the Trust Deed, the Deed of Charge, any Scottish Trust Security and any Scottish Declaration of Trust) and any sums derived therefrom (provided that the assignment by way of security of the Issuer's rights under the Swap Agreement shall be subject to any rights of set-off or netting provided for thereunder);
- (b) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit in, to and under the English Mortgage Loans and their Collateral Security and other related rights comprised in the Portfolio (other than in respect of Scottish Mortgage Loans) and any sums derived therefrom;
- (c) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit in, to and under Insurance Contracts assigned to the Issuer pursuant to the Mortgage Sale Agreement;
- (d) an assignment in security pursuant to a Scottish Trust Security of the Issuer's beneficial interest in the Scottish Mortgage Loans and their Collateral Security (comprising the Issuer's beneficial interest under the trust(s) declared by the Legal Title Holder over such Scottish Mortgage Loans and their Collateral Security for the benefit of the Issuer pursuant to any Scottish Declaration of Trust) (a "**Scottish Trust Security**");
- (e) a charge by way of first fixed charge over the Issuer's interest in its bank and/or securities accounts (including the Deposit Account and the Swap Collateral Account) maintained with the Issuer Account Bank and any other bank or custodian and any sums or securities standing to the credit thereof;
- (f) a charge by way of first fixed charge over the Issuer's interest in all Authorised Investments permitted to be made by the Issuer or the Issuer Account Bank (acting on the Issuer's instructions) on its behalf;
- (g) an assignment by way of first fixed security of (and, to the extent not assigned, a charge by way of first fixed charge over) (but subject to the right of reassignment) the benefit of the Issuer's rights, title, interest and benefit under the Collection Account Trust (created pursuant to the Collection Account Declaration of Trust); and
- (h) a floating charge over all assets of the Issuer not otherwise subject to the charges referred to above or otherwise effectively assigned by way of security, including over all of the Issuer's property, assets, rights and revenues as are situated in Scotland or governed by Scots law (whether or not such assets are the subject of the charges or assignments referred to above).

"**Authorised Investments**" means:

- (i) money market funds;

**provided that** such investments will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto and such investments:

- (i) have a maturity date of 90 days or less and mature on or before the next following Interest Payment Date or within 90 days, whichever is sooner, and are rated A-1+ (short term) and/or AAA (long term) by S&P, F1+ (short term) or AA- (long term) by Fitch and/or K1+ (short term)



(or, as applicable, AAmmf by Fitch and Aaa –mf by Moody's, in respect of money market funds); or

save that (i) where such investments would result in the recharacterisation of the Notes or any transaction under the Transaction Documents as a "resecuritisation" or a "synthetic securitisation" as defined in Articles 4(63) and 242(11), respectively, of Regulation (EU) No 575/2013 (as amended and/or supplemented from time to time) as it forms part of UK domestic law by virtue of the EUWA, such investments shall not qualify as authorised investments and (ii) where any Rating Agency does not provide a rating for the purposes of this definition, such rating requirement shall not be applicable **provided that** such investments have a rating from at least one Rating Agency. For the avoidance of doubt, no investment which does not qualify as an investment in money market funds in accordance with the above criteria shall be considered an Authorised Investment.

**"Secured Creditors"** means the Security Trustee, any Receiver appointed by the Security Trustee pursuant to the Deed of Charge, the Note Trustee, any Appointee, the Noteholders, the Certificateholders, the Seller, the Servicer, the Replacement Servicer, the Cash Administrator, the Swap Provider, the Issuer Account Bank, the Corporate Services Provider, the Paying Agents, the Registrar, the Agent Bank, the Replacement Servicer Facilitator, any custodian appointed pursuant to a Custody Agreement, the Legal Title-Holder and any other person who is expressed in any deed supplemental to the Deed of Charge to be a secured creditor.

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

**"Receiver"** means a manager, a receiver and manager and an administrative receiver appointed under the relevant Deed of Charge, pursuant to statutory powers or otherwise, and includes more than one such Receiver and any substituted Receiver.

**"Transaction Documents"** means the Servicing Deed, the Agency Agreement, the Bank Account Agreement, any Custody Agreement, the Collection Account Declaration of Trust, the Cash Administration Agreement, the Corporate Services Agreement, the Deed of Charge, the Deed of Reassignment, the Deed Poll, the Risk Retention Regulatory Change Deed Poll, each Scottish Trust Security, the Swap Agreement, a share trust deed dated 20 May 2025 (the **"Share Trust Deed"**), the power of attorney granted by the Issuer in favour of the Security Trustee under the Deed of Charge (the **"Issuer Power of Attorney"**), a master definitions and construction schedule dated on or about the Closing Date (the **"Master Definitions and Construction Schedule"**), the Mortgage Sale Agreement, each Scottish Declaration of Trust, the power of attorney granted by the Legal Title Holder in favour of the Issuer and the Security Trustee on the Closing Date (the **"Legal Title Holder Powers of Attorney"**), the Trust Deed, the Continuing Servicing Agreement and such other related documents which are referred to in the terms of the above documents or which relate to the issue of the Notes and/or the Residual Certificates.

The floating charge created by the Deed of Charge may "crystallise" and become a fixed charge over the relevant class of assets owned by the Issuer at the time of crystallisation. Crystallisation will occur automatically (subject to applicable law) following the occurrence of specific events set out in the Deed of Charge, including, among other events, service of an Enforcement Notice, except in relation to the Issuer's Scottish assets, where crystallisation will occur on the appointment of an administrative receiver or receiver or upon commencement of the winding-up of the Issuer. A crystallised floating charge will rank ahead of the claims of unsecured creditors which are in excess of the prescribed part but will rank behind the expenses of any administration or liquidator, the claims of preferential creditors and the beneficiaries of the prescribed part on enforcement of the Security.

#### *Pre-Enforcement Revenue Priority of Payments and Pre-Enforcement Principal Priority of Payments*

Prior to the Note Trustee serving an Enforcement Notice on the Issuer pursuant to the Trust Deed, Condition 11 (*Events of Default*) or Residual Certificates Condition 10 (*Events of Default*), declaring the Notes to be immediately due and payable or any Residual Payments pursuant to the Residual Certificates to be immediately due and payable, as the case may be, the Cash Administrator (on behalf of the Issuer) shall apply monies standing to the credit of the Deposit Account as described in "*Cashflows–Application of Available Principal Receipts prior to the service of an Enforcement Notice on the Issuer*" and "*Cashflows–Application of Available Principal Receipts prior to the service of an Enforcement Notice on the Issuer*" and apply monies standing to the credit of the Swap Collateral Account as described in "*Cashflows–Swap Collateral*".

#### *Post-Enforcement Priority of Payments*

After the Note Trustee has served an Enforcement Notice on the Issuer pursuant to the Trust Deed and/or Condition 11 (*Events of Default*), declaring the Notes to be immediately due and payable or if no Notes remain outstanding, pursuant to Residual Certificates Condition 10 (*Events of Default*) declaring that any Residual Payments pursuant to the Residual Certificates are immediately due and payable, the Security Trustee (or the Cash Administrator on its behalf) or any Receiver appointed by it shall apply the monies standing to the credit of the Deposit Account in accordance with the Post-Enforcement Priority of Payments defined in "*Cashflows–Distributions following the service of an Enforcement Notice on the Issuer*" and apply the monies standing to the credit of the Swap Collateral Account in accordance with the Swap Collateral Account Priority of Payments as described in "*Cashflows–Swap Collateral*" below.

The Security will become enforceable after an Enforcement Notice has been served on the Issuer pursuant to the Trust Deed, Condition 11 (*Events of Default*) or if there are no Notes then outstanding, pursuant to Residual Certificates Condition 10 (*Events of Default*) declaring that any Residual Payments pursuant to the Residual Certificates are immediately due and payable.

The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer in accordance with the applicable Priority of Payments. The Security Trustee shall be entitled to rely upon any financial or other professional advice referred to above without further enquiry and shall incur no liability to any person for so doing.

#### *Governing Law*

The Deed of Charge and any non-contractual obligations arising out of or in connection with it will be governed by English law, aspects relating to Scottish Mortgage Loans and their Collateral Security shall be construed in accordance with Scots law and each Scottish Trust Security entered into pursuant thereto will be governed by Scots law.

### **Trust Deed**

On or about the Closing Date, the Issuer will enter into the Trust Deed with, *inter alios*, the Security Trustee and the Note Trustee pursuant to which the Issuer and the Note Trustee will agree that the Notes and the Residual Certificates are subject to the provisions in the Trust Deed. The Conditions and the Residual Certificates Conditions and the forms of each class of Notes and the Residual Certificates are each constituted by, and set out in, the Trust Deed.

The Note Trustee will agree to (i) hold the benefit of the Issuer's covenant to pay amounts due in respect of the Notes and the Residual Certificates on trust for the Noteholders and the Certificateholders and (ii) represent the interests of the Noteholders.

In accordance with the terms of the Trust Deed, the Issuer will pay a fee to the Note Trustee for its services under the Trust Deed at the rate and times agreed between the Issuer and the Note Trustee (exclusive of VAT) together with payment of any liabilities incurred by the Note Trustee in relation to the Note Trustee's performance of its obligations under or in connection with the Trust Deed and the other Transaction Documents.

#### *Retirement of Note Trustee*

The Note Trustee may retire at any time upon giving not less than 60 calendar days' notice in writing to the Issuer without giving any reason therefor and without being responsible for any liabilities occasioned by such retirement. The holders of the Most Senior Class of Notes or (if there are no Notes then outstanding) the Residual Certificates may, by Extraordinary Resolution, remove all trustees (but not some only) for the time being who are acting pursuant to the Trust Deed and the Deed of Charge. The retirement or removal of the Note Trustee shall not become effective unless there remains a trust corporation entitled by rules made under the Public Trustee Act 1906 to carry out the functions of a custodian trustee (a "**Trust Corporation**") in office after such retirement or removal by Extraordinary Resolution. The Issuer will agree in the Trust Deed that, in the event of the sole trustee or the only trustee under the Trust Deed giving notice of its retirement, it shall use its best endeavours to procure a new trustee to be appointed as soon as practicable thereafter and if, upon the expiry of such notice or after 60 calendar days from the date the Note Trustee gives its notice of retirement or the applicable Extraordinary Resolution of the holders of the Most Senior Class of Notes, the Issuer is not able to find such replacement, the Note Trustee will be entitled to appoint a new Trust Corporation as trustee under the Trust Deed.

#### *Governing Law*

The Trust Deed and any non-contractual obligations arising out of or in connection with it will be governed by English law.

### **Agency Agreement**

Pursuant to an agency agreement (the "**Agency Agreement**") dated on or prior to the Closing Date and made between the Issuer, the Note Trustee and the Security Trustee, the Principal Paying Agent, the Registrar and the Agent Bank, provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

#### *Governing Law*

The Agency Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

### **Cash Administration Agreement**

On the Closing Date, the Cash Administrator, the Issuer, the Servicer, the Swap Provider and the Security Trustee will enter into a cash administration agreement (the "**Cash Administration Agreement**").

#### *Cash Administration Services to be provided to the Issuer*

Pursuant to the Cash Administration Agreement, the Cash Administrator will agree to provide certain cash administration and other services to the Issuer or, upon the Security Trustee notifying the Cash Administrator that an Enforcement Notice has been served on the Issuer, the Security Trustee. The Cash Administrator's principal function will be effecting payments to and from the Deposit Account and the Swap Collateral Account. In addition, the Cash Administrator will, amongst other things:

- (a) on each Interest Payment Date prior to the delivery of an Enforcement Notice, apply, or cause to be applied, Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of

Payments and any Liquidity Reserve Fund Release Amount to meet any Liquidity Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments;

- (b) on the third Business Day prior to each Interest Payment Date (the "**Calculation Date**") determine if there would be a Liquidity Deficit following the application of Available Revenue Receipts on the immediately following Interest Payment Date;
- (c) on each Calculation Date determine if there would be a Senior Expenses Deficit following the application of Available Revenue Receipts on the immediately following Interest Payment Date;
- (d) on each Calculation Date, determine whether the immediately following Interest Payment Date is the Final Redemption Date;
- (e) record credits to, and debits from, the Ledgers, as and when required; and
- (f) if required (i) during the Determination Period, calculate the Interest Determination Ratio, the Calculated Revenue Receipts and the Calculated Principal Receipts; and (ii) following any Determination Period, upon receipt by the Cash Administrator of the Portfolio Information in respect of such Determination Period, reconcile the calculations to the actual collections set out in the Portfolio Information by allocating the Reconciliation Amounts in accordance with Condition 6.8(c) (*Determinations and Reconciliation*) and the Cash Administration Agreement.

In addition, the Cash Administrator will also:

- (a) maintain the following ledgers (the "**Ledgers**") on behalf of the Issuer:
  - (i) the "**Pre-Funding Principal Reserve Ledger**" on the Deposit Account to record the amounts standing to the credit of this ledger (being the amount so credited to this ledger by the Issuer on the Closing Date less any amounts representing Additional Mortgage Loan Principal Balance applied by the Issuer in acquiring Additional Mortgage Loans on Additional Sale Dates or otherwise applied *pro rata* in redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (but not the Class X Notes) and prior to the application of Available Principal Receipts in accordance with the relevant Priority of Payments on the first Interest Payment Date following the Final Additional Sale Date.
  - (ii) the "**Pre-Funding Revenue Reserve Ledger**" on the Deposit Account to record the amounts standing to the credit of this ledger (being the amount so credited to this ledger by the Issuer on the Closing Date less any amounts representing Additional Mortgage Loan Purchase Premium applied by the Issuer in acquiring Additional Mortgage Loans on Additional Sale Dates or otherwise applied as Available Revenue Receipts in accordance with the relevant Priority of Payments on the first Interest Payment Date following the Final Additional Sale Date).
  - (iii) the "**Principal Ledger**" on the Deposit Account, which will record all Principal Receipts received by the Issuer and the distribution of the Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments or the Post-Enforcement Priority of Payments (as applicable);
  - (iv) the "**Revenue Ledger**" on the Deposit Account, which will record all Revenue Receipts, any Swap Collateral Account Surplus, amounts credited to the Deposit Account in accordance with item (w) of the Pre-Enforcement Revenue Priority of Payments and the distribution of Available Revenue Receipts and any other relevant amounts recorded on the Revenue Ledger in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) or by way of Third Party Amounts;

- (v) the "**Liquidity Reserve Fund Ledger**" on the Deposit Account, which will record amounts credited to, and debited from, the Liquidity Reserve Fund (see "*Credit Structure–Liquidity Reserve Fund and Liquidity Reserve Fund Ledger*");
  - (vi) the "**Principal Deficiency Ledger**" on the Deposit Account, which will record on the appropriate sub-ledger as a debit deficiencies arising from Losses on the Portfolio (on the date the Cash Administrator is informed of such Losses by the Servicer) and Principal Addition Amounts (on the Calculation Date on which such Principal Addition Amounts are determined by the Cash Administrator) and record as a credit Available Revenue Receipts applied as Available Principal Receipts (including any amounts in respect of Enhanced Amortisation Amounts) pursuant to the Pre-Enforcement Revenue Priority of Payments (if any) on each Interest Payment Date (see "*Credit Structure–Principal Deficiency Ledger*");
  - (vii) the "**Issuer Profit Ledger**" on the Deposit Account, which shall record as a credit any amounts retained by the Issuer as profit in accordance with the Pre-Enforcement Revenue Priority of Payments and the Post-Enforcement Priority of Payments and as a debit any amount used to discharge any tax liability of the Issuer; and
  - (viii) the "**Swap Collateral Ledger**" which shall record as a credit: (A) any Swap Collateral received from the Swap Provider; (B) any Replacement Swap Premium received by the Issuer from a replacement swap provider; (C) any termination payment received by the Issuer from an outgoing Swap Provider; (D) any Swap Tax Credits and as a debit any amounts applied in accordance with the Swap Collateral Account Priority of Payments; and (E) Monies standing to the credit of the Swap Collateral Account (including interest, distributions and redemption or sale proceeds thereon or thereof) and recorded as a credit on the Swap Collateral Ledger will be applied by the Cash Administrator in accordance with the Swap Collateral Account Priority of Payments. The Swap Collateral Ledger shall record as a debit any amounts applied in accordance with the Swap Collateral Account Priority of Payments;
- (b) calculate on each Calculation Date (prior to service of an Enforcement Notice) the amount of Available Revenue Receipts and Available Principal Receipts to be applied on the immediately following Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments or the Pre-Enforcement Principal Priority of Payments (as applicable);
  - (c) calculate on each Calculation Date the amount of any Liquidity Reserve Fund Release Amount to be applied on the immediately following Interest Payment Date (such amount to be determined after calculation of any Available Revenue Receipts to be applied on such Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date (the Liquidity Reserve Fund Excess Amount is to be applied as Available Principal Receipts on such Interest Payment Date));
  - (d) calculate on each Calculation Date up to and including the Calculation Date immediately preceding the Final Redemption Date (prior to the service of an Enforcement Notice) the amount of any Principal Addition Amounts to be applied on the immediately following Interest Payment Date (such amount to be determined after calculation of any Liquidity Reserve Fund Release Amounts to be applied to meet any Liquidity Deficit and the Available Revenue Receipts to be applied on such Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date) and drawn from Available Principal Receipts on such Interest Payment Date;
  - (e) prepare the Quarterly SR Investor Reports to be published by the Servicer in accordance with the Cash Administration Agreement on each Quarterly SR Investor Reporting Date; and

- (f) as soon as reasonably practicable upon receiving a request from the Issuer and provided that it has all information necessary to enable it to do so, calculate and provide to the Issuer and the Security Trustee:
  - (i) the Optional Purchase Price (or where such calculation is made prior to the Determination Date, an estimate of the Optional Purchase Price); and/or
  - (ii) (where the initial calculation is made prior to the Determination Date) the definitive Optional Purchase Price.

*Reporting under the UK Securitisation Framework and the EU Securitisation Regulation*

The Reporting Entity and Seller will procure that certain information and reports, as more fully set out in the section entitled "*General Information-Securitisation Regulation Reporting*" are published with the frequency and in the manner set out in such section.

*Cash Administrator and Directions from the Security Trustee*

The Cash Administrator will act upon the direction of the Security Trustee (given in accordance with the terms and provisions of the Cash Administration Agreement and Deed of Charge) following receipt by the Cash Administrator of a copy of an Enforcement Notice served by the Note Trustee on the Issuer.

*Remuneration of Cash Administrator*

The Cash Administrator will be paid a cash administration fee for its cash administration services under the Cash Administration Agreement. Such fees will be determined pursuant to the Cash Administration Agreement. Any sum (or other consideration) payable (or provided) by the Issuer to the Cash Administrator in respect of that fee shall be deemed to be exclusive of VAT, if any, chargeable on any supply for which the cash administration fee is the consideration (in whole or in part) for VAT purposes. The cash administration fee is payable quarterly in arrear on each Interest Payment Date in the manner contemplated by and in accordance with the provisions of the Pre-Enforcement Revenue Priority of Payments or, as the case may be, the Post-Enforcement Priority of Payments.

*Termination of Appointment and Replacement of Cash Administrator*

If any of the following events (the "**Cash Administrator Termination Events**") shall occur:

- (a) default is made by the Cash Administrator in the payment, on the due date, of any payment due and payable by it under the Cash Administration Agreement and such default continues unremedied for a period of three Business Days after the earlier of the Cash Administrator becoming aware of such default and receipt by the Cash Administrator of written notice from the Issuer or (following the service of an Enforcement Notice) the Security Trustee, as the case may be, requiring the same to be remedied; or
- (b) material default is made by the Cash Administrator in the performance or observance of any of its other covenants and obligations under the Cash Administration Agreement, and such default continues unremedied for a period of 30 Business Days after the earlier of the Cash Administrator becoming aware of such default and receipt by the Cash Administrator of written notice from the Issuer or (following the service of an Enforcement Notice) the Security Trustee, as the case may be, requiring the same to be remedied; or
- (c) any material representation or warranty made by the Cash Administrator is incorrect when given and is unremedied for a period of 30 Business Days after the earlier of the Cash Administrator becoming aware of such breach and receipt by the Cash Administrator of written notice from the Issuer or (following the service of an Enforcement Notice) the Security Trustee, as the case may be, requiring the same to be remedied; or
- (d) an Insolvency Event occurs in respect of the Cash Administrator; or

- (e) it becomes unlawful for the Cash Administrator to perform its obligations under the Cash Administration Agreement or under any other Transaction Document,

then prior to the delivery of an Enforcement Notice, the Issuer (with the written consent of the Security Trustee), or following the delivery of an Enforcement Notice, the Security Trustee, may, at once or at any time thereafter while such default continues, by notice in writing to the Cash Administrator, terminate its appointment as Cash Administrator under the Cash Administration Agreement with effect from a date (not earlier than the date of the notice) specified in such notice. In determining whether to give or withhold consent to the termination of the Cash Administrator by the Issuer, the Security Trustee will have regard to factors including, *inter alia*, the availability of a substitute cash administrator. Upon termination of the appointment of the Cash Administrator, the Issuer shall use reasonable endeavours to appoint a substitute cash administrator that satisfies the conditions set out below.

Any substitute cash administrator:

- (a) must agree to enter into an agreement with the Issuer on terms commercially acceptable in the market, pursuant to which the substitute cash administrator agrees to assume and perform all material duties and obligations of the Cash Administrator under the Cash Administration Agreement;  
  
and
- (b) will be subject to the prior written approval of the Security Trustee.

For the avoidance of doubt, upon termination of the appointment of the Cash Administrator, if the Issuer is unable to find a suitable third party willing to act as a substitute cash administrator, this shall not constitute any breach of the provisions of the Cash Administration Agreement.

#### *Resignation of the Cash Administrator*

The Cash Administrator may resign on giving not less than 45 calendar days' written notice (or such shorter time as may be agreed between the Cash Administrator, the Issuer, the Servicer and the Security Trustee) of its resignation to the Issuer, the Servicer and the Security Trustee without providing any reason therefor and without being responsible for any Liability incurred by reason thereof unless such liability arises as a result of its own gross negligence, wilful default or fraud or that of its officers, directors, employees or any of its sub-contractors or delegates, provided that:

- (a) a substitute cash administrator shall be appointed, such appointment to be effective not later than the date of such termination;
- (b) such substitute cash administrator has the requisite cash administration experience to perform the functions to be given to it under the Cash Administration Agreement and is approved in writing by the Security Trustee in consultation with the Issuer as is appropriate in the circumstances; and
- (c) such substitute cash administrator enters into a cash administration agreement with the Issuer on terms commercially acceptable in the market, pursuant to which the substitute cash administrator agrees to assume and perform all material duties and obligations of the Cash Administrator under the Cash Administration Agreement.

#### *Governing Law*

The Cash Administration Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

## **The Bank Account Agreement**

Pursuant to the terms of a bank account agreement entered into on or about the Closing Date between the Issuer, the Issuer Account Bank, the Cash Administrator and the Security Trustee (the "**Bank Account Agreement**"), the Issuer will maintain with the Issuer Account Bank the Deposit Account and the Swap Collateral Account which will be operated by the Issuer in accordance with the Bank Account Agreement, Cash Administration Agreement, the Deed of Charge and, in relation to the Swap Collateral Account, the Swap Agreement. In the event that the Swap Provider posts any Swap Collateral or the Issuer Account Bank is required to hold any Authorised Investments (a "**Custody Agreement**") in the form of securities, the Issuer shall enter into a separate global custodial services agreement. The Issuer Account Bank is required to have the Account Bank Rating.

The Issuer Account Bank, on behalf of and in the name of and as instructed by the Issuer, may invest monies standing from time to time to the credit of the Deposit Account in Authorised Investments, subject to the following provisions:

- (a) any investment in any Authorised Investments shall be made in the name of the Issuer;
- (b) any costs properly incurred in making, changing or otherwise disposing of any investment in any Authorised Investments will be reimbursed to the Issuer Account Bank by the Issuer; and
- (c) all income and other distributions arising on, or proceeds following the disposal or maturity of, Authorised Investments shall be credited to the Deposit Account.

The Issuer Account Bank shall not be responsible (save where any loss results from the Issuer Account Bank own fraud, wilful default or gross negligence or that of its directors, officers or employees) for any loss occasioned by reason of any such investment in any Authorised Investments or any purported investment in any Authorised Investments whether by depreciation in value or otherwise, provided that any such investment in any Authorised Investments was made in accordance with the terms of the Bank Account Agreement.

### *Interest*

The interest rate payable on balances standing to the credit of the Deposit Account and the Swap Collateral Account is not subject to a minimum floor of zero per cent. A negative interest rate would result in a charge payable by the Issuer to the Issuer Account Bank and will be paid using Available Revenue Receipts subject to and in accordance with the applicable Priority of Payments.

### *Governing Law*

The Bank Account Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

## **The Corporate Services Agreement**

On or prior to the Closing Date, the Issuer, the Corporate Services Provider, the Share Trustee, Holdings and the Security Trustee will enter into a corporate services agreement (the "**Corporate Services Agreement**") pursuant to which the Corporate Services Provider will provide the Issuer and Holdings with certain corporate and administrative functions against the payment of a fee. Such services include, *inter alia*, the performance of all general book-keeping, secretarial, registrar and company administration services for the Issuer and Holdings (including the provision of directors), providing the directors with information in connection with the Issuer and Holdings, and the arrangement for the convening of shareholders' and directors' meetings.

### *Governing Law*

The Corporate Services Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.



## **The Collection Account Declaration of Trust**

The Seller has, pursuant to the terms of a collection account declaration of trust (the "**Collection Account Declaration of Trust**"), agreed to hold all amounts standing to the credit of the Collection Account on trust for, amongst others, the Issuer and themselves absolutely (the "**Collection Account Trust**"). The Issuer's share of the Collection Account Trust at any relevant time shall equal all amounts credited to the Collection Account at such time in respect of the Mortgage Loans and their Collateral Security taking into account any amounts previously paid to the Issuer in respect of the Mortgage Loans and their Collateral Security.

### *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 English law.

## **Other Agreements**

For a description of the Swap Agreement, see "*Credit Structure*" below.

## Credit Structure

Each Class of Notes is the obligation of the Issuer only. None of the Notes are an obligation of, or the responsibility of, or guaranteed by, any person other than the Issuer. In particular, none of the Notes are an obligation of, or the responsibility of, or guaranteed by, any of the Relevant Parties. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes shall be accepted by any of the Relevant Parties or by any other person other than the Issuer.

The structure of the credit support arrangements may be summarised as follows:

### 1 Liquidity Support for the Notes Provided by Available Revenue Receipts

It is anticipated that, during the life of the Notes, the interest payable by Borrowers on the Mortgage Loans will, assuming that all of the Mortgage Loans are fully performing (with a constant prepayment rate of zero per cent. on their Principal Balances), be sufficient so that the Available Revenue Receipts will be sufficient to pay the amounts payable under items (a) to (v) (inclusive) of the Pre-Enforcement Revenue Priority of Payments. The actual amount of any excess payable to the Certificateholders under item (x) of the Pre-Enforcement Revenue Priority of Payments will vary during the life of the Notes. Two of the key factors determining such variation are the interest rates applicable to the Mortgage Loans in the Portfolio relative to the interest rates on the Notes (taking into account in respect of the Fixed Rate Loan amounts due to the Issuer, if any, pursuant to the terms of the Swap Agreement) (as to which, see "*Interest Rate Risk for the Notes*" below) and the performance of the Portfolio.

Available Revenue Receipts will be applied (after making payments ranking higher in the Pre-Enforcement Revenue Priority of Payments) on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments, towards reducing any Principal Deficiency Ledger entries which may arise from Losses on the Portfolio and from the application of Available Principal Receipts as Principal Addition Amounts to cure any Senior Expenses Deficit in accordance with item (a) of the Pre-Enforcement Principal Priority of Payments.

To the extent that the amount of Available Revenue Receipts on each Interest Payment Date exceeds the aggregate of the payments required to be met under items (a) to (f) (inclusive) of the Pre-Enforcement Revenue Priority of Payments, such excess is available to replenish the Liquidity Reserve Fund up to an amount equal to the Liquidity Reserve Fund Required Amount.

On the Final Redemption Date or on each Interest Payment Date from and including the Optional Redemption Date, to the extent that the amount of Available Revenue Receipts exceeds the aggregate of the payments required to be met under items (a) to (t) (inclusive) of the Pre-Enforcement Revenue Priority of Payments, an amount equal to the lesser of (i) all remaining amounts (if any); and (ii) the amount required by the Issuer to pay in full all amounts payable under items (a) to (h) (inclusive) of the Pre-Enforcement Principal Priority of Payments, less any Available Principal Receipts (other than item (c) of the definition thereof) otherwise available to the Issuer, is available as Enhanced Amortisation Amounts to be applied as Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments.

**"Final Redemption Date"** means the Interest Payment Date in respect of which the Cash Administrator determines on the immediately preceding Calculation Date that, following the application on such Interest Payment Date of (i) Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, (which shall include any Liquidity Reserve Fund Release Amounts in meeting any Liquidity Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments), (ii) the sum of the Available Principal Receipts (other than item (c) of the definition thereof), (iii) all amounts standing to the credit of the Liquidity Reserve Fund Ledger and (iv) all amounts which (but for the occurrence of the Final Redemption Date) would have been

available for application pursuant to items (v) to (x) (inclusive) of the Pre-Enforcement Revenue Priority of Payments, such amounts would be sufficient to redeem in full the Notes on such Interest Payment Date, including, as the case may be, as a result of the optional redemption of the Notes pursuant to Condition 8.3 (*Optional Redemption of the Notes in Full*) or the mandatory redemption of the Notes pursuant to Condition 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*).

## 2 Liquidity Reserve Fund and Liquidity Reserve Fund Ledger

On the Closing Date, the Cash Administrator on behalf of the Issuer will establish a fund which will be credited with the Liquidity Reserve Fund Required Amount (the "**Liquidity Reserve Fund**") to provide liquidity support (and ultimately, credit enhancement) for the Class A Notes. The Liquidity Reserve will be funded (i) on the Closing Date from the proceeds of the issuance of the Notes and (ii) thereafter from the Available Revenue Receipts applied in accordance with the Pre-Enforcement Revenue Priority of Payments. The Liquidity Reserve Fund will be deposited in the Deposit Account (with a corresponding credit being made to the Liquidity Reserve Fund Ledger). The Issuer may invest the amounts standing to the credit of the Liquidity Reserve Fund from time to time in Authorised Investments.

The Cash Administrator will maintain the Liquidity Reserve Fund Ledger pursuant to the Cash Administration Agreement to record the balance from time to time of the Liquidity Reserve Fund.

After the Closing Date, on each Interest Payment Date up to but excluding the Final Redemption Date, the Liquidity Reserve Fund will be replenished up to the Liquidity Reserve Fund Required Amount from Available Revenue Receipts (to the extent available) in accordance with the provisions of the Pre-Enforcement Revenue Priority of Payments.

Following the determination by the Cash Administrator on each Calculation Date of the Liquidity Reserve Fund Required Amount in respect of the immediately following Interest Payment Date, the Cash Administrator shall determine the Liquidity Reserve Fund Excess Amount for application as Available Principal Receipts on the immediately following Interest Payment Date (if any). On each Interest Payment Date, the Cash Administrator will apply as Available Principal Receipts the Liquidity Reserve Fund Excess Amount (as determined on the immediately preceding Calculation Date).

On any Calculation Date, if the Cash Administrator determines that on the immediately following Interest Payment Date, there would be a Liquidity Deficit (after the application of Available Revenue Receipts but prior to the application of any Principal Addition Amounts), the Cash Administrator will apply on such Interest Payment Date an amount from the Liquidity Reserve Fund equal to the lesser of:

- (a) the amount standing to the credit of the Liquidity Reserve Fund Ledger on such Interest Payment Date; and
- (b) the amount of such Liquidity Deficit,

(such amount being the "**Liquidity Reserve Fund Release Amount**"), in meeting such Liquidity Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments (any such amount to be debited from the Liquidity Reserve Fund Ledger immediately after the application of any Available Revenue Receipts pursuant to the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date).

As used in this Prospectus:

"**Liquidity Deficit**" means, on any Interest Payment Date, an amount equal to any shortfall in Available Revenue Receipts to pay items (a) to (f) (inclusive) of the Pre-Enforcement Revenue Priority of Payments, as determined by the Cash Administrator on the immediately preceding Calculation Date;

**"Liquidity Reserve Fund Excess Amount"** means on any Interest Payment Date an amount equal to the greater of:

- (a) zero; and
- (b) the amount standing to the credit of the Liquidity Reserve Fund Ledger (after having applied any Liquidity Reserve Fund Release Amount in accordance with the Pre-Enforcement Revenue Priority of Payments) on such Interest Payment Date, less the Liquidity Reserve Fund Required Amount on such Interest Payment Date;

**"Liquidity Reserve Fund Ledger"** means the ledger on the Deposit Account maintained by the Cash Administrator on behalf of the Issuer which records amounts credited to, and debited from, the Liquidity Reserve Fund;

**"Liquidity Reserve Fund Required Amount"** means:

- (a) on the Closing Date, an amount equal to [1.25] per cent. of the then Principal Balance of the Portfolio as at the Closing Date;
- (b) on any Interest Payment Date an amount equal to [1.25] per cent. of the then Principal Balance of the Portfolio on the last day of the Collection Period most recently ended; and
- (c) on the Final Redemption Date, zero.

### **3 Use of Available Principal Receipts to Pay Senior Expenses Deficit**

On each Calculation Date prior to the service of an Enforcement Notice, and with reference to the immediately following Interest Payment Date, the Cash Administrator will calculate whether there will be a shortfall of Available Revenue Receipts to pay:

- (a) items (a) to (f) of the Pre-Enforcement Revenue Priority of Payments;
- (b) item (i) of the Pre-Enforcement Revenue Priority of Payments (if the Class B Notes are the Most Senior Class of Notes or subject to the satisfaction of the PDL Condition at such time);
- (c) item (k) of the Pre-Enforcement Revenue Priority of Payments (if the Class C Notes are the Most Senior Class of Notes or subject to the satisfaction of the PDL Condition at such time),
- (d) item (m) of the Pre-Enforcement Revenue Priority of Payments (if the Class D Notes are the Most Senior Class of Notes or subject to the satisfaction of the PDL Condition at such time),
- (e) item (o) of the Pre-Enforcement Revenue Priority of Payments (if the Class E Notes are the Most Senior Class of Notes or subject to the satisfaction of the PDL Condition at such time),
- (f) item (q) of the Pre-Enforcement Revenue Priority of Payments (if the Class F Notes are the Most Senior Class of Notes or subject to the satisfaction of the PDL Condition at such time),

on such Interest Payment Date.

If the Cash Administrator determines that there will be a shortfall (such shortfall being a **"Senior Expenses Deficit"**), then pursuant to item (a) of the Pre-Enforcement Principal Priority of Payments, the Cash Administrator on behalf of the Issuer shall apply (after the application of Available Revenue Receipts) an amount of Available Principal Receipts equal to the lesser of:

- (i) the amount of Available Principal Receipts available for application pursuant to the Pre-Enforcement Principal Priority of Payments on such Interest Payment Date; and

- (ii) the amount of such Senior Expenses Deficit,

(such amount being the "**Principal Addition Amount**"), in meeting such Senior Expenses Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments.

"**PDL Condition**" means for each Interest Payment Date (a) the sum of the Subordinated Principal Addition Amounts since the Closing Date does not, and will not be caused to, exceed an amount equal to 1.00 per cent. of the then Principal Balance of the Portfolio as at the Closing Date, and (b) (i) unless the Class B Notes are the Most Senior Class of Notes, in respect of interest on the Class B Notes, the debit balance of the Class B Principal Deficiency Sub-Ledger (as at the relevant Calculation Date but prior to application of available funds in respect of the relevant subsequent Interest Payment Date) not exceeding 10 per cent. of the Principal Amount Outstanding of the Class B Notes; (ii) unless the Class C Notes are the Most Senior Class of Notes, in respect of interest on the Class C Notes, the debit balance of the Class C Principal Deficiency Sub-Ledger (as at the relevant Calculation Date but prior to application of available funds in respect of the relevant subsequent Interest Payment Date) not exceeding 10 per cent. of the Principal Amount Outstanding of the Class C Notes; (iii) unless the Class D Notes are the Most Senior Class of Notes, in respect of interest on the Class D Notes, the debit balance of the Class D Principal Deficiency Sub-Ledger (as at the relevant Calculation Date but prior to application of available funds in respect of the relevant subsequent Interest Payment Date) not exceeding 10 per cent. of the Principal Amount Outstanding of the Class D Notes; (iv) unless the Class E Notes are the Most Senior Class of Notes, in respect of interest on the Class E Notes, the debit balance of the Class E Principal Sub-Deficiency Ledger (as at the relevant Calculation Date but prior to application of available funds in respect of the relevant subsequent Interest Payment Date) not exceeding 10 per cent. of the Principal Amount Outstanding of the Class E Notes; (v) unless the Class F Notes are the Most Senior Class of Notes, in respect of interest on the Class F Notes, the debit balance of the Class F Principal Deficiency Sub-Ledger (as at the relevant Calculation Date but prior to application of available funds in respect of the relevant subsequent Interest Payment Date) not exceeding 10 per cent. of the Principal Amount Outstanding of the Class F Notes;

"**Subordinated Principal Addition Amount**" means any Principal Addition Amounts applied to cover a shortfall in amounts available to pay interest on the Notes where that Note is not the Most Senior Class of Notes on the respective Interest Payment Date;

Any Available Principal Receipts applied as Principal Addition Amounts will be recorded as a debit on the Principal Deficiency Ledger (as further described below).

#### 4 Principal Deficiency Ledger

A Principal Deficiency Ledger will be established to record any Losses affecting the Mortgage Loans in the Portfolio and/or any Principal Addition Amounts. The Principal Deficiency Ledger will comprise the following sub-ledgers:

- (a) the Principal Deficiency Ledger relating to the Class A Notes (the "**Class A Principal Deficiency Sub-Ledger**");
- (b) the Principal Deficiency Ledger relating to the Class B Notes (the "**Class B Principal Deficiency Sub-Ledger**");
- (c) the Principal Deficiency Ledger relating to the Class C Notes (the "**Class C Principal Deficiency Sub-Ledger**");
- (d) the Principal Deficiency Ledger relating to the Class D Notes (the "**Class D Principal Deficiency Sub-Ledger**");

- (e) the Principal Deficiency Ledger relating to the Class E Notes (the "**Class E Principal Deficiency Sub-Ledger**");
- (f) the Principal Deficiency Ledger relating to the Class F Notes (the "**Class F Principal Deficiency Sub-Ledger**");

(each a "**Principal Deficiency Sub-Ledger**").

Any Losses on the Portfolio and/or any Principal Addition Amounts will be recorded as a debit (on the date that the Cash Administrator is informed of such Losses by the Servicer or such Principal Addition Amounts are determined by the Cash Administrator (as applicable));

- (i) second, to the Class F Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class F Notes;
- (ii) third, to the Class E Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class E Notes;
- (iii) fourth, to the Class D Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class D Notes;
- (iv) fifth, to the Class C Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class C Notes;
- (v) sixth, to the Class B Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class B Notes; and
- (vi) seventh, to the Class A Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class A Notes.

Investors should note that realised Losses in any period will be calculated after applying any recoveries following enforcement of a Mortgage Loan to outstanding fees and interest amounts due and payable on the relevant Mortgage Loan.

The Cash Administrator will record as a credit to the Principal Deficiency Ledger (i) Available Revenue Receipts applied pursuant to items (h), (j), (l), (n), (p), and or (r) of the Pre-Enforcement Revenue Priority of Payments (if any) (which amounts shall, for the avoidance of doubt, thereupon become Available Principal Receipts) and (ii) Enhanced Amortisation Amounts applied in accordance with item (u) of the Pre-Enforcement Revenue Priority of Payments (which amounts shall, for the avoidance of doubt, thereupon become Available Principal Receipts).

Any amount credited to the Principal Deficiency Ledger in respect of Enhanced Amortisation Amounts will be reduced to the extent of any future Losses arising in respect of the Portfolio.

"**Losses**" means the aggregate of (a) all realised losses on the Mortgage Loans comprising the Portfolio which are not recovered from the proceeds following the sale of the Property to which such Mortgage Loan relates or any losses realised by the Issuer on the Mortgage Loans comprised in the Portfolio as a result of the failure of the Collection Account Bank to remit funds to the Issuer and (b) any loss to the Issuer as a result of an exercise of any set off by any Borrower in respect of a Mortgage Loan comprising the Portfolio.

## 5 Available Revenue Receipts and Available Principal Receipts

Available Revenue Receipts and Available Principal Receipts shall be applied on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, respectively. Other than amounts which the Issuer expects to generate in each accounting

period as its profit in respect of the business of the Issuer, amounts standing to the credit of the Issuer Profit Ledger or the Liquidity Reserve Fund Ledger (other than any amounts representing Liquidity Reserve Fund Release Amounts or Liquidity Reserve Fund Excess Amounts) and the Swap Collateral Ledger (if any), it is not intended that any surplus will be accumulated in the Issuer.

If, on any Interest Payment Date while there are Notes outstanding, the Issuer has insufficient Available Revenue Receipts, Liquidity Reserve Fund Release Amounts and Principal Addition Amounts to pay the interest that would otherwise be payable absent the deferral provisions in respect of the Notes, other than in respect of (i) the Class A Notes or (ii) if the Most Senior Class of Notes are not the Class A Notes, the Most Senior Class of Notes (except that (A) the Issuer shall be entitled to defer to the next Interest Payment Date any Deferred Interest which has accrued in respect of a Class of Notes which is not the Class A Notes prior to such Class of Notes becoming the Most Senior Class of Notes and (B) where the Class X Notes are the Most Senior Class of Notes interest deferral shall always apply) ("**Deferred Interest Exempt Notes**"), then the Issuer will be entitled under Condition 17 (*Subordination by Deferral*) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date ("**Deferred Interest**"). Any amounts of Deferred Interest in respect of a Class of Notes shall accrue interest ("**Additional Interest**") at the same rate and on the same basis as scheduled interest in respect of the corresponding Class of Notes, but shall not be capitalised. Such Deferred Interest and Additional Interest shall, in any event, become payable on the next Interest Payment Date (unless and to the extent that Condition 17.1 (*Interest*) applies) or on such earlier date as the relevant Class of Notes become due and payable in full in accordance with the Conditions provided that where the Most Senior Class of Notes is not the Class A Notes the Issuer shall be entitled to defer any Additional Interest to the next Interest Payment Date.

Any such deferral in accordance with the deferral provisions contained in the Conditions will not constitute a Potential Event of Default or an Event of Default. However, failure to pay interest on the Class A Notes within any applicable grace period in accordance with the Conditions shall constitute an Event of Default under the Notes which may result in the Security Trustee enforcing the Security.

## 6 Interest Rate Risk for the Notes

### *Swap Agreement*

On or about the Closing Date, the Issuer and the Swap Provider will enter into the ISDA Master Agreement, schedule, credit support annex and confirmation (as amended or supplemented from time to time) relating to the Swap Transaction (the "**Swap Agreement**"). Except for the purpose of hedging interest rate risk, the Issuer will not enter into any derivative contracts for the purposes of SECN 2.2.16R.

"**ISDA Master Agreement**" means the 2002 ISDA Master Agreement, as published by the International Swaps and Derivatives Association.

### *Swap Transaction*

Some of the Mortgage Loans in the Portfolio pay or will pay a fixed rate of interest for a period of time. However, the Issuer's liabilities under the Notes are based on Compounded Daily SONIA for the relevant period.

To provide a hedge against the possible variance between:

- (a) the fixed rates of interest payable on the Fixed Rate Loans in the Portfolio (but, for the avoidance of doubt, excluding Fixed Rate Loans from the date on which the interest rate applicable in respect thereof becomes a variable interest rate); and
- (b) the floating rate of interest payable on the Notes,

the Issuer will enter into the Swap Transaction with the Swap Provider under the Swap Agreement on the Closing Date.

Under the Swap Transaction, for each Swap Calculation Period falling prior to the termination date of the Swap Transaction, the following amounts will be calculated:

- (a) the amount (in Sterling) produced by applying Compounded Daily SONIA to the Notional Amount of the Swap Transaction for the relevant Swap Calculation Period and multiplying the resulting amount by the Floating Rate Day Count Fraction (as defined below) (the "**Swap Provider Swap Amount**"); and
- (b) the amount (in Sterling) produced by applying a Fixed Rate (as defined in the Swap Agreement) to the Notional Amount of the Swap Transaction for the relevant Swap Calculation Period and multiplying the resulting amount by the Floating Rate Day Count Fraction (the "**Issuer Swap Amount**").

After these two amounts are calculated in relation to a Swap Payment Date, the following payments will be made on that Swap Payment Date:

- (a) if the Swap Provider Swap Amount for that Swap Payment Date is greater than the Issuer Swap Amount for that Swap Payment Date, then the Swap Provider will pay an amount equal to the excess to the Issuer;
- (b) if the Issuer Swap Amount for that Swap Payment Date is greater than the Swap Provider Swap Amount for that Swap Payment Date, then the Issuer will pay an amount equal to the excess to the Swap Provider; and
- (c) if the two amounts are equal, neither party will make a payment to the other.

For the purposes of calculating both the Issuer Swap Amount and Swap Provider Swap Amount in respect of a Swap Calculation Period, the notional amount of the Swap Transaction (the "**Notional Amount**") will be set out in a pre-agreed table as set out in the confirmation evidencing the Swap Transaction and based on the expected repayment profile of the Fixed Rate Loans assuming a constant prepayment rate of three per cent. on the Principal Balance of the Fixed Rate Loans in the Portfolio as at the Cut-Off Date and ONS mortality rates remaining in line with the most recent ONS data.

As at the Closing Date, the swap fixed rate of the Swap Transaction will be [3.991] % (the "**Swap Fixed Rate**"). On or before the Closing Date, in consideration for entering into the Swap Transaction, either the Issuer or the Swap Provider may be required to pay a net amount to the other party in respect of swap premium and/or any swap fees (if any). The amount of such swap premium or swap fees may reflect a fixed rate on the Swap Transaction that is higher or lower than prevailing rates of interest in the swaps market as at the date the Swap Transaction is entered into. The amount payable by or to the Issuer to or from the Swap Provider (as applicable) will be taken into account in calculating the consideration payable by the Issuer to the Seller in respect of the sale of the Receivables constituting the Portfolio (as described in the section entitled "Summary of the Key Transaction Documents—Mortgage Sale Agreement" above).

In the event that the relevant rating(s) of the Swap Provider is or are, as applicable, downgraded by a Rating Agency below the Required Swap Ratings, the Swap Provider will, in accordance with the Swap Agreement, be required to take certain remedial measures within the timeframe stipulated in the Swap Agreement and at its own cost which may include (i) the provision of collateral for its obligations under the Swap Agreement in accordance with the terms of the Credit Support Annex thereto, or (ii) arranging for its obligations under the Swap Agreement to be transferred to an entity with the Required Swap Ratings, or (iii) procuring another entity with at least the Required Swap Ratings to become a guarantor in respect of its obligations under the Swap Agreement, or (iv) taking such other action as it may agree with the relevant Rating Agency as will result in the ratings of the then outstanding Class of Notes with the highest rating by the relevant Rating Agency being restored to or maintained at the level they were at immediately prior to the downgrade. A failure to take such



steps, subject to certain conditions, will give the Issuer the right to terminate the Swap Agreement. (for further description of rating triggers see the section: "*Triggers Tables*").

The Swap Agreement may also be terminated in certain other circumstances that may include, without limitation, the following:

- (a) there is a failure by a party to pay amounts due under the Swap Agreement and, following notice of such failure, any applicable grace period has expired;
- (b) certain insolvency events occur with respect to a party;
- (c) there is a breach of a provision of the Swap Agreement by the Swap Provider and, following notice of such breach, the breach is not remedied within the applicable grace period;
- (d) a change of law results in the obligations of one or both of the parties becoming illegal;
- (e) certain force majeure events occur and result in one or both of the parties being prevented from performing its obligations, receiving payments or complying with any material provision of the Swap Agreement;
- (f) a change in tax law, which has the effect that a party to the Swap Agreement will be required to make any withholding in respect of any payments to the other party;
- (g) a variation, novation, amendment, supplement, modification or waiver is made to any of the Transaction Documents, the Terms and Conditions of the Notes or the Residual Certificates Conditions that would adversely affect the Swap Provider in respect of any of the following: (i) the amount, timing or priority of any payments or deliveries due to be made by or to the Swap Provider under the Terms and Conditions of the Notes, the Residual Certificates Conditions or any Transaction Document; (ii) the Issuer's ability to make payments or deliveries to the Swap Provider or any Priority of Payments in relation to the Swap Provider under the Transaction Documents; (iii) the Swap Provider's rights in relation to any security (howsoever described, and including as a result of changing the nature or the scope of, or releasing such security) granted by the Issuer in favour of the Security Trustee on behalf of the Secured Creditors; (iv) the Swap Provider's status as a Secured Creditor; (v) Condition 8 (*Redemption*) or any additional redemption rights in respect of the Notes; (vi) the first proviso to Clause 24.1 (*Modification to the Transaction Documents*) of the Trust Deed or the first proviso to Condition 13.5 (*Modification to the Transaction Documents*); (vii) any requirement under the Transaction Documents to obtain the Swap Provider's prior consent; (viii) the operation of the Swap Collateral Accounts (including but not limited to the effectiveness of the segregation and the application of amounts and securities to and from the Swap Collateral Accounts) pursuant to the Cash Administration Agreement; (ix) the amount the Swap Provider would have to pay or would receive to replace itself under the terms of the Swap Agreement, in the reasonable opinion of the Swap Provider, in connection with such replacement, as compared to what the Swap Provider would have been required to pay or would have received had such modification, amendment, supplement or waiver not been made; (x) the undertakings of the Issuer as set out in the Trust Deed and the Master Definitions and Construction Schedule or Condition 5 (*Covenants*) related to a refinancing of the Notes or the sale, transfer or disposal of the assets of the Issuer in circumstances not expressly permitted or provided for in the Transaction Documents as at the Closing Date, and such variation, novation, amendment, supplement, modification or waiver is made without either (i) the prior written consent of the Swap Provider (such consent not to be unreasonably withheld or delayed) or (ii) written notification from the Issuer to the Note Trustee, the Security Trustee and the Swap Provider that the Swap Provider's consent is not needed as the modifications do not have any of the effects described in (i) to (x) above. For the avoidance of doubt, such an event will not give rise to an event of default under the Swap Agreement or a breach under any other Transaction Document;

- (h) notice is given by the Issuer that the Notes are to be, or the Notes are, prepaid, repaid, refinanced or otherwise cancelled in full prior to the Final Maturity Date;
- (i) service by the Note Trustee of an Enforcement Notice on the Issuer pursuant to Condition 11.1 (*Events of Default*);
- (j) the whole of the Portfolio is sold by means otherwise than as contemplated by the Transaction Documents as at the date of the Swap Agreement;
- (k) the Swap Provider is downgraded and fails to comply with the requirements of the Moody's or S&P downgrade provisions contained in the Swap Agreement;
- (l) on substitution of the Issuer for taxation reasons pursuant to Condition 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*), the Swap Provider determines, acting in a commercially reasonable manner, that such substitution would, or there is a reasonable likelihood that it would, adversely affect such Swap Provider or any of its rights under any Transaction Document;
- (m) in the case of the Issuer only, the applicable base rate in respect of the Notes is changed such that the Alternative Base Rate is different from the Floating Rate Option (as defined in the Swap Agreement);
- (n) the Issuer or the Swap Provider, or both, are required to clear any swap transaction through a central counterparty or provide collateral or margin to the Swap Provider as a result of a change in law; and
- (o) on a Hedging Observation Date (as defined in the Swap Agreement), the aggregate notional amount of all interest rate swap exceeds 140% of the aggregate principal amount outstanding of all Mortgage Loans that are Fixed Rate Loans (provided that this will result in termination in respect of only the Excess Notional Amount (as defined in the Swap Agreement)).

Under the terms of the Swap Agreement, upon an early termination of the Swap Transaction, depending on the type of Early Termination Event (as defined in the Swap Agreement) and the circumstances prevailing at the time of termination, the Issuer or the Swap Provider may be liable to make a termination payment to the other. This termination payment will be calculated and made in Sterling. The amount of any termination payment may reflect, among other things, the cost of entering into a replacement transaction at the time, third party market data such as rates, prices, yields and yield curves, or similar information derived from internal sources of the party making the determination and will include any unpaid amounts that became due and payable on or prior to the date of termination.

Depending on the terms of the Swap Transaction and the circumstances prevailing at the time of termination, any such termination payment could be substantial and may affect the funds available for paying amounts due to the Noteholders.

The Issuer will use its reasonable endeavours, upon termination of the Swap Agreement, to find a replacement Swap Provider although no guarantees that such replacement will be found can be given.

The Swap Provider will generally be obliged to gross up payments made by it to the Issuer if a withholding or deduction for or on account of tax is imposed on payments made by it under the Swap Agreement. However, if the Swap Provider is required to gross up a payment under the Swap Agreement due to a change in law, the Swap Provider may terminate the Swap Agreement.

The Issuer is not obliged to gross up payments made by it to the Swap Provider if a withholding or deduction for or on account of taxes is imposed on payments made by it under the Swap Agreement.

On or prior to any Interest Payment Date, the Issuer will liaise with the Swap Provider and determine if applicable the terms of any new Product Switch Interest Rate Swap or the terms of any adjustment (which may

be by way of amendment or amendment and restatement or novation of any existing Swap Transaction) to the fixed schedule of notional amounts and Swap Fixed Rate of any Swap Transaction(s) which, in either case, are required in order to comply with the Product Switch Swap Condition (if applicable), any such adjustment, comprising the swap notional amount schedule and Swap Fixed Rate in respect of the Swap Transaction(s) to be effected, being a "**Product Switch Interest Rate Swap Adjustment**").

The Swap Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

"**Day Count Fraction**" means in respect of any Swap Calculation Period, the number of calendar days in that Swap Calculation Period divided by 365.

"**Required Swap Ratings**" means, with respect to the Swap Provider or a replacement or guarantor in respect thereof, the minimum relevant rating(s) required by each Rating Agency as more particularly described in the "*Triggers Tables*" section.

"**Swap Calculation Period**" means (other than the first Swap Calculation Period), each period that commences on (and includes) a Swap Payment Date and ends on (but excludes) the immediately following Swap Payment Date and in respect of the first Swap Calculation Period, means the period commencing on (and including) the Closing Date and ending on (but excluding) the first Swap Payment Date.

## Cashflows

### Definition of Revenue Receipts

**"Revenue Receipts"** means the net sum of all monies received in respect of any Mortgage Loan (excluding Principal Receipts), all interest on credit balances in the Issuer Accounts (other than the Swap Collateral Accounts), all insurance monies received or recovered in respect of the Mortgage Loans and/or their related Collateral Security to which the Issuer is beneficially entitled (but only to the extent that such amounts are paid by way of compensation for amounts which would otherwise have constituted a Revenue Receipt) and all other revenues derived from the Issuer's business to which the Issuer is beneficially entitled (including, without limitation, the costs, fees and expenses payable by a Mortgagor to the extent the Issuer is reimbursed by such Borrower for and is beneficially entitled to the same), all other amounts in the nature of fees deposited in the Deposit Account in respect of any Mortgage Loan (excluding, for the avoidance of doubt, any Collection Costs).

### Definition of Available Revenue Receipts

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

- (a) all Revenue Receipts or, if in a Determination Period, any Calculated Revenue Receipts, in each case excluding any Reconciliation Amounts to be applied as Available Principal Receipts on that Interest Payment Date, received by the Issuer:
  - (i) during the immediately preceding Collection Period; or
  - (ii) if representing amounts received in respect of any repurchases of Mortgage Loans and their Collateral Security by the Seller pursuant to the Mortgage Sale Agreement, from but excluding the Collection Period Start Date immediately preceding the immediately preceding Interest Payment Date (or, in the case of the first Interest Payment Date, from and including the Closing Date) to and including the immediately preceding Collection Period Start Date;
- (b) interest payable to the Issuer on the Issuer Accounts and received in the immediately preceding Collection Period (other than any amount of interest or income received in respect of any Swap Collateral) and income from any Authorised Investments to be received on or prior to the Interest Payment Date (other than any amount of income received in respect of the Swap Collateral);
- (c) amounts received or to be received by the Issuer under or in connection with the Swap Agreement (other than (i) any early termination amount received by the Issuer under the Swap Agreement, (ii) Swap Collateral, (iii) any Replacement Swap Premium paid to the Issuer, and (iv) amounts in respect of Swap Tax Credits on such Interest Payment Date other than, in each case, any Swap Collateral Account Surplus which is to be applied as Available Revenue Receipts in accordance with the Swap Collateral Account Priority of Payments)
- (d) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 6.8(c) (*Determinations and Reconciliation*);
- (e) amounts credited to the Deposit Account on the previous Interest Payment Date in accordance with item (w) of the Pre-Enforcement Revenue Priority of Payments;
- (f) amounts representing (i) the Optional Purchase Price received by the Issuer upon sale of the Mortgage Loans and their Collateral Security comprising the Portfolio further to exercise of the Call Option, or

- (ii) the Risk Retention Regulatory Change Portfolio Purchase Collections and the Risk Retention Regulatory Change Optional Purchase Price received by the Issuer pursuant to the exercise of the Risk Retention Regulatory Change Option;
- (g) other net income of the Issuer received during the immediately preceding Collection Period, excluding any Principal Receipts;
- (h) the Liquidity Reserve Fund Release Amount;
- (i) any payments received by the Issuer from the Seller in connection with the Seller's obligations in respect of the VR Floor in accordance with the Servicing Deed;
- (j) all Early Repayment Charges received in respect of the immediately preceding Collection Period; and
- (k) on the first Interest Payment Date after the Final Additional Sale Date, any balance standing to the credit of the Pre-Funding Revenue Reserve Ledger (taking into account any debits made on that ledger on such date);

less:

- (l) amounts (which would otherwise constitute Revenue Receipts) applied from time to time during the immediately preceding Collection Period in making payment of certain monies which properly belong to third parties (including the Seller and the Legal Title Holder and together with any applicable VAT) such as (but not limited to):
  - certain costs and expenses charged by the Servicer or the Replacement Servicer in respect of its servicing of the Mortgage Loans, other than the Servicer Fees and not otherwise covered by the items below;
  - payments of certain insurance premia, (if any) due to the Seller in respect of any Seller-arranged insurance policy to the extent not paid or payable by the Seller (to the extent referable to the Mortgage Loans);
  - amounts under a Direct Debit which are repaid to the bank making the payment if such bank is unable to recoup or recall such amount itself from its customer's account or is required to refund an amount previously debited;
  - other charges which are due to the Seller or Legal Title Holder;
  - any amount which represents an amount received from a Borrower which does not form part of that Borrower's Mortgage Account or comprise unpaid interest (but excluding, for the avoidance of doubt, any payments in arrears) as at the Cut-Off Date and/or the Additional Mortgage Loan Cut-Off Date and which is an amount owed by such Borrower in respect of any period prior to the Cut-Off Date (or the relevant Additional Mortgage Loan Cut-off Date in relation to amounts received on the Additional Mortgage Loans originated between the Cut-Off Date and the Additional Mortgage Loan Cut-Off Date) as and when identified by the Servicer, which amount shall be for the account of the Seller; and
  - any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service to that Borrower,

(items within this item (l) being collectively referred to herein as "**Third Party Amounts**"); and

less

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

### **Application of Available Revenue Receipts prior to the service of an Enforcement Notice on the Issuer**

On each relevant Interest Payment Date prior to the service of an Enforcement Notice by the Note Trustee on the Issuer, the Cash Administrator, on behalf of the Issuer, shall apply or provide for the application of the Available Revenue Receipts (before the application of any Liquidity Reserve Fund Release Amounts and then any Principal Addition Amounts) in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the "**Pre-Enforcement Revenue Priority of Payments**"):

- (a) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
  - (i) any fees, costs, charges, liabilities, expenses and all other amounts then due to the Note Trustee and any Appointee under the provisions of the Trust Deed and the other Transaction Documents together with (if payable) VAT thereon as provided therein; and
  - (ii) any fees, costs, charges, liabilities, expenses and all other amounts then due to the Security Trustee and any Appointee under the provisions of the Deed of Charge and the other Transaction Documents together with (if payable) VAT thereon as provided therein;
- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof (in each case without double counting) of:
  - (i) any amounts then due and payable to the Agent Bank, the Registrar and the Paying Agents and any fees, costs, charges, Liabilities and expenses then due to them under the provisions of the Agency Agreement and the other Transaction Documents, together with (if payable) VAT thereon as provided therein;
  - (ii) any amounts then due and payable to the Cash Administrator and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Cash Administration Agreement and the other Transaction Documents, together with (if payable) VAT thereon as provided therein;
  - (iii) any amounts then due and payable to the Servicer and any fees (including the Servicer Fees), costs, charges, Liabilities and expenses then due under the provisions of the Servicing Deed, together with (if payable) VAT thereon as provided therein;
  - (iv) any amounts then due and payable to the Replacement Servicer and any fees (including the Replacement Servicer Fees), costs, charges, Liabilities and expenses then due under the provisions of the Replacement Servicing Agreement, together with (if payable) VAT thereon as provided therein;
  - (v) any amounts then due and payable to the Corporate Services Provider and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Corporate Services Agreement, together with (if payable) VAT thereon as provided therein;
  - (vi) any amounts then due and payable to the Issuer Account Bank and any custodian appointed under a Custody Agreement and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Bank Account Agreement, any Custody Agreement entered into by the Issuer and the other Transaction Documents with (if payable) VAT thereon as provided therein; and

- (vii) any amounts then due and payable to the Replacement Servicer Facilitator and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Servicing Deed, together with (if payable) VAT thereon as provided therein;
- (c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any amounts due and payable by the Issuer to third parties together with (if payable) VAT thereon and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and any amounts required to pay or discharge any liability of the Issuer for corporation tax of the Issuer (but only to the extent not capable of being satisfied out of amounts retained by the Issuer under item (e) below);
- (d) *fourth*, to provide for amounts due on the relevant Swap Payment Date, to pay, in or towards satisfaction of any amounts due to the Swap Provider in respect of the Swap Agreement (including any termination payment due and payable by the Issuer to the extent it is not satisfied by the payment by the Issuer to the Swap Provider of any Replacement Swap Premium or from the Swap Collateral Account Priority of Payments but excluding, if applicable, any related Hedge Subordinated Amounts);
- (e) *fifth*, to pay the Issuer an amount equal to £1,250 to be retained by the Issuer as profit in respect of the business of the Issuer (the "**Issuer Profit Amount**");
- (f) *sixth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class A Notes;
- (g) *seventh*, to credit the Liquidity Reserve Fund Ledger up to the Liquidity Reserve Fund Required Amount;
- (h) *eighth*, (so long as the Class A Notes remain outstanding following such Interest Payment Date), to credit the Class A Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Principal Receipts);
- (i) *ninth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class B Notes;
- (j) *tenth*, (so long as the Class B Notes remain outstanding following such Interest Payment Date), to credit the Class B Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Principal Receipts);
- (k) *eleventh*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class C Notes;
- (l) *twelfth*, (so long as the Class C Notes remain outstanding following such Interest Payment Date), to credit the Class C Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Principal Receipts);
- (m) *thirteenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class D Notes;
- (n) *fourteenth*, (so long as the Class D Notes remain outstanding following such Interest Payment Date), to credit the Class D Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Principal Receipts);
- (o) *fifteenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class E Notes;

- (p) *sixteenth*, (so long as the Class E Notes remain outstanding following such Interest Payment Date), to credit the Class E Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Principal Receipts);
- (q) *seventeenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class F Notes;
- (r) *eighteenth*, (so long as the Class F Notes remain outstanding following such Interest Payment Date), to credit the Class F Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Principal Receipts);
- (s) *nineteenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class X Notes;
- (t) *twentieth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, principal due and payable on the Class X Notes until the Principal Amount Outstanding on the Class X Notes have been reduced to zero;
- (u) *twenty first*, on the Final Redemption Date or on any Interest Payment Date occurring on or after the Optional Redemption Date an amount equal to the lesser of:
  - (i) all remaining amounts (if any); and
  - (ii) the amount required by the Issuer to pay in full all amounts payable under items (a) to (g) (inclusive) of the Pre-Enforcement Principal Priority of Payments, less any Available Principal Receipts (other than item (c) of the definition thereof) otherwise available to the Issuer,
 (the "**Enhanced Amortisation Amounts**") to be applied as Available Principal Receipts
- (v) *twenty second*, to provide for amounts due on the relevant Interest Payment Date, to pay in accordance with the terms of the Swap Agreement to the Swap Provider in respect of any Hedge Subordinated Amounts (to the extent not satisfied by payment to the Swap Provider by the Issuer of any applicable Replacement Swap Premium or from the Swap Collateral Account Priority of Payments);
- (w) *twenty third*, on any Interest Payment Date falling within a Determination Period, all remaining amounts to be credited to the Deposit Account to be applied on the next Interest Payment Date as Available Revenue Receipts; and
- (x) *twenty-fourth*, any excess amounts *pro rata* and *pari passu* as Residual Payments to the holders of the Residual Certificates.

As used in this Prospectus:

**"Appointee"** means any attorney, manager, agent, delegate, nominee, custodian, financial adviser or other professional adviser or other person properly appointed or engaged by the Note Trustee or the Security Trustee (as applicable) to discharge any of its functions.

**"Hedge Subordinated Amounts"** means, in relation to the Swap Agreement, the amount of any termination payment due and payable to the Swap Provider as a result of a Swap Provider Default or a Swap Provider Downgrade Event except to the extent such amount has already been paid pursuant to the Swap Collateral Account Priority of Payments.

**"Irrecoverable VAT"** means any amount in respect of VAT incurred by a party to the Transaction Documents (for the purposes of this definition only, a "**Relevant Party**") as part of a payment in respect of which it is entitled to be reimbursed or indemnified under the relevant Transaction Documents to the extent that the



Relevant Party does not or will not receive and retain a credit, deduction or repayment of such VAT as input tax (as that expression is defined in Section 24(1) of the Value Added Tax Act 1994 or any successor provision thereto or under Article 168 of the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) or any provision of a similar nature, under the law of a member state of the EU or elsewhere).

**"Liability"** means, in respect of any person, any loss, damage, cost, charge, award, claim, demand, expense, judgment, action, proceeding or other liability including legal costs and expenses properly incurred (including, in each case, Irrecoverable VAT in respect thereof).

### **Definition of Principal Receipts**

**"Principal Receipts"** means all principal received or recovered in respect of the Mortgage Loans and their related Collateral Security, principal recovered upon enforcement of the related Collateral Security and the principal element of the purchase price or repurchase price paid to the Issuer on the disposal by it of one or more Mortgage Loans, and all insurance monies received or recovered in respect of the Mortgage Loans and their related Collateral Security to which the Issuer is beneficially entitled (but only to the extent that such amounts are paid by way of compensation for amounts which would otherwise have constituted Principal Receipts), other than any principal repayments comprising Optional Purchase Collections or the Risk Retention Regulatory Change Portfolio Purchase Collections and the Optional Purchase Price or the Risk Retention Regulatory Change Option Purchase Price received by the Issuer pursuant to the exercise of the Call Option or the Risk Retention Regulatory Change Option or any principal repayments received in relation to any porting of a Mortgage Loan.

### **Definition of Available Principal Receipts**

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

- (a) all Principal Receipts or, if in a Determination Period, any Calculated Principal Receipts, in each case excluding an amount equal to any Reconciliation Amounts to be applied as Available Revenue Receipts on that Interest Payment Date, received by the Issuer during the immediately preceding Collection Period;
- (b) the amounts (if any) calculated on the Calculation Date preceding that Interest Payment Date pursuant to the Pre-Enforcement Revenue Priority of Payments, to be the amount by which the debit balance of each of the Class A Principal Deficiency Sub-Ledger and/or the Class B Principal Deficiency Sub-Ledger and/or the Class C Principal Deficiency Sub-Ledger and/or the Class D Principal Deficiency Sub-Ledger and/or the Class E Principal Deficiency Sub-Ledger and/or the Class F Principal Deficiency Sub-Ledger is to be reduced on that Interest Payment Date;
- (c) any amounts deemed to be Available Principal Receipts in accordance with item (u) of the Pre-Enforcement Revenue Priority of Payments (the **"Enhanced Amortisation Amounts"**);
- (d) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Principal Receipts in accordance with Condition 6.8(c) (*Determinations and Reconciliation*); and
- (e) the Liquidity Reserve Fund Excess Amount.

### **Application of Available Principal Receipts prior to the service of an Enforcement Notice on the Issuer**

Prior to the service of an Enforcement Notice on the Issuer, the Cash Administrator on behalf of the Issuer is required pursuant to the terms of the Cash Administration Agreement to apply Available Principal Receipts on each Interest Payment Date in the following order of priority (the "**Pre-Enforcement Principal Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been paid in full):

- (a) first, any Principal Addition Amounts to be applied to meet any Senior Expenses Deficit;
- (b) second, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class A Notes until the Principal Amount Outstanding on the Class A Notes has been reduced to zero;
- (c) *third*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class B Notes until the Principal Amount Outstanding on the Class B Notes has been reduced to zero;
- (d) *fourth*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class C Notes until the Principal Amount Outstanding on the Class C Notes has been reduced to zero;
- (e) *fifth*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class D Notes until the Principal Amount Outstanding on the Class D Notes has been reduced to zero;
- (f) *sixth*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class E Notes until the Principal Amount Outstanding on the Class E Notes has been reduced to zero;
- (g) *seventh*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class F Notes until the Principal Amount Outstanding on the Class F Notes has been reduced to zero; and
- (h) *eighth*, any excess amounts *pro rata* and *pari passu* as Residual Payments to the holders of the Residual Certificates.

### **Distributions following the service of an Enforcement Notice on the Issuer**

After an Enforcement Notice has been served on the Issuer, the Security Trustee (or the Cash Administrator on its behalf) or any Receiver appointed by the Security Trustee in connection with the enforcement of the Security will apply all amounts received or recovered other than:

- (a) monies standing to the credit of the Swap Collateral Account (including interest, distributions and redemption or sale proceeds thereon or thereof) which will be applied in accordance with the Swap Collateral Account Priority of Payments (other than any amount to be applied as Swap Collateral Account Surplus in accordance with the Swap Collateral Account Priority of Payments); and
- (b) any amount standing to the credit of the Issuer Profit Ledger, which shall be applied by the Issuer in or towards satisfaction of any liability of the Issuer for corporation tax of the Issuer,

in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the "**Post-Enforcement Priority of Payments**" and, together with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, the "**Priority of Payments**"):

- (a) *first*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof of:

- (i) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Note Trustee, Receiver and any Appointee under the provisions of the Trust Deed and the other Transaction Documents, together with (if payable) VAT thereon as provided therein; and
  - (ii) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Security Trustee, Receiver and any Appointee under the provisions of the Deed of Charge and the other Transaction Documents, together with (if payable) VAT thereon as provided therein;
- (b) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof of:
  - (i) any amounts then due and payable to the Agent Bank, the Registrar and the Paying Agents and any costs, charges, Liabilities and expenses then due and payable to them under the provisions of the Agency Agreement and the other Transaction Documents, together with (if payable) VAT thereon as provided therein;
  - (ii) any amounts then due and payable to the Cash Administrator and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Cash Administration Agreement and the other Transaction Documents, together with (if payable) VAT thereon as provided therein;
  - (iii) any amounts then due and payable to the Servicer and any fees (including the Servicer Fees), costs, charges, Liabilities and expenses then due under the provisions of the Servicing Deed, together with (if payable) VAT thereon as provided therein;
  - (iv) any amounts then due and payable to the Replacement Servicer and any fees (including the Replacement Servicer Fees), costs, charges, Liabilities and expenses then due under the provisions of the Replacement Servicing Agreement, together with (if payable) VAT thereon as provided therein;
  - (v) any amounts then due and payable to the Corporate Services Provider and any fees, costs, charges, Liabilities and expenses then due and payable to the Corporate Services Provider under the provisions of the Corporate Services Agreement together with (if payable) VAT thereon as provided therein;
  - (vi) any amounts then due and payable to the Issuer Account Bank and any custodian appointed under a Custody Agreement and any fees, costs, charges, Liabilities and expenses then due and payable to the Issuer Account Bank under the provisions of the Bank Account Agreement, any Custody Agreement entered into by the Issuer and the other Transaction Documents with (if payable) VAT thereon as provided therein; and
  - (vii) any amounts then due and payable to the Replacement Servicer Facilitator and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Servicing Deed, together with (if payable) VAT thereon as provided therein;
- (c) *third*, to pay in or towards satisfaction of any amounts due to the Swap Provider in respect of the Swap Agreement (including any termination payment due and payable by the Issuer to the extent it is not satisfied by any payments by the Issuer to the Swap Provider under the Swap Collateral Account Priority of Payments but excluding, if applicable, any related Hedge Subordinated Amounts);
- (d) *fourth*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof interest and principal due and payable on the Class A Notes until the Principal Amount Outstanding on the Class A Notes has been reduced to zero;

- (e) *fifth*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class B Notes until the Principal Amount Outstanding on the Class B Notes has been reduced to zero;
- (f) *sixth*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class C Notes until the Principal Amount Outstanding on the Class C Notes has been reduced to zero;
- (g) *seventh*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class D Notes until the Principal Amount Outstanding on the Class D Notes has been reduced to zero;
- (h) *eighth*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class E Notes until the Principal Amount Outstanding on the Class E Notes has been reduced to zero;
- (i) *ninth*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class F Notes until the Principal Amount Outstanding on the Class F Notes has been reduced to zero;
- (j) *tenth*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class X Notes until the Principal Amount Outstanding on the Class X Notes has been reduced to zero;
- (k) *eleventh* to pay in accordance with the terms of the Swap Agreement to the Swap Provider in respect of any Hedge Subordinated Amounts (to the extent not satisfied by payment to the Swap Provider by the Issuer of any applicable amount under the Swap Collateral Account Priority of Payments);
- (l) *twelfth*, to pay the Issuer Profit Amount; and
- (m) *thirteenth*, any excess amounts *pro rata* and *pari passu* as Residual Payments to the holders of the Residual Certificates.

### **Pre-Funding Reserve Ledgers**

On the Closing Date, it is expected that the Issuer will credit (i) £17,234,936 (being the “**Maximum Additional Mortgage Loans Principal Balance**”) to the Pre-Funding Principal Reserve Ledger of the Deposit Account and (ii) £[517,048] to the Pre-Funding Revenue Reserve Ledger of the Deposit Account. The Issuer will only be entitled to apply amounts standing to the credit of the Pre-Funding Reserve Ledgers in purchasing Additional Mortgage Loans during the Additional Sale Period subject to the satisfaction of the Additional Mortgage Loan Criteria and other conditions set out in the Mortgage Sale Agreement. The applicable Additional Mortgage Loan Purchase Consideration payable to the Seller in consideration for any Additional Mortgage Loans purchased during the Additional Sale Period shall be funded from the Pre-Funding Reserve Ledgers as follows: (i) any amounts representing Additional Mortgage Loan Principal Balance shall be funded by applying amounts standing to the credit of the Pre-Funding Principal Reserve Ledger and (ii) any amounts representing the Additional Mortgage Loan Purchase Premium shall be funded by applying amounts standing to the credit of the Pre-Funding Revenue Reserve Ledger. Any such purchase of Additional Mortgage Loans by the Issuer will be subject to the Additional Mortgage Loans purchased complying with the Additional Mortgage Loan Criteria on the relevant Additional Sale Date (as applicable).

Additionally, the Issuer will be entitled to apply amounts (if any) standing to the credit of the Pre-Funding Revenue Reserve Ledger and, to the extent there is a shortfall following the utilisation of amounts from the Pre-Funding Revenue Reserve Ledger, the amounts standing to the credit of the Pre-Funding Principal Reserve

Ledger towards payment of any amount of the net swap premium and/or any swap fees (if any) payable to the Swap Provider in respect of any Additional Sale Interest Rate Swap(s) or Additional Sale Interest Rate Swap Adjustments being entered into in connection with the sale of the Additional Mortgage Loans which are Fixed Rate Loans on or about the relevant Additional Sale Date. If there are insufficient amounts standing to the credit of the Pre-Funding Revenue Reserve Ledger for such payment of net swap premium and/or any swap fees (if any) payable to the Swap Provider in respect of any Additional Sale Interest Rate Swap(s) or Additional Sale Interest Rate Swap Adjustments, then the relevant shortfall be paid to the Swap Provider from the Pre-Funding Principal Reserve Ledger.

If there has not been an Additional Sale Date or if Additional Mortgage Loans with a Principal Balance of less than the Maximum Additional Mortgage Loans Principal Balance are acquired by the Issuer by the Final Additional Sale Date, any outstanding balance in the Pre-Funding Principal Reserve Ledger as at the Final Additional Sale Date (taking into account any debits made on that ledger on such date) shall be applied pro rata in redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (but not the Class X Notes) on the first Interest Payment Date after the Final Additional Sale Date and prior to the application of Available Principal Receipts in accordance with the relevant Priority of Payments on such Interest Payment Date.

If there has not been an Additional Sale Date or if any amounts remain standing to the credit of the Pre-Funding Revenue Reserve Ledger as at the Final Additional Sale Date, any outstanding balance on the Pre-Funding Revenue Reserve Ledger as at the Final Additional Sale Date, (taking into account any debits made on that ledger on such date), will be applied as Available Revenue Receipts on the immediately following Interest Payment Date.

## **Swap Collateral**

In the event that the Swap Provider is required to transfer Swap Collateral to the Issuer in respect of its obligations under the Swap Agreement in accordance with the terms of the Credit Support Annex of the Swap Agreement (the "**Swap Credit Support Annex**"), that Swap Collateral (and any interest and/or distributions earned thereon) will be credited to the sterling account, or, if in the form of another currency or securities (in each case in accordance with the terms of the Swap Credit Support Annex) to such other account as may be opened by the Issuer for that purpose (each such account, a "**Swap Collateral Account**") and credited to the ledger maintained by the Cash Administrator to record the balance from time to time of Swap Collateral (the "**Swap Collateral Ledger**").

In addition, upon any early termination in whole of the Swap Agreement (a) any Replacement Swap Premium received by the Issuer from a replacement swap provider, (b) any termination payment received by the Issuer from the outgoing Swap Provider and (c) any Swap Tax Credits will be credited to the Swap Collateral Accounts and recorded on the Swap Collateral Ledger.

Monies standing to the credit of the Swap Collateral Account (including interest, distributions and redemption or sale proceeds thereon or thereof) and recorded on the Swap Collateral Ledger will not be available for the Issuer or the Security Trustee to make payments to the Secured Creditors generally, but will be applied by the Cash Administrator in accordance with the instructions of the Issuer or by the Security Trustee after an Enforcement Notice has been served on the Issuer in accordance with the following provisions (the "**Swap Collateral Account Priority of Payments**"):

- (a) to pay an amount equal to any Swap Tax Credits received by the Issuer to the Swap Provider;
- (b) prior to the designation of an Early Termination Date (as defined in the Swap Agreement, the "**Early Termination Date**") in respect of the Swap Agreement, solely in or towards payment or discharge of

any Return Amounts (as defined in the Swap Credit Support Annex), Interest Amounts (as defined in the Swap Credit Support Annex) and Distributions (as defined in the Swap Credit Support Annex), on any day, directly to the Swap Provider;

- (c) following the designation of an Early Termination Date in respect of the Swap Agreement where (A) such Early Termination Date has been designated following a Swap Provider Default or Swap Provider Downgrade Event and (B) the Issuer enters into a Replacement Swap Agreement on or around the Early Termination Date of the Swap Agreement, on the later of the day on which such Replacement Swap Agreement is entered into, the day on which a termination payment (if any) payable to the Issuer has been received and the day on which a Replacement Swap Premium (if any) payable to the Issuer has been received, in the following order of priority:
  - (i) *first*, in or towards payment of a Replacement Swap Premium (if any) payable by the Issuer to a replacement swap provider in order to enter into a Replacement Swap Agreement with the Issuer with respect to the Swap Agreement being terminated;
  - (ii) second, in or towards payment of any termination payment due to the outgoing Swap Provider; and
  - (iii) *third*, the surplus (if any) on such day to be transferred to the Deposit Account to be applied as Available Revenue Receipts or (following the service of an Enforcement Notice) in accordance with clause 7.2 (*Post-Enforcement Priority of Payments*) of the Deed of Charge;
- (d) following the designation of an Early Termination Date in respect of the Swap Agreement where (A) such Early Termination Date has been designated otherwise than as a result of one of the events specified at item (c)(A) above, and (B) the Issuer enters into a Replacement Swap Agreement on or around the Early Termination Date of the Swap Agreement, on the later of the day on which such Replacement Swap Agreement is entered into, the day on which a termination payment (if any) payable to the Issuer has been received and the day on which a Replacement Swap Premium (if any) payable to the Issuer has been received, in the following order of priority:
  - (i) *first*, in or towards payment of any termination payment due to the outgoing Swap Provider;
  - (ii) *second*, in or towards payment of a Replacement Swap Premium (if any) payable by the Issuer to a replacement swap provider in order to enter into a Replacement Swap Agreement with the Issuer with respect to the Swap Agreement being terminated; and
  - (iii) *third*, any surplus on such day to be transferred to the Deposit Account to be applied as Available Revenue Receipts or (following the service of an Enforcement Notice) in accordance with clause 7.2 (*Post-Enforcement Priority of Payments*) of the Deed of Charge;
- (e) following the designation of an Early Termination Date in respect of the Swap Agreement for any reason where the Issuer does not enter into a Replacement Swap Agreement in respect of the Swap Agreement on or around the Early Termination Date of the Swap Agreement and, on the date on which the relevant payment is due, in or towards payment of any termination payment due to the outgoing Swap Provider; and
- (f) following payments of amounts due pursuant to item (e) above, if monies and/or securities (as applicable) remain standing to the credit of a Swap Collateral Account, such monies and/or securities may be applied only in accordance with the following provisions:
  - (i) *first*, in or towards payment of a Replacement Swap Premium (if any) payable by the Issuer to a replacement swap provider in order to enter into a Replacement Swap Agreement with the Issuer with respect to the Swap Agreement; and

- (ii) *second*, any surplus remaining after payment of such Replacement Swap Premium to be transferred to the Deposit Account to be applied as Available Revenue Receipts or (following the service of an Enforcement Notice) in accordance with clause 7.2 (*Post-Enforcement Priority of Payments*) of the Deed of Charge,

*provided that* in respect of paragraph (f) above, for so long as the Issuer does not enter into a Replacement Swap Agreement, on each Swap Payment Date following the designation of an Early Termination Date, the Issuer (or the Cash Administrator on its behalf) will be permitted to withdraw an amount from the Swap Collateral Accounts (which shall be debited to the Swap Collateral Ledger), equal to the excess of the Swap Provider Swap Amount over the Issuer Swap Amount which would have been paid by the Swap Provider to the Issuer on such Swap Payment Date but for the designation of an Early Termination Date under the Swap Agreement, such surplus to be transferred to the Deposit Account to be applied as Available Revenue Receipts; and

*provided further* that for so long as the Issuer does not enter into a Replacement Swap Agreement on or prior to the earlier of:

- (A) the Calculation Date immediately before the Interest Payment Date on which the Principal Amount Outstanding of all Notes would be reduced to zero (taking into account any Swap Collateral Account Surplus to be applied as Available Revenue Receipts on such Interest Payment Date); or
- (B) the day on which an Enforcement Notice is given pursuant to Condition 11 (*Events of Default*); or
- (C) the date on which the Principal Balance of the Fixed Rate Loans (excluding any Mortgage Loans in respect of which enforcement procedures have been completed) is reduced to zero,

then the amount standing to the credit of such Swap Collateral Account on such day shall be transferred to the Deposit Account to be applied as Available Revenue Receipts as soon as reasonably practicable thereafter.

**"Floating Rate Day Count Fraction"** means Act/365, as such term defined in the ISDA Definitions.

**"ISDA Definitions"** means the most recent version of the ISDA Interest Rate Derivatives Definitions, as published by ISDA.

**"Replacement Swap Agreement"** means an agreement between the Issuer and a replacement swap provider to replace the Swap Agreement.

**"Replacement Swap Premium"** means an amount (if any) received by the Issuer from a replacement interest rate swap provider, or an amount paid by the Issuer to a replacement interest rate swap provider, upon entry by the Issuer into a Replacement Swap Agreement.

**"Swap Collateral"** means the collateral provided by the Swap Provider to the Issuer under the Swap Agreement and includes any interest and distributions in respect thereof.

**"Swap Collateral Account Surplus"** means the amounts applied as Available Revenue Receipts pursuant to the Swap Collateral Account Priority of Payments.

**"Swap Payment Date"** means the 25th day of March, June, September and December in each year commencing in September 2025 and ending on the termination date of the Swap Transaction, in each case subject to adjustment in accordance with the modified following business day convention as set out in the Swap Agreement.

**"Swap Provider Default"** means the occurrence of an Event of Default (as defined in the Swap Agreement) where the Swap Provider is the Defaulting Party (as defined in the Swap Agreement).

**"Swap Provider Downgrade Event"** means the occurrence of an Additional Termination Event (as defined in the Swap Agreement) following the failure by the Swap Provider to comply with the requirements of the ratings downgrade provisions set out in the Swap Agreement.

**"Swap Tax Credits"** means any credit, allowance, set-off or repayment received by the Issuer in respect of tax from the tax authorities of any jurisdiction relating to any deduction or withholding giving rise to an increased payment by the Swap Provider to the Issuer under the terms of the Swap Agreement.

The Swap Collateral Accounts will be opened in the name of the Issuer and will be held at a financial institution which satisfies the Account Bank Rating. The Swap Collateral Accounts and Swap Collateral Ledger will be established and maintained in respect of the Swap Agreement. As security for the payment of all monies payable in respect of the Notes and the other Secured Obligations, the Issuer will grant a first fixed charge over the Issuer's interest in the Swap Collateral Accounts and the debts represented thereby (which may, however, take effect as a floating charge and therefore rank behind the claims of any preferential creditors of the Issuer).



## Description of the Global Notes

### General

Each Class of Notes as at the Closing Date will be represented by a Global Note. All capitalised terms not defined in this section shall be as defined in the Conditions of the Notes.

The Global Notes representing the Notes will be registered in the name of the nominee for the Common Safekeeper for both Euroclear and Clearstream, Luxembourg. The Registrar will maintain a register in which it will register the nominee for the Common Safekeeper as the owner of the Global Note.

Upon confirmation by the Common Safekeeper that it has custody of the Global Notes, Euroclear or Clearstream, Luxembourg, as the case may be, will record in book-entry form interests representing beneficial interests in the Global Note attributable thereto ("**Book-Entry Interests**").

Book-Entry Interests in respect of each Global Note will be recorded in denominations of £100,000 and higher integral multiples of £1,000 (an "**Authorised Denomination**"). Ownership of Book-Entry Interests is limited to persons that have accounts with Euroclear or Clearstream, Luxembourg ("**Participants**") or persons that hold interests in the Book-Entry Interests through Participants or through other indirect participants ("**Indirect Participants**"), including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg, either directly or indirectly. Book-Entry Interests will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg, as applicable, will credit the Participants' accounts with the respective Book-Entry Interests beneficially owned by such Participants on each of their respective book-entry registration and transfer systems. The accounts initially credited will be designated (in respect of the Notes) by the Joint Lead Managers. Ownership of Book-Entry Interests will be shown on, and transfers of Book-Entry Interests or the interests therein will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to the interests of their Participants) and on the records of Participants or Indirect Participants (with respect to the interests of Indirect Participants). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability to own, transfer or pledge Book-Entry Interests.

So long as a nominee for the Common Safekeeper is the registered holder of the Global Note underlying the Book-Entry Interests, the nominee for the Common Safekeeper will be considered the sole Noteholder of the Global Notes representing the Notes for all purposes under the Trust Deed. Except as set out under "*Issuance of Registered Definitive Notes*" below, Participants or Indirect Participants will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive registered form and will not be considered the holders thereof under the Trust Deed. Accordingly, each person holding a Book-Entry Interest must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and Indirect Participants must rely on the procedures of the Participants or Indirect Participants through which such person owns its interest in the relevant Book-Entry Interests, to exercise any rights and obligations of a holder of Notes under the Trust Deed. See "*Action in respect of the Global Notes and the Book-Entry Interests*", below.

Unlike legal owners or holders of the Notes, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by the Issuer or consents or requests by the Issuer for waivers or other actions from holders of the Notes. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg, as the case may be, and, if applicable, their Participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Global Note, holders of Book-

Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg unless and until Registered Definitive Notes are issued in accordance with the Conditions. There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

In the case of a Global Note, unless and until Book-Entry Interests are exchanged for Registered Definitive Notes, the Global Note held by the Common Safekeeper may not be transferred except as a whole by the Common Safekeeper to a successor of the Common Safekeeper.

Purchasers of Book-Entry Interests in a Global Note will hold Book-Entry Interests in the Global Note relating thereto. Investors may hold their Book-Entry Interests in respect of a Global Note directly through Euroclear or Clearstream, Luxembourg (in accordance with the provisions set out under "*Transfers and Transfer Restrictions*" below), if they are account holders in such systems, or indirectly through organisations which are account holders in such systems. Euroclear and Clearstream, Luxembourg will hold Book-Entry Interests in the Global Note on behalf of their account holders through securities accounts in the respective account holders' names on Euroclear's and Clearstream, Luxembourg's respective book-entry registration and transfer systems.

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

### **Payments on the Global Notes**

Payment of principal and interest on, and any other amount due in respect of, the Global Notes will be made in Sterling by or to the order of Citibank, N.A., London Branch (the "**Principal Paying Agent**"), on behalf of the Issuer to the order of the Common Safekeeper or its nominee as the registered holder thereof with respect to the Global Notes. Each holder of Book-Entry Interests must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of any amounts paid by or on behalf of the Issuer to the order of the Common Safekeeper or their nominees in respect of those Book-Entry Interests. All such payments will be distributed without deduction or withholding for or on account of any taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made, then neither the Issuer, the Paying Agents nor any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Principal Paying Agent to the order of the Common Safekeeper, the respective systems will promptly credit their Participants' accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests as shown in the records of Euroclear or Clearstream, Luxembourg. On each Record Date Euroclear and Clearstream, Luxembourg will determine the identity of the holders of the Notes for the purposes of making payments to the holders of the Notes. The "**Record Date**" in respect of the Notes(i) where the Notes are in global registered form, shall be at the close of the Business Day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) prior to the relevant Interest Payment Date and (ii) where the Notes are in definitive registered form, shall be the date falling 15 calendar days prior to the relevant Interest Payment Date. The Issuer expects that payments by Participants to owners of interests in Book-Entry Interests held through such Participants or Indirect Participants will be governed by standing customer instructions and customary practices, as is now the

case with the securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants or Indirect Participants. None of the Issuer, any agent of the Issuer, the Arranger, the Joint Lead Managers, the Note Trustee or the Security Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of a Participant's ownership of Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a Participant's ownership of Book-Entry Interests.

### **Information Regarding Euroclear and Clearstream, Luxembourg**

Euroclear and Clearstream, Luxembourg have advised the Issuer as follows:

Euroclear and Clearstream, Luxembourg each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of certificates and any risk from lack of simultaneous transfers of securities.

Euroclear and Clearstream, Luxembourg each provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deal with domestic securities markets in several countries through established depositary and custodial relationships. The respective systems of Euroclear and of Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.

Account holders in both Euroclear and Clearstream, Luxembourg are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that under existing industry practices, if any of the Issuer, the Note Trustee or the Security Trustee requests any action of owners of Book-Entry Interests or if an owner of a Book-Entry Interest desires to give instructions or take any action that a holder is entitled to give or take under the Trust Deed or the Deed of Charge, Euroclear or Clearstream, Luxembourg as the case may be, would authorise the Participants owning the relevant Book-Entry Interests to give instructions or take such action, and such Participants would authorise Indirect Participants to give or take such action or would otherwise act upon the instructions of such Indirect Participants.

### **Redemption**

In the event that a Global Note (or portion thereof) is redeemed, the Principal Paying Agent will deliver all amounts received by it in respect of the redemption of such Global Note to the order of the Common Safekeeper and, upon final payment, the Common Safekeeper will surrender such Global Note (or portion thereof) to or to the order of the Principal Paying Agent for cancellation. Appropriate entries will be made in the Register. The redemption price payable in connection with the redemption of Book-Entry Interests will be equal to the amount received by the Principal Paying Agent in connection with the redemption of the Global Note (or portion thereof) relating thereto. For any redemptions of the Global Note in part, selection of the relevant Book-Entry

Interest relating thereto to be redeemed will be made by Euroclear or Clearstream, Luxembourg, as the case may be, on a *pro rata* basis (or on such basis as Euroclear or Clearstream, Luxembourg, as the case may be, deems fair and appropriate). Upon any redemption in part, the Principal Paying Agent will mark down the schedule to such Global Note by the principal amount so redeemed.

## **Cancellation**

Cancellation of any Note represented by a Global Note and required by the Conditions to be cancelled following its redemption will be effected by endorsement by or on behalf of the Principal Paying Agent of the reduction in the principal amount of the relevant Global Note on the relevant schedule thereto and the corresponding entry on the Register.

## **Transfers and Transfer Restrictions**

All transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its Participants. See "*General*" above.

## **Issuance of Registered Definitive Notes**

Holders of Book-Entry Interests in the Global Note will be entitled to receive Notes in definitive registered form (such exchanged Global Notes in definitive registered form, "**Registered Definitive Notes**") in exchange for their respective holdings of Book-Entry Interests if (a) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or to cease to make book-entry systems available for settlement of beneficial interests in such Global Notes and do in fact do either of those things and no alternative clearing system satisfactory to the Note Trustee is available or (b) as a result of any amendment to, or change in, the laws or regulations of the UK (or of any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration by a revenue authority or a court or in the administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the Notes in definitive registered form. Any Registered Definitive Notes issued in exchange for Book-Entry Interests in the Global Note will be registered by the Registrar in such name or names as the Issuer shall instruct the Principal Paying Agent based on the instructions of Euroclear or Clearstream, Luxembourg, as the case may be. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, Luxembourg from their Participants with respect to ownership of the relevant Book-Entry Interests. Holders of Registered Definitive Notes issued in exchange for Book-Entry Interests in the Global Note will not be entitled to exchange such Registered Definitive Notes for Book-Entry Interests in such Global Note. Any Notes issued in definitive form will be issued in registered form only and will be subject to the provisions set out under "*Transfers and Transfer Restrictions*" above and provided that no transfer shall be registered for a period of 15 calendar days immediately preceding any due date for payment in respect of the Note or, as the case may be, the due date for redemption. Registered Definitive Notes will be issued in a denomination that is an integral multiple of the minimum Authorised Denomination. See "*Risk Factors—Risks Relating to the Characteristics of the Notes—The minimum denomination of the Notes may adversely affect payments on the Notes if issued in definitive form*".

## Action in respect of the Global Notes and the Book-Entry Interests

Not later than 10 calendar days after receipt by the Issuer of any notices in respect of a Global Note or any notice of solicitation of consents or requests for a waiver or other action by the holder of such Global Note, the Issuer will deliver to Euroclear and Clearstream, Luxembourg a notice containing (a) such information as is contained in such notice, (b) a statement that at the close of business on a specified record date Euroclear and Clearstream, Luxembourg will be entitled to instruct the Issuer as to the consent, waiver or other action, if any, pertaining to the Book-Entry Interests or the Global Note and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear or Clearstream, Luxembourg, as applicable, the Issuer shall endeavour insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the Book-Entry Interests or the Global Note in accordance with any instructions set out in such request. Euroclear or Clearstream, Luxembourg are expected to follow the procedures described under "*General*" above with respect to soliciting instructions from their respective Participants. The Registrar will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Book-Entry Interests or the Global Notes.

## Notices

Whilst the Notes are represented by Global Notes the Issuer may, at its option, send to Euroclear and Clearstream, Luxembourg a copy of any notices addressed to Noteholders for communication by Euroclear and Clearstream, Luxembourg to the Noteholders. Alternatively, such notices regarding the Notes may instead be published in the *Financial Times* or, if such newspaper shall cease to be published or if timely publication therein is not practicable, in such other English newspaper or newspapers as the Note Trustee shall approve in advance having a general circulation in the United Kingdom; provided that if, at any time, the Issuer procures that the information contained in such notice shall appear on a page of the Reuters screen, the Bloomberg screen or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and notified to Noteholders, publication in such newspaper shall not be required with respect to such information so long as the rules of Euronext Dublin allow. The Issuer may elect not to publish any notice in a newspaper for so long as the Notes are held in global form and notice is given to Euroclear and Clearstream, Luxembourg. The Note Trustee may, in accordance with Condition 16.2 (*Note Trustee's Discretion to Select Alternative Method*) sanction other methods of giving notice to all or some of the Noteholders if such method is reasonable having regard to, among other things, the market practice then prevailing and the requirements of the relevant stock exchange. See also Condition 16 (*Notice to Noteholders*) of the Notes.

## New Safekeeping Structure and Eurosystem Eligibility

The Notes are intended to be held in a new safekeeping structure ("NSS") and in a manner which would allow Eurosystem eligibility and will be deposited with a common safekeeper for Clearstream, Luxembourg and Euroclear (the "**Common Safekeeper**"). However, the deposit of the Notes with the Common Safekeeper upon issuance or otherwise does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at issuance or at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

## Issuer-ICSDs Agreement

Prior to the issuance of the Notes, the Issuer will enter into an Issuer-ICSDs Agreement with the International Central Securities Depositories (each an "**ICSD**") in respect of the Notes. The Issuer-ICSDs Agreement provides that the ICSDs will, in respect of any of the Notes (while being held in the NSS), maintain their

respective portion of the issue outstanding amount through their records. The Issuer-ICSDs Agreement will be governed by English law.

## Terms and Conditions of the Notes

The following are the terms and conditions of the Notes in the form (subject to amendment) in which they will be set out in the Trust Deed (as defined below).

### 1 General

The £[●] Class A mortgage backed floating rate notes due March 2095 (the "**Class A Notes**"), the £[●] Class B mortgage backed floating rate notes due March 2095 (the "**Class B Notes**"), the £[●] Class C mortgage backed floating rate notes due March 2095 (the "**Class C Notes**"), the £[●] Class D mortgage backed floating rate notes due March 2095 (the "**Class D Notes**"), the £[●] Class E mortgage backed floating rate notes due March 2095 (the "**Class E Notes**" the £[●] Class F mortgage backed floating rate notes due March 2095 (the "**Class F Notes**" the £[●] Class X mortgage backed floating rate notes due March 2095 (the "**Class X Notes**", together with the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, and the Class F Notes the "**Notes**"), in each case of Exmoor Funding 2025-1 PLC (the "**Issuer**") are constituted by a trust deed (the "**Trust Deed**") dated on or about [●] 2025 (the "**Closing Date**") and made between, among others, the Issuer and Citicorp Trustee Company Limited as trustee for the Noteholders (in such capacity, the "**Note Trustee**").

Any reference in these terms and conditions (the "**Conditions**") to a "**Class**" or "**class**" of Notes or of Noteholders shall be a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, Class F Notes, or the Class X Notes, as the case may be, or to the respective holders thereof.

Any reference in these Conditions to the "**Noteholders**" means the registered holders for the time being of the Notes, or if preceded by a particular Class designation of Notes, the registered holders for the time being of such Class of Notes.

The security for the Notes is constituted by and pursuant to a deed of charge and assignment (the "**Deed of Charge**") dated on or about the Closing Date and made between, among others, the Issuer and Citicorp Trustee Company Limited as trustee for the Secured Creditors (in such capacity, the "**Security Trustee**").

Pursuant to an agency agreement (the "**Agency Agreement**") dated on or prior to the Closing Date and made between the Issuer, the Note Trustee, the Security Trustee, Citibank, N.A. London Branch, as principal paying agent (in such capacity, the "**Principal Paying Agent**" and, together with any further or other paying agent appointed under the Agency Agreement, the "**Paying Agents**"), Citibank, N.A. London Branch, as registrar (in such capacity, the "**Registrar**") and Citibank, N.A. London Branch, as agent bank (in such capacity, the "**Agent Bank**"), provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge and the Agency Agreement and a master definitions and construction schedule (the "**Master Definitions and Construction Schedule**") dated on or about the Closing Date and the other Transaction Documents (as defined therein).

Physical copies of the Trust Deed, the Deed of Charge, the Agency Agreement, the Master Definitions and Construction Schedule and the other Transaction Documents are available by appointment for inspection during normal business hours at the specified office for the time being of each of the Paying Agents or at the relevant Paying Agent's option, such inspection may be provided electronically. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of all the provisions of the other Transaction Documents applicable to them.

On the Closing Date, certain certificates (the "**Residual Certificates**") will also be issued by the Issuer and constituted by the Trust Deed. The Residual Certificates constitute direct, secured and (subject to the limited recourse provision in Residual Certificates Condition 11.3 (*Limited Recourse*)) unconditional obligations of the

Issuer, and represent the Issuer's obligation to pay deferred consideration for its purchase of the Portfolio, consisting of the Residual Payments. The Residual Certificates rank *pro rata* and *pari passu* without preference or priority among themselves in relation to the Residual Payments and are fully subordinate to the interests of the Notes.

The Trust Deed and the Deed of Charge contain provisions requiring the Note Trustee and the Security Trustee, respectively, not to have regard to the interests of the Certificateholders equally with the rights of the Noteholders as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee and the Security Trustee (except where expressly provided otherwise) and instead requiring the Note Trustee and the Security Trustee in any such case to have regard (except as expressly provided otherwise) to the interests of the Noteholders for so long as there is any Class of Notes outstanding.

## **2 Interpretation**

### **2.1 Definitions**

Capitalised terms not otherwise defined in these Conditions shall bear the meanings given to them in the Master Definitions and Construction Schedule.

### **2.2 Interpretation**

These Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions and Construction Schedule.

## **3 Form, Denomination and Title**

### **3.1 Form and Denomination**

Each Class of Notes will initially be represented by a global note certificate in registered form (a "**Global Note**").

For so long as any of the Notes are represented by a Global Note, transfers and exchanges of beneficial interests in such Global Note and entitlement to payments thereunder will be effected subject to and in accordance with the rules and procedures from time to time of Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), as appropriate. Each Global Note will be deposited with and registered in the name of a common safekeeper (or a nominee thereof) for Euroclear and Clearstream, Luxembourg.

For so long as the Notes are represented by Global Notes, and for so long as Euroclear and Clearstream, Luxembourg so permit, the Notes shall be tradable only in the minimum nominal amount of £100,000 and higher integral multiples of £1,000, notwithstanding that no Registered Definitive Notes (as defined below) will be issued with a denomination above £199,000. A Global Note will be exchanged for the relevant Note in definitive registered form (such exchanged Global Notes in definitive registered form, the "**Registered Definitive Notes**") only if either of the following applies:

- (a) both Euroclear and Clearstream, Luxembourg:
    - (i) are closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise); or
    - (ii) announce an intention permanently to cease business or to cease to make book-entry systems available for settlement of beneficial interests in such Global Notes and do in fact do either of those things,
- and in either case no alternative clearing system satisfactory to the Note Trustee is available; or



- (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (the "UK") (or of any political subdivision thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration by a revenue authority or a court or in the application of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Notes which would not be required were the relevant Notes in definitive registered form.

If Registered Definitive Notes are issued in respect of Notes originally represented by a Global Note, the beneficial interests represented by such Global Note shall be exchanged by the Issuer for the relevant Notes in registered definitive form. The aggregate principal amount of the Registered Definitive Notes shall be equal to the Principal Amount Outstanding of the Notes at the date on which notice of exchange is given of the Global Note, subject to and in accordance with the detailed provisions of these Conditions, the Agency Agreement, the Trust Deed and the relevant Global Note.

Registered Definitive Notes (which, if issued, will be in the denomination set out below) will be serially numbered and will be issued in registered form only.

The minimum denomination of the Notes in global and (if issued and printed) definitive form will be £100,000 and higher integral multiples of £1,000.

References to "**Notes**" in these Conditions shall include the Global Notes and the Registered Definitive Notes.

### **3.2 Title**

Title to the Global Notes shall pass by and upon registration in the register (the "**Register**") which the Issuer shall procure to be kept by the Registrar. The registered holder of a Global Note may (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Global Note regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

Title to a Registered Definitive Note shall only pass by and upon registration of the transfer in the Register. Any such transfer shall be in an amount equal to or greater than the minimum denominations specified in Condition 3.1 (*Form and Denomination*).

Registered Definitive Notes may be transferred upon the surrender of the relevant Registered Definitive Note, with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. Such transfers shall be subject to the minimum denominations specified in Condition 3.1 (*Form and Denomination*). All transfers of Registered Definitive Notes are subject to any restrictions on transfer set out on the Registered Definitive Notes and the detailed regulations concerning transfers in the Agency Agreement.

Each new Registered Definitive Note to be issued upon transfer of such Registered Definitive Note will, within five Business Days of receipt and surrender of such Registered Definitive Note (duly completed and executed) for transfer, be available for delivery at the specified office of the Registrar or be mailed at the risk of the transferee entitled to such Registered Definitive Note to such address as may be specified in the relevant form of transfer.

Registration of a Registered Definitive Note on transfer will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax, stamp duty or other government charges which may be imposed in relation to it.

## 4 Status and Relationship between the Notes and Security

### 4.1 Status and relationship between the Classes of Notes

- (a) The Class A Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12 (*Enforcement*)) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class A Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, as provided in these Conditions and the Transaction Documents.
- (b) The Class B Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12 (*Enforcement*)) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class B Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of Class B Notes (the "**Class B Noteholders**") will be subordinated to the interests of the persons who for the time being are registered in the Register as holders of the Class A Notes (the "**Class A Noteholders**") (so long as any Class A Notes remain outstanding).
- (c) The Class C Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12 (*Enforcement*)) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class C Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Notes and the Class B Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class C Notes (the "**Class C Noteholders**") will be subordinated to the interests of each of the Class A Noteholders and the Class B Noteholders (so long as any Class A Notes and/or any Class B Notes remain outstanding).
- (d) The Class D Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12 (*Enforcement*)) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class D Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Notes, the Class B Notes and the Class C Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class D Notes (the "**Class D Noteholders**") will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders (so long as any Class A Notes and/or any Class B Notes and/or any Class C Notes remain outstanding).
- (e) The Class E Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12 (*Enforcement*)) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class E Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class E Notes (the "**Class E Noteholders**") will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders (so long as any Class A

Notes and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes remain outstanding).

- (f) The Class F Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12 (*Enforcement*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class F Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class F Notes (the "**Class F Noteholders**") will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders (so long as any Class A Notes and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes and/or Class E Notes remain outstanding).
- (g) The Class X Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12 (*Enforcement*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class X Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class X Notes (the "**Class X Noteholders**") will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders (so long as any Class A Notes and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes and/or any Class F Notes remain outstanding). Notwithstanding the above, prior to the Optional Redemption Date, Available Revenue Receipts will be applied to pay principal due and payable on the Class X Notes until the Principal Amount Outstanding on the Class X Notes has been reduced to zero (and such payments of principal rank subordinate to the payment of interest in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes).
- (h) The Trust Deed and the Deed of Charge contain provisions requiring the Note Trustee and the Security Trustee, respectively, to have regard to the interests of holders of each Class of the Notes as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee and the Security Trustee (except where expressly provided otherwise) but requiring the Note Trustee and the Security Trustee where there is a conflict of interests between one or more classes of Notes and/or the Residual Certificates in any such case to have regard (except as expressly provided otherwise) to the interests of the holders of the Class of Notes ranking in priority to the other relevant Classes of Notes in the Post-Enforcement Priority of Payments or if there are no Notes then outstanding to the Certificateholders.
- (i) The Trust Deed also contains provisions limiting the powers of any Class of Noteholders to (i) request or direct the Note Trustee to take any action or (ii) pass an effective Extraordinary Resolution according to the effect thereof on the interests of the holders of the Most Senior Class of Notes. Except in certain circumstances described in Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*), the Trust Deed contains no such limitation on the powers of the holders of the Most Senior Class of Notes, the exercise of which will be binding (save in

respect of a Basic Terms Modification) on the holders of all other Classes of Notes and the Certificateholders in each case irrespective of the effect thereof on their respective interests.

As long as any Class of Notes is outstanding but subject to Condition 13.5 (*Modification to the Transaction Documents*), the Security Trustee shall not have regard to the interests of the other Secured Creditors.

## 4.2 Security

- (a) The security constituted by or pursuant to the Deed of Charge is granted to the Security Trustee for it to hold on trust for the Noteholders and the other Secured Creditors, upon and subject to the terms and conditions of the Deed of Charge.
- (b) The Noteholders and the other Secured Creditors will share in the benefit of the security constituted by or pursuant to the Deed of Charge, upon and subject to the terms and conditions of the Deed of Charge.

## 5 Covenants

Save with the prior written consent of the Note Trustee or unless otherwise permitted under these Conditions or any of the Transaction Documents, the Issuer shall not, so long as any Note remains outstanding:

- (a) **Negative pledge:** create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertakings;
- (b) **Restrictions on activities:** (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage or (ii) have any subsidiaries, any subsidiary undertaking (as defined in the Companies Act 1985 and the Companies Act 2006 (as applicable)) or any employees (but shall procure that, at all times, it shall retain at least one independent director) or premises;
- (c) **Disposal of assets:** assign, transfer, sell, lend, lease, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its assets or undertakings or any interest, estate, right, title or benefit therein or attempt or purport to do any of the foregoing;
- (d) **Equitable and Beneficial Interest:** permit any person, other than itself and the Security Trustee, to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (e) **Dividends or distributions:** pay any dividend or make any other distribution to its shareholders except out of amounts of profit retained by the Issuer in accordance with the applicable Priority of Payments which are available for distribution in accordance with the Issuer's memorandum and articles of association and with applicable laws or issue any further shares;
- (f) **Deed Poll:** following the exercise of any right by the Option Holder under the Deed Poll to purchase the Portfolio in accordance with the terms of the Deed Poll, the Issuer shall not seek to enter into an arrangement with any other third party to sell the Portfolio and/or participate in any arrangement which frustrates the rights of the Option Holder to complete any such acquisition of the Portfolio.
- (g) **Risk Retention Regulatory Change Deed Poll:** following the exercise of any right by the Risk Retention Regulatory Change Option Holder under the Risk Retention Regulatory Change Deed Poll to purchase the Portfolio in accordance with the terms of the Risk Retention Regulatory Change Deed Poll, the Issuer shall not seek to enter into an arrangement with any other third party to sell the Portfolio and/or

participate in any arrangement which frustrates the rights of the Risk Retention Regulatory Change Option Holder to complete any such acquisition of the Portfolio.

- (h) **Indebtedness:** incur any financial indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any other obligation of any person;
- (i) **Merger:** consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;
- (j) **No modification or waiver:** permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied, modified, terminated, postponed, waived or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;
- (k) **Bank accounts:** have an interest in any bank account other than the Issuer Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;
- (l) **Purchase Notes:** purchase or otherwise acquire any Notes; or
- (m) **U.S. activities:** engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

## 6 Interest

### 6.1 Accrual of interest

Each Note bears interest on its Principal Amount Outstanding from (and including) the Closing Date. Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest from and including the due date for redemption unless, upon due presentation in accordance with Condition 7 (*Payments*), payment of the principal in respect of the Note is improperly withheld or refused or default is otherwise made in respect of the payment, in which event interest shall continue to accrue as provided in the Trust Deed.

### 6.2 Interest Payment Dates

The first Interest Payment Date will be the Interest Payment Date falling in September 2025. Interest will be payable in arrear on each Interest Payment Date, for all Classes of Notes.

**"Interest Payment Date"** means the 25<sup>th</sup> day of March, June, September and December in each year or, if such day is not a Business Day, the immediately following Business Day, with the first Interest Payment Date being on 25 September 2025.

Interest shall accrue on the Notes, from (and including) an Interest Payment Date (except in the case of the first Interest Period, which shall commence on (and include) the Closing Date) to (but excluding) the next following Interest Payment Date,

(each such period above, an **"Interest Period"**).

### 6.3 Rate of Interest

- (a) The rate of interest payable from time to time in respect of each class or sub-class of the Notes (each a "**Rate of Interest**" and together the "**Rates of Interest**") will be:
  - (i) in respect of the Notes and any Interest Period, determined on the basis of the following provisions:
    - (A) The Agent Bank will determine the Compounded Daily SONIA as at the Interest Determination Date (as defined below) in question.
    - (B) The Rates of Interest for the relevant Interest Period will be the rate for the Compounded Daily SONIA determined as at the related Interest Determination Date plus: (I) from and including the Closing Date to (but excluding) the Optional Redemption Date, the Relevant Margin or (II) from (and including) the Optional Redemption Date, the Relevant Step-Up Margin.
    - (C) If the Rate of Interest is less than zero per cent., the Rate of Interest shall be deemed to be zero per cent. There will be no maximum Rate of Interest.
    - (D) Notwithstanding the provisions of these Conditions, 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 shall, to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA for the purpose of the Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors. If, in the Agent Bank's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this paragraph (A), the Agent Bank shall promptly notify the Issuer and the Cash Administrator thereof and the Issuer may, at the expense of the Issuer, engage an expert to make such determination or calculation and any such determination or calculation shall be deemed to be a determination or calculation made by the Agent Bank for the purposes of this paragraph (D).
    - (E) If the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Relevant Margin or Relevant Step-Up Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Relevant Margin or Relevant Step-Up Margin relating to the relevant Interest Period in place of the Relevant Margin or Relevant Step-Up Margin relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the relevant Class of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) that first Interest Payment Date (but applying the Relevant Margin applicable to the first Interest Period); and
- (b) In these Conditions (except where otherwise defined), the expression:
  - (i) "**Business Day**" means a day (other than a Saturday or Sunday or a public holiday) on which banks are generally open for business in London;

- (ii) **"Compounded Daily SONIA"** means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Agent Bank as at the Interest Determination Date in question, as follows, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 per cent. being rounded upwards:

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

Where

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

"d<sub>0</sub>" is the number of Business Days in the relevant Interest Period;

"i" is a series of whole numbers from one to d<sub>0</sub>, each representing the relevant Business Day in chronological order from, and including, the first Business Day in the relevant Interest Period to, but excluding, the last Business Day in such Interest Period;

"LBD" means a Business Day;

"ni", for any day "i", means the number of calendar days from and including such day "i" up to but excluding the following Business Day; and

SONIA<sub>t-5LBD</sub> means, in respect of any Business Day falling in the relevant Interest Period, the SONIA Reference Rate for the Business Day falling five Business Days prior to that Business Day "i";

- (iii) **"Interest Determination Date"** means the fifth Business Day before the Interest Payment Date for which the relevant Rate of Interest will apply;
- (iv) **"Observation Period"** means the period from and including the date falling five Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Closing Date) and ending on, but excluding, the date falling five Business Days prior to the Interest Payment Date for such Interest Period (or, if applicable, the date falling five Business Days prior to any other date on which a payment of interest is to be made in respect of the Notes);
- (v) **"Relevant Margin"** means:
- (A) in respect of the Class A Notes, [●] per cent. per annum;
  - (B) in respect of the Class B Notes, [●] per cent. per annum;
  - (C) in respect of the Class C Notes, [●] per cent. per annum;
  - (D) in respect of the Class D Notes, [●] per cent. per annum;
  - (E) in respect of the Class E Notes, [●] per cent. per annum;
  - (F) in respect of the Class F Notes, [●] per cent. per annum; and
  - (G) in respect of the Class X Notes, [●] per cent. per annum;
- (vi) **"Relevant Step-Up Margin"** means:

- (A) in respect of the Class A Notes, [●] per cent. per annum;
  - (B) in respect of the Class B Notes, [●] per cent. per annum;
  - (C) in respect of the Class C Notes, [●] per cent. per annum;
  - (D) in respect of the Class D Notes, [●] per cent. per annum;
  - (E) in respect of the Class E Notes, [●] per cent. per annum;
  - (F) in respect of the Class F Notes, [●] per cent. per annum; and
  - (G) in respect of the Class X Notes, [●] per cent. per annum;
- (vii) **"Reuters Screen SONIA Page"** means Reuters Screen SONIA Page or such other page as may replace Reuters Screen SONIA Page on that service for the purpose of displaying such information or if that service ceases to display such information, such page as displays such information on such service as may replace such screen; and
- (viii) **"SONIA Reference Rate"** means, in respect of any Business Day, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such Business Day as provided by the administrator of SONIA to, and published by, authorised distributors of the rate as of 9:00 a.m. London time on the Reuters Screen SONIA Page or, if the Reuters Screen SONIA Page is unavailable, as otherwise published by such authorised distributors (on the Business Day immediately following such Business Day).

If, in respect of any Business Day in the relevant Observation Period, the Agent Bank determines that the SONIA Reference Rate is not available on the Reuters Screen SONIA Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant Business Day; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five calendar 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.

#### **6.4 Determination of Rates of Interest and Interest Amounts**

The Agent Bank shall, as soon as practicable after 11.00 a.m. (London time) on each Interest Determination Date falling in such Interest Period, but in no event later than the third Business Day thereafter, determine the Sterling amount (the "**Interest Amounts**") payable in respect of interest on the Principal Amount Outstanding of each Class of the Notes for the relevant Interest Period.

The Interest Amounts shall, in respect of a Class of Notes, be determined by applying the relevant Rate of Interest to the Principal Amount Outstanding of such Class of Notes and multiplying the sum by the actual number of calendar days in the Interest Period concerned divided by 365 and rounding the figure downwards to the nearest penny.

If the Agent Bank is unable at any time in its obligation to determine the Rates of Interest and the Interest Amounts in accordance with this Condition 6.4, the Issuer may, at the expense of the Issuer, engage an expert to make such determination and any such determination shall be deemed to be determinations made by the Agent Bank.



## **6.5 Publication of Rates of Interest and Interest Amounts**

The Agent Bank shall as soon as reasonably practicable after determining the Rate of Interest and the Interest Amounts for each Class of Notes in respect of each Interest Period and each Interest Payment Date (as applicable) pursuant to these Conditions (and in any event, no later than two Business Days prior to that relevant Interest Payment Date), cause the relevant Rate of Interest and Interest Amount to be notified to the Issuer, the Cash Administrator, the Note Trustee, the Paying Agents and the Registrar and to be published in accordance with Condition 16 (*Notice to Noteholders*), and the Issuer shall notify any stock exchange or other relevant authority on which the Notes are at the relevant time listed as soon as reasonably practicable after their determination and in no event later than two Business Days prior to that relevant Interest Payment Date. The Interest Amounts and Interest Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

## **6.6 Notifications to be Final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6, whether by the Agent Bank or the Cash Administrator, will (in the absence of manifest error) be binding on the Issuer, the Cash Administrator, the Note Trustee, the Agent Bank, the Paying Agents and all Noteholders and (in the absence of fraud) no liability to the Issuer or the Noteholders shall attach to the Cash Administrator or the Agent Bank in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Condition 6.

## **6.7 Agent Bank**

The Issuer shall procure that, so long as any of the Notes remain outstanding, there is at all times an agent bank for the purposes of the Notes. The Issuer may, subject to the prior written approval of the Note Trustee, terminate the appointment of the Agent Bank and shall, in the event of the appointed office of any bank being unable or unwilling to continue to act as the agent bank or failing duly to determine the Rate of Interest or the Interest Amounts in respect of any Class of Notes for any Interest Period, subject to the prior written approval of the Note Trustee, appoint another major bank engaged in the relevant interbank market to act in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed on terms commercially acceptable in the market and such successor having acquired and become subject to such rights and obligations as if it had entered into an agency agreement in a form commercially acceptable in the market.

## **6.8 Determinations and Reconciliation**

- (a) In the event that the Cash Administrator does not receive Portfolio Information with respect to a Collection Period (each such period, a "**Determination Period**"), then the Cash Administrator shall be required to estimate the amount of Principal Receipts and Revenue Receipts for such Determination Period based on the Portfolio Information received for the three most recent Collection Periods in which Portfolio Information was received or, where there are not at least three previous Collection Periods in which Portfolio Information had been received, any previous Portfolio Information for the purposes of calculating the amounts available to the Issuer to make payments, as set out in Condition 6.8(b). When the Cash Administrator receives the Portfolio Information relating to the Determination Period, it will make the reconciliation calculations and reconciliation payments as set out in Condition 6.8(c). Any (i) calculations properly made on the basis of such estimates in accordance with Conditions 6.8(b) and/or 6.8(c); (ii) payments made under any of the Notes and Transaction Documents in accordance with such calculations; and (iii) reconciliation calculations and reconciliation payments made as a result of such

reconciliation calculations, each in accordance with Conditions 6.8(b) and/or 6.8(c), shall be deemed to be made in accordance with the provisions of the Transaction Documents and will in themselves not lead to a Potential Event of Default or an Event of Default and no liability will attach to the Cash Administrator in connection with the exercise by it of its powers, duties and discretion for such purposes.

- (b) In respect of any Determination Period the Cash Administrator shall on the Calculation Date immediately following the Determination Period:
  - (i) determine the Interest Determination Ratio (as defined below) by reference to the Portfolio Information received for the three most recent Collection Periods in which Portfolio Information was received (or, where there are not at least three previous Collection Periods in which Portfolio Information had been received, any previous Portfolio Information) received in the preceding Collection Periods;
  - (ii) calculate the Revenue Receipts for such Determination Period as the product of (A) the Interest Determination Ratio and (B) all collections received by the Issuer during such Determination Period (the "**Calculated Revenue Receipts**"); and
  - (iii) calculate the Principal Receipts for such Determination Period as the product of (A) 1 minus the Interest Determination Ratio and (B) all collections received by the Issuer during such Determination Period (the "**Calculated Principal Receipts**").
- (c) Following the end of any Determination Period, upon receipt by the Cash Administrator of the Portfolio Information in respect of such Determination Period, the Cash Administrator shall reconcile the calculations made in accordance with Condition 6.8(b) to the actual collections set out in the Portfolio Information by allocating the Reconciliation Amount (as defined below) as follows:
  - (i) if the Reconciliation Amount is a positive number, the Cash Administrator shall apply an amount equal to the lesser of (A) the absolute value of the Reconciliation Amount and (B) the amount standing to the credit of the Revenue Ledger, as Available Principal Receipts (with a corresponding debit of the Revenue Ledger); and
  - (ii) if the Reconciliation Amount is a negative number, the Cash Administrator shall apply an amount equal to the lesser of (A) the absolute value of the Reconciliation Amount and (B) the amount standing to the credit of the Principal Ledger, as Available Revenue Receipts (with a corresponding debit of the Principal Ledger),

*provided* that the Cash Administrator shall apply such Reconciliation Amount in determining Available Revenue Receipts and Available Principal Receipts for such Collection Period in accordance with the terms of the Cash Administration Agreement and the Cash Administrator shall promptly notify the Issuer, the Note Trustee and the Security Trustee of such Reconciliation Amount.

- (d) In these Conditions (except where otherwise defined), the expression:
  - (i) "**Interest Determination Ratio**" means, on any Interest Payment Date, (A) the aggregate Revenue Receipts calculated on the basis of the Portfolio Information received for the three most recent Collection Periods in which Portfolio Information was received (or, where there are not at least three previous Collection Periods in which Portfolio Information had been received, any previous Portfolio Information) divided by (B) the

aggregate of all Revenue Receipts and all Principal Receipts calculated on the basis of such Portfolio Information; and

- (ii) **"Reconciliation Amount"** means in respect of any Collection Period (A) the actual Principal Receipts as determined on the basis of the available Portfolio Information, less (B) the Calculated Principal Receipts in respect of such Collection Period, plus (C) any Reconciliation Amount not applied in previous Collection Periods.

## **7 Payments**

### **7.1 Payment of Interest and Principal**

Payments in respect of principal and interest in respect of any Global Note will be made only against presentation of such Global Note to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders in accordance with Condition 16 (*Notice to Noteholders*) for such purpose. Each payment of principal or interest made in respect of a Global Note will be recorded by the Clearing Systems in their records (which records are the records each relevant Clearing System holds for its customers and reflect such customers' interest in the Notes) and such records shall be *prima facie* evidence that the payment in question has been made. No person appearing from time to time in the records of either of the Clearing Systems as the holder of a Note shall have any claim directly against the Issuer in respect of payments due on such Note whilst such Note is represented by a Global Note and the Issuer shall be discharged by payment of the relevant amount to the bearer of the relevant Global Note. The Issuer shall procure that each payment shall be entered pro rata in the records of the relevant Clearing System but any failure to make such entries shall not affect the discharge referred to above.

### **7.2 Laws and Regulations**

Payments of any amount in respect of a Note including principal and interest in respect of the Notes are subject, in all cases, to (i) any fiscal or other laws and regulations applicable thereto and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto. Noteholders will not be charged commissions or expenses on payments.

### **7.3 Payment of Interest following a Failure to pay Principal**

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with Condition 6.1 (*Accrual of interest*) and Condition 6.3 (*Rate of Interest*) will be paid in accordance with this Condition 7.

### **7.4 Change of Paying Agents**

The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to replace or terminate the appointment of the Principal Paying Agent or the Registrar and to appoint additional or other agents provided that there will at all times be a person appointed to perform the obligations of the Principal Paying Agent with a specified office in London and the Registrar with a specified office in Ireland or in London.

Except where otherwise provided in the Trust Deed or the Agency Agreement, the Issuer will cause notice of no more than 30 calendar days and no less than 15 calendar days of any change in or addition to the Paying Agents or the Registrar or their specified offices to be given to the Noteholders in

accordance with Condition 16 (*Notice to Noteholders*) and will notify the Rating Agencies of such change or addition.

#### **7.5 No Payment on non-Business Day**

If the date for payment of any amount in respect of a Note is not a Presentation Date, Noteholders shall not be entitled to payment until the next following Presentation Date and shall not be entitled to further interest or other payment in respect of such delay. In this Condition 7.5, the expression "**Presentation Date**" means a day which is (a) a Business Day and (b) a day on which banks are generally open for business in the relevant place.

#### **7.6 Partial Payment**

If a Paying Agent makes a partial payment in respect of any Note, the Registrar will, in respect of the relevant Note, annotate the Register indicating the amount and date of such payment.

#### **7.7 Payment of Interest**

If interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Presentation Date (as defined in Condition 7.5 (*No Payment on non-Business Day*)) or by reason of non-compliance by the Noteholder with Condition 7.1 (*Payment of Interest and Principal*)), then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with Condition 16 (*Notice to Noteholders*).

### **8 Redemption**

#### **8.1 Redemption at Maturity**

Unless previously redeemed in full or purchased and cancelled as provided below, the Issuer will redeem each Note at its respective Principal Amount Outstanding on the Interest Payment Date falling in March 2095 (the "**Final Maturity Date**").

#### **8.2 Mandatory Redemption prior to the service of an Enforcement Notice or from the Optional Redemption Date**

- (a) On each Interest Payment Date prior to the service of an Enforcement Notice, each Class of Notes shall be redeemed in an amount equal to the Available Principal Receipts available for such purpose in accordance with the Pre-Enforcement Principal Priority of Payments which shall be applied in the following order of priority:
  - (i) to repay the Class A Notes until they are each repaid in full; and thereafter to be applied
  - (ii) to repay the Class B Notes until they are each repaid in full; and thereafter to be applied
  - (iii) to repay the Class C Notes until they are each repaid in full; and thereafter to be applied
  - (iv) to repay the Class D Notes until they are each repaid in full; and thereafter to be applied
  - (v) to repay the Class E Notes until they are each repaid in full; and thereafter to be applied
  - (vi) to repay the Class F Notes until they are each repaid in full; and thereafter to be applied
  - (vii) to repay the Class X Notes until they are each repaid in full.
- (b) The Principal Amount Outstanding of each Class of Notes shall be redeemed on each Interest Payment Date in accordance with the relevant Priority of Payments. The principal amount to be

redeemed in respect of a Note of a particular Class (the "**Note Principal Payment**") on any Interest Payment Date prior to the service of an Enforcement Notice shall be the Available Principal Receipts available for such purpose on such Interest Payment Date in accordance with the Pre-Enforcement Principal Priority of Payments, as calculated on the Calculation Date immediately preceding such Interest Payment Date multiplied by the relevant Pool Factor. With respect to each Note of a particular Class on (or as soon as practicable after) each Calculation Date, the Issuer shall determine (or cause the Cash Administrator to determine) (i) the amount of any Note Principal Payment due on the Interest Payment Date next following such Calculation Date, (ii) the Principal Amount Outstanding of each such Note (after deducting any Note Principal Payment due to be made on the Interest Payment Date immediately following such Calculation Date) and (iii) the fraction expressed as a decimal to the sixth decimal point (the "**Pool Factor**"), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in paragraph (b)(ii) above) and the denominator is the Principal Amount Outstanding of the relevant Class of Notes on the Closing Date. Each determination by or on behalf of the Issuer of any principal repayment, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of manifest error) be final and binding on all persons.

- (c) The Issuer will cause each determination of a principal repayment, Principal Amount Outstanding and Pool Factor to be notified by not less than two Business Days prior to the relevant Interest Payment Date to the Note Trustee, the Paying Agents, the Agent Bank, the Swap Provider and, in respect of the Notes (for so long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on its Regulated Market) the Euronext Dublin, and will immediately cause notice of each such determination to be given in accordance with Condition 16 (*Notice to Noteholders*) not later than two Business Days prior to the relevant Interest Payment Date. If no principal repayment is due to be made on the Notes on any Interest Payment Date a notice to this effect will be given to the holders of the Notes.

### **8.3 Optional Redemption of the Notes in Full**

- (a) On or after the Optional Redemption Date

- (i) provided that:

1. the Issuer delivers to the Note Trustee a certificate signed by two directors of the Issuer stating that it will on the date for redemption have the necessary funds from a sale of the Mortgage Loans pursuant to the Deed Poll (together with any amounts then standing to the credit of the Issuer Accounts and any other funds available to the Issuer) as would be required to (I) redeem all of the Notes then outstanding in full together with accrued and unpaid interest on such Notes, (II) pay amounts required under the Pre-Enforcement Revenue Priority of Payments to be paid in priority to or *pari passu* with the Notes on such Interest Payment Date; and (III) pay any other costs associated with the exercise of the optional call; and
2. on or prior to the Interest Payment Date on which the relevant notice of optional redemption expires, no Enforcement Notice has been served following an Event of Default,

the Issuer may redeem the Notes in whole, but not in part, in accordance with Condition 8.2 (*Mandatory Redemption prior to the service of an Enforcement Notice or from the Optional Redemption Date*) on any Interest Payment Date on or after the Optional Redemption Date, on giving not less than 15 nor more than 30 days' notice to the

Noteholders in accordance with Condition 16 (*Notice to Noteholders*) (which notice shall be irrevocable) (the "notice of optional redemption").

Any Note redeemed pursuant to this Condition 8.3(a) will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note up to but excluding the date of redemption. The Optional Purchase Price received by the Issuer will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments with the result that the Notes will be redeemed in full in accordance with Condition 8.2 (*Mandatory Redemption prior to the service of an Enforcement Notice or from the Optional Redemption Date*) together with any accrued (and unpaid) interest up to (but excluding) the date of redemption, and any other amounts due to the Noteholders.

(b) Twenty per cent. clean-up call

(i) provided that:

1. the aggregate Principal Balance of the Mortgage Loans is less than or equal to 20 per cent. of the aggregate Principal Amount Outstanding of the Notes on the Closing Date;
2. the Issuer delivers to the Note Trustee a certificate signed by two directors of the Issuer stating that it will on the date for redemption have the necessary funds from a sale of the Mortgage Loans to the holders of the Residual Certificates (together with any amounts then standing to the credit of the Issuer Accounts and any other funds available to the Issuer) required to (I) redeem all of the Notes then outstanding in full together with accrued and unpaid interest on such Notes, (II) pay amounts required under the Pre-Enforcement Revenue Priority of Payments to be paid in priority to or *pari passu* with the Notes on such Interest Payment Date; and (III) pay any other costs associated with the exercise of the optional call; and
3. on or prior to the Interest Payment Date on which such notice expires, no Enforcement Notice has been served following an Event of Default,

the Issuer may redeem the Notes in whole, but not in part on any Interest Payment Date, on giving not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 16 (*Notice to Noteholders*) (which notice shall be irrevocable).

Any Note redeemed pursuant to this Condition 8.3(b) will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note up to but excluding the date of redemption. The Optional Purchase Price received by the Issuer will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments with the result that the Notes will be redeemed in full in accordance with Condition 8.2 (*Mandatory Redemption prior to the service of an Enforcement Notice or from the Optional Redemption Date*) together with any accrued (and unpaid) interest up to (but excluding) the date of redemption, and any other amounts due to the Noteholders.

(c) Optional Redemption in Full Following the Exercise of a Risk Retention Regulatory Change Option

(i) provided that:

1. following the exercise of the Risk Retention Regulatory Change Option by the Risk Retention Regulatory Change Option Holder, the Issuer delivers to the Note Trustee a certificate signed by two directors of the Issuer stating that it will on the

date for redemption have the necessary funds from a sale of the Mortgage Loans pursuant to the Risk Retention Regulatory Change Deed Poll together with any amounts then standing to the credit of the Issuer Accounts and any other funds available to the Issuer required to (I) redeem all of the Notes then outstanding in full together with accrued and unpaid interest on such Notes, (II) pay amounts required under the Pre-Enforcement Revenue Priority of Payments to be paid in priority to or *pari passu* with the Notes on such Interest Payment Date; and (III) pay any other costs associated with the exercise of the optional call; and

2. on or prior to the Interest Payment Date on which such notice expires, no Enforcement Notice has been served following an Event of Default,

the Issuer may redeem the Notes in whole, but not in part, on any Interest Payment Date, on giving not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 16 (*Notice to Noteholders*) (which notice shall be irrevocable).

Any Note redeemed pursuant to this Condition 8.3(c) will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed with accrued (but unpaid) interest on the Principal Amount Outstanding of the relevant Note up to but excluding the date of redemption. The Risk Retention Regulatory Change Option Purchase Price received by the Issuer will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments with the result that the Notes will be redeemed in full together with any accrued (but unpaid) interest up to (but excluding) the date of redemption, and any other amounts due to the Noteholders.

In this Prospectus:

**"Deed Poll"** means the deed poll dated on or about the Closing Date executed by the Issuer in favour of the Option Holder.

**"Risk Retention Regulatory Change Deed Poll"** means the risk retention regulatory change deed poll dated on or about the Closing Date, executed by the Issuer, in favour of the Risk Retention Regulatory Change Option Holder.

**"Risk Retention Regulatory Change Option"** means the option granted to the Regulatory Change Option Holder documented in the Risk Retention Regulatory Change Deed Poll.

**"Risk Retention Regulatory Change Option Holder"** means the Retention Holder or any other entity or entities which holds the UK Retention Requirement and/or EU Retention Requirement as permitted pursuant to the UK Retention Requirements and/or EU Retention Requirements and, as at the Closing Date, this shall be LiveMore Investments Limited.

**"Risk Retention Regulatory Change Event"** means any change in or the adoption of any new law, rule, direction, guidance or regulation (i) which requires or will require the manner in which the UK Retained Interest and/or EU Retained Interest is held by the Risk Retention Regulatory Change Option Holder to be restructured after the Closing Date; (ii) which requires or will require the amount of the UK Retained Interest and/or the EU Retained Interest required to be held on the Closing Date to be increased; or (iii) which otherwise results or would result in the manner (or amount of) in which the UK Retained Interest and/or EU Retained Interest is held by the Risk Retention Regulatory Change Option Holder to become non-compliant with respect to any risk retention requirements under the UK Securitisation Framework and/or the EU Securitisation Regulation or other applicable law, rule, direction, guidance or regulation.

**"Risk Retention Regulatory Change Option Exercise Notice"** means a written notice to be delivered by the Risk Retention Regulatory Change Option Holder to the Issuer with a copy to the Note Trustee, the Servicer, the Legal Title-Holder, the Cash Administrator, the Swap Provider and the Rating Agencies to exercise the Risk Retention Regulatory Change Option specifying (a) the proposed Risk Retention Regulatory Change Portfolio Purchase Completion Date and (b) specifying whether the Risk Retention Regulatory Change Option Holder itself or a nominee will be acquiring the beneficial title to the Mortgage Loans and Collateral Security in the Portfolio.

**"Risk Retention Regulatory Change Portfolio Purchase Completion Date"** means the proposed completion date for the Risk Retention Regulatory Change Option.

**"Risk Retention Regulatory Change Option Purchase Price"** means the purchase price for the Portfolio under the Risk Retention Regulatory Change Deed Poll which shall be an amount that, together with any amounts then standing to the credit of the Issuer Accounts (other than (i) the Swap Collateral Account; and (ii) amounts held in the Deposit Account which represent the Issuer Profit Amount) and any other funds available to the Issuer (as at the Determination Date) and any other funds available to the Issuer, would be required to pay any amounts required under the relevant Priority of Payments to be paid in priority to or *pari passu* with the Notes on such Interest Payment Date, redeem all Notes then outstanding in full together with accrued and unpaid interest on such Notes and pay costs associated with the redemption, as calculated as at the Risk Retention Regulatory Change Portfolio Purchase Completion Date.

**"Risk Retention Regulatory Change Option Purchase Price Notice"** means a notice signed by the Issuer and sent by the Servicer to the Risk Retention Regulatory Change Option Holder specifying the Risk Retention Regulatory Change Option Purchase Price.

#### **8.4 Mandatory Redemption of the Notes for Taxation or Other Reasons**

If:

- (a) by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on or before the next Interest Payment Date the Issuer or the Paying Agents would be required to deduct or withhold from any payment of principal or interest on any Notes (other than because the relevant holder has some connection with the UK other than the holding of such Notes) any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the UK or any political sub-division thereof or any authority thereof or therein having power to tax; or
- (b) by reason of a change in law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, it has become or will become unlawful for the Issuer to make, fund or allow to remain outstanding all or any of the Notes; or
- (c) by reason of a change in law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on or before the next Interest Payment Date the Issuer or the Swap Provider would be required to deduct or withhold from any payment under the Swap Agreement any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature,

then the Issuer shall, if the same would avoid the effect of such relevant event described in Condition 8.4(a), 8.4(b) or 8.4(c), appoint a Paying Agent in another jurisdiction or use its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another



jurisdiction approved in writing by the Note Trustee as principal debtor under the Notes and the Trust Deed, provided that:

- (i) the Note Trustee is satisfied that such substitution will not be materially prejudicial to the interests of the holders of the Notes (and in making such determination, the Note Trustee may rely, without further investigation or inquiry, on (A) any confirmation made orally to the Issuer or in writing from each of the Rating Agencies that the then current ratings of the Notes would not be adversely affected by such substitution or (B) if no such confirmation from the Rating Agencies is forthcoming and the Servicer on behalf of the Issuer has certified the same in writing to the Cash Administrator and the Note Trustee (an "**Issuer Certificate**") a written certificate from the Servicer to the Note Trustee and the Security Trustee (a "**Servicer Certificate**") that such proposed action (i) (while any Notes remain outstanding) has been notified to the Rating Agencies, (ii) would not have an adverse impact on the Issuer's ability to make payment when due in respect of the Notes, (iii) would not affect the legality, validity and enforceability of any of the Transaction Documents or any Security and (iv) (while any of the Notes remain outstanding) would not have an adverse effect on the rating of the Notes) (upon which confirmation or certificate the Note Trustee and the Security Trustee shall be entitled to rely absolutely without liability to any person for so doing); and
- (ii) such substitution would not require registration of any new security under U.S. securities laws or materially increase the disclosure requirements under U.S. law.

A "**Redemption Event**" shall occur if the Issuer satisfies the Note Trustee immediately before giving the notice referred to below that one or more of the events described in Condition 8.4(a), 8.4(b) or 8.4(c) is continuing and that the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such appointment or substitution.

On any Interest Payment Date on which the Mortgage Loans and their Collateral Security comprising the Portfolio are sold following the occurrence of a Redemption Event, the relevant purchase price received by the Issuer, together with any amounts then standing to the credit of the Issuer Accounts, will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments with the result that the Notes will be redeemed in full in accordance with Condition 8.2 (*Mandatory Redemption prior to the service of an Enforcement Notice or from the Optional Redemption Date*) together with any accrued (and unpaid) interest up to (but excluding) the date of redemption, and any other amounts due to the Noteholders. The Issuer shall give not more than 30 calendar days' nor fewer than 15 days' notice of any such redemption of the Notes to the Noteholders in accordance with Condition 16 (*Notice to Noteholders*) and the Note Trustee.

## **8.5 Principal Amount Outstanding**

The "**Principal Amount Outstanding**" of each Class of Notes on any date shall be, in each case, their original principal amount, in respect of the Class A Notes of £[●], in respect of the Class B Notes of £[●], in respect of the Class C Notes of £[●], in respect of the Class D Notes of £[●], in respect of the Class E Notes of £[●], in respect of the Class F Notes of £[●] and in respect of the Class X Notes of £[●], in each case less the aggregate amount of all principal payments in respect of such Class of Notes which have been made since the Closing Date.

## **8.6 Notice of Redemption**

Any such notice as is referred to in Condition 8.3 (*Optional Redemption of the Notes in Full*) or Condition 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*) shall be irrevocable

and, upon the expiry of such notice, the Issuer shall be bound to redeem the relevant Notes at the applicable amounts specified above. Any certificate or legal opinion given by or on behalf of the Issuer pursuant to Condition 8.3 (*Optional Redemption of the Notes in Full*) or Condition 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*) may be relied on by the Note Trustee without further investigation and, if so relied on, shall be conclusive and binding on the Noteholders.

#### **8.7 No Purchase by the Issuer**

The Issuer will not be permitted to purchase any of the Notes.

#### **8.8 Cancellation on redemption in full**

All Notes redeemed in full will be cancelled upon redemption. Notes cancelled upon redemption in full may not be resold or re-issued.

### **9 Taxation**

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, all present and future taxes, levies, imposts, duties, fees, deductions, withholdings or charges of any nature whatsoever and wheresoever imposed, including income tax, corporation tax, value added tax or other tax in respect of added value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with any penalties, fines or interest thereon ("**Taxes**"), unless the withholding or deduction of the Taxes is required by applicable law. In that event, subject to Condition 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*), the Issuer or, as the case may be, the Paying Agent shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor any Paying Agent nor any other person shall be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

### **10 Prescription**

Claims in respect of principal and interest on the Notes will be prescribed after ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the relevant payment.

In this Condition 10, the "**Relevant Date**", in respect of a payment, is the date on which such payment first becomes due or (if the full amount of the monies payable on that date has not been duly received by the Principal Paying Agent or the Note Trustee on or prior to such date) the date on which, the full amount of such monies having been received, notice to that effect is duly given to the relevant Noteholders in accordance with Condition 16 (*Notice to Noteholders*).

### **11 Events of Default**

#### **11.1 Notes**

The Note Trustee at its absolute discretion may, and if so directed in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes shall, (subject to being indemnified and/or prefunded and/or secured to its satisfaction) give a notice (an "**Enforcement Notice**") to the Issuer (with a copy to the Swap Provider, the Cash Administrator, the Security Trustee, the Servicer, the Seller and the Issuer Account Bank) that all Classes of the Notes are immediately due and payable at their respective Principal Amount Outstanding, together with accrued (but unpaid)

interest as provided in the Trust Deed, if any of the following events (each, an "**Event of Default**") occur:

- (a) subject to Condition 17 (*Subordination by Deferral*), if default is made in the payment of any principal or interest due in respect of any Notes and the default continues for: (i) a period of five Business Days in the case of principal, or (ii) three Business Days in the case of interest; or
- (b) if the Issuer fails to perform or observe any of its other obligations under these Conditions or any Transaction Document to which it is a party and the failure continues for a period of 15 calendar days (or such longer period as the Note Trustee may permit) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied (except that in any case where the Note Trustee considers the failure to be incapable of remedy, then no continuation or notice as is aforementioned will be required); or
- (c) if any material representation or warranty made by the Issuer under any Transaction Document is incorrect when made and the matters giving rise to such misrepresentation are not remedied within a period of 15 calendar days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the matters giving rise to such misrepresentation to be incapable of remedy, then no continuation or notice as is hereinafter mentioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or
- (d) if any order is made by any competent court or any resolution is passed for the winding up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the Noteholders; or
- (e) if (i) the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the Noteholders, or (ii) the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account its contingent and prospective liabilities) or (iii) the Issuer is deemed unable to pay its debts pursuant to or for the purposes of any applicable law or is adjudicated or found bankrupt or insolvent; or
- (f) if proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with the court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to the whole or any part of the undertaking or assets of the Issuer, and in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order), unless initiated by the Issuer, is not discharged within 30 calendar days; or
- (g) if the Issuer (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or takes steps with a view to obtaining a moratorium in respect of any of its indebtedness or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors).

## **11.2 General**

Upon the service of an Enforcement Notice by the Note Trustee in accordance with Condition 11.1 (*Notes*), all the Notes then outstanding shall thereby immediately become due and payable at each Notes' respective Principal Amount Outstanding, together with accrued interest as provided in the Trust Deed.

## **12 Enforcement**

### **12.1 General**

Each of the Note Trustee and the Security Trustee may, at any time, at its discretion and without notice, take such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Notes, the Residual Certificates, the Trust Deed (including these Conditions or the Residual Certificates Conditions) or (in the case of the Security Trustee) the Deed of Charge or (in either case) any of the other Transaction Documents to which it is a party and, at any time after the service of an Enforcement Notice, the Security Trustee may, at its discretion and without notice, take such proceedings, actions or steps as it may think fit to enforce the Security, but neither of them shall be bound to take any such proceedings, action or steps unless:

- (a) it shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or directed in writing by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes; and
- (b) in all cases, it shall have been indemnified and/or prefunded and/or secured to its satisfaction.

### **12.2 Limitations on Enforcement**

No Noteholder shall be entitled to proceed directly against the Issuer or any other party to any of the Transaction Documents to enforce the performance of any of these Conditions or any of the provisions of the Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer unless the Note Trustee or, as the case may be, the Security Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, provided that no Noteholder shall be entitled to take any steps or proceedings to procure the winding up, administration or liquidation of the Issuer.

### **12.3 Limited Recourse**

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders are limited in recourse to the property, assets and undertakings of the Issuer the subject of any security created under and pursuant to the Deed of Charge (the "**Charged Assets**"). If:

- (a) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and
- (c) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of the Deed of Charge, amounts outstanding under the Notes,
- (d) then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain due or to be paid in respect of the Notes (including, for the avoidance

of doubt, payments of principal, premium (if any) or interest in respect of the Notes) and the Issuer shall be deemed to be discharged from making any further payments in respect of the Notes and any further payment rights shall be extinguished.

### **13 Meetings of Noteholders, Modification, Waiver and Substitution**

- 13.1 The Trust Deed contains provisions for convening meetings of the Noteholders of each Class and, in certain cases, more than one Class to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions or the provisions of any of the Transaction Documents. The Trust Deed provides that at least 21 days' and a maximum of 365 days' notice (exclusive of the day on which the notice is given and of the day of the meeting) of a proposed meeting shall be given to Noteholders. The notice shall, amongst other things, specify the day, time and place of the meeting, with such place to be a venue in the United Kingdom.
- 13.2 For the purposes of these Conditions, "**Most Senior Class of Notes**" means:
- (a) the Class A Notes; or
  - (b) if there are no Class A Notes then outstanding, the Class B Notes; or
  - (c) if there are no Class A Notes or Class B Notes then outstanding, the Class C Notes; or
  - (d) if there are no Class A Notes, Class B Notes or Class C Notes then outstanding, the Class D Notes; or
  - (e) if there are no Class A Notes, Class B Notes, Class C Notes or Class D Notes then outstanding, the Class E Notes; or
  - (f) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes then outstanding, the Class F Notes; or
  - (g) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class F Notes then outstanding, the Class X Notes.

#### **13.3 Most Senior Class of Notes and Limitations on other Noteholders**

- (a) Other than in relation to a Basic Terms Modification, which additionally requires an Extraordinary Resolution of the holders of the relevant affected Class or Classes of Notes and/or Residual Certificates then in issue, as applicable:
  - (i) subject to Conditions 13.3(a)(ii) and (iii), an Extraordinary Resolution passed at any meeting of the holders of the Most Senior Class of Notes shall be binding on such Noteholders and all other Classes of Noteholders and the Certificateholders irrespective of the effect upon them;
  - (ii) subject to Condition 13.3(a)(iii), an Extraordinary Resolution passed at any meeting of a relevant Class of Noteholders shall be binding on (A) such Noteholders and all other Classes of Noteholders ranking junior to such Class of Noteholders in the Post-Enforcement Priority of Payments in each case and (B) the Certificateholders, irrespective of the effect it has upon them;
  - (iii) no Extraordinary Resolution of any Class of Noteholders or Certificateholders shall take effect for any purpose while any of the Most Senior Class of Notes remains outstanding (or in the case of the Residual Certificates, any of the Notes remain outstanding) unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most

Senior Class of Notes or in the case of the Residual Certificates all Notes then outstanding or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes and in the case of the Residual Certificates, the holders of all Notes then outstanding; and

- (iv) no Ordinary Resolution that is passed by the holders of any Class of Noteholders or the Certificateholders shall take effect for any purpose while any of the Most Senior Class of Notes remains outstanding or (in the case of the Residual Certificates, any of the Notes remain outstanding) unless it shall have been sanctioned by an Ordinary Resolution of the holders of the Most Senior Class of Notes or, in the case of the Residual Certificates, the holders of all Notes then outstanding, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes or, in the case of the Residual Certificates, the holders of all Notes then outstanding,

**provided that**, in respect of any Extraordinary Resolution of a Class or Classes of Noteholders and/or Residual Certificates relating to any variation, novation, amendment, supplement, modification or waiver in respect of any of the Transaction Documents, the Terms and Conditions of the Notes or the Residual Certificates Conditions that would adversely affect the Swap Provider in respect of any of the following (i) the amount, timing or priority of any payments or deliveries due to be made by or to the Swap Provider under the Terms and Conditions of the Notes, the Residual Certificates Conditions or any Transaction Document; (ii) the Issuer's ability to make payments or deliveries to the Swap Provider or any Priority of Payments in relation to the Swap Provider under the Transaction Documents; (iii) the Swap Provider's rights in relation to any security (howsoever described, and including as a result of changing the nature or the scope of, or releasing such security) granted by the Issuer in favour of the Security Trustee on behalf of the Secured Creditors; (iv) the Swap Provider's status as a Secured Creditor; (v) Condition 8 (*Redemption*) or any additional redemption rights in respect of the Notes; (vi) the first proviso to Clause 24.1 (*Modification to the Transaction Documents*) of the Trust Deed or the first proviso to Condition 13.5 (*Modification to the Transaction Documents*); (vii) any requirement under the Transaction Documents to obtain the Swap Provider's prior consent; (viii) the operation of the Swap Collateral Accounts (including but not limited to the effectiveness of the segregation and the application of amounts and securities to and from the Swap Collateral Accounts) pursuant to the Cash Administration Agreement; (ix) the amount the Swap Provider would have to pay or would receive to replace itself under the terms of the Swap Agreement, in the reasonable opinion of the Swap Provider, in connection with such replacement, as compared to what the Swap Provider would have been required to pay or would have received had such modification, amendment, supplement or waiver not been made; (x) the undertakings of the Issuer as set out in the Trust Deed and the Master Definitions and Construction Schedule or Condition 5 (*Covenants*) related to a refinancing of the Notes or the sale, transfer or disposal of the assets of the Issuer in circumstances not expressly permitted or provided for in the Transaction Documents as at the Closing Date, either (x) the prior written consent of the Swap Provider (such consent not to be unreasonably withheld or delayed) or (y) written notification from the Issuer to the Note Trustee, the Security Trustee and the Swap Provider that the Swap Provider's consent is not needed as the modifications do not have any of the effects described in (i) to (x) above, is also required prior to such variation, novation, amendment, supplement, modification or waiver being made

- (b) Other than in relation to Basic Terms Modifications and subject as provided in Conditions 13.3(a) and 13.4 (*Quorum*), a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of:
  - (i) (A) any Class of Notes of one class only or (B) the Residual Certificates shall be deemed to have been duly passed if passed at a meeting (or by a resolution in writing or, in respect

of the Notes only, by a resolution passed by way of electronic consents received through the relevant Clearing System (s)) of the holders of (x) that Class of Notes so affected or (y) the Residual Certificates;

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

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

- (c) No Extraordinary Resolution of the holders of a Class or Classes of Notes or the Residual Certificates which would have the effect of sanctioning a Basic Terms Modification in respect of any Class of Notes or Residual Certificates shall take effect unless it has been sanctioned by an Extraordinary Resolution of the holders of each affected Class of Notes then outstanding and/or the holders of the Residual Certificates then in issue which are affected by such Basic Terms Modification.
- (d) No Ordinary Resolution that is passed by the holders of any Class of Noteholders shall take effect for any purpose while any of the Most Senior Class of Notes remains outstanding unless it shall have been sanctioned by an Ordinary Resolution of the holders of the Most Senior Class of Notes or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes.
- (e) No Ordinary Resolution that is passed by the holders of any Residual Certificates shall take effect for any purpose unless it shall have been sanctioned by an Ordinary Resolution of all Classes of Notes then outstanding or the Note Trustee is of the opinion it would not be materially prejudicial to the interests of any Class of Notes then outstanding.

#### **13.4 Quorum**

- (a) Subject as provided below, the quorum at any meeting of Noteholders of any Class or Classes for passing an Ordinary Resolution will be one or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of such Class or Classes of Notes then outstanding.
- (b) Subject as provided below, the quorum at any meeting of Noteholders of any Class or Classes for passing an Extraordinary Resolution will be one or more persons holding or representing not less

than 50 per cent. of the aggregate Principal Amount Outstanding of such Class or Classes of Notes then outstanding.

- (c) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any meeting of any holders of any Class or Classes of Notes or holders of any Residual Certificates passing an Extraordinary Resolution to (i) sanction a modification of the date of maturity of the Notes, (ii) sanction a modification of the date of payment of principal or interest in respect of the Notes, or, where applicable, of the method of calculating the date of payment of principal or interest in respect of the Notes, or of the method of calculating the date of payment in respect of the Residual Certificates, (other than pursuant to Condition 13.6(a)(vi) (*Additional Right of Modification*) or in relation to any Swap Rate Modification), (iii) sanction a modification of the amount of principal or the rate of interest payable in respect of the Notes (other than pursuant to Condition 13.6(a)(vi) (*Additional Right of Modification*) or in relation to any Swap Rate Modification), or, where applicable, of the method of calculating the amount payable of any principal or interest in respect of the Notes (other than pursuant to Condition 13.6(a)(vi) (*Additional Right of Modification*) or in relation to any Swap Rate Modification, or of the method of calculating the amounts payable in respect of the Residual Certificates (including, in relation to any Class of Notes or the Residual Certificates, if any such modification is proposed for any Class of Notes ranking senior to such Class or the Residual Certificates in the Post-Enforcement Priority of Payments), (iv) alter the currency in which payments under any Class of Notes or the Residual Certificates are to be made, (v) alter the quorum or majority required in relation to this exception, (vi) modify or add any other amount payable ranking ahead of or pari passu with any Class of Notes or Residual Certificates, including any fees payable by the Issuer to any third party (save as permitted or contemplated under the terms of the Transaction Documents), (vii) alter the priority of payments of interest or principal on the Notes, (viii) any change to the definition of Event of Default, (ix) any change to the definition of Optional Redemption Date, (x) sanction any scheme or proposal for the sale, conversion or cancellation of any Class of Notes or the Residual Certificates, or (xi) any change to the definition of a Basic Terms Modification, (each a "**Basic Terms Modification**") shall be one or more persons holding or representing in aggregate not less than (A) three-quarters of the aggregate Principal Amount Outstanding of such Class of Notes then outstanding or (B) three-quarters of the Residual Certificates then in issue. Any Extraordinary Resolution in respect of a Basic Terms Modification shall only be effective if duly passed at separate meetings (or by separate resolutions in writing or, in respect of the Notes only, by separate resolutions passed by way of electronic consents received through the relevant Clearing System(s)) of each relevant affected Class of Noteholders and (if affected) the Certificateholders in accordance with the Residual Certificates Conditions.
- (d) Subject as provided below, the quorum at any adjourned meeting of Noteholders of any Class or Classes for passing an Ordinary Resolution will be one or more persons holding or representing not less than 10 per cent. of the aggregate Principal Amount Outstanding of such Class or Classes of Notes then outstanding.
- (e) Subject as provided below, the quorum at any adjourned meeting of Noteholders of any Class or Classes for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of such Class or Classes of Notes then outstanding.
- (f) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any adjourned meeting of any holders of any Class or Classes of Notes or holders of any Residual Certificates passing an Extraordinary Resolution to sanction a Basic Terms Modification shall be one or more



persons holding or representing in aggregate not less than (i) 50 per cent. of the aggregate Principal Amount Outstanding of such Class of Notes then outstanding or (ii) 50 per cent. of the number of Residual Certificates then in issue. Any Extraordinary Resolution in respect of a Basic Terms Modification shall only be effective if duly passed at separate meetings (or by separate resolutions in writing or, in respect of the Notes only, by separate resolutions passed by way of electronic consents received through the relevant Clearing System(s)) of each relevant affected Class of Noteholders and (if affected) the Certificateholders in accordance with the Residual Certificates Conditions.

The terms of the Trust Deed and the Deed of Charge provide for the Noteholders to give directions in writing to the Note Trustee and the Security Trustee upon which the Note Trustee or, as the case may be, the Security Trustee is bound to act.

### **13.5 Modification to the Transaction Documents**

The Note Trustee or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee) may at any time and from time to time, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) but without the consent or sanction of the Noteholders, the Certificateholders or any other Secured Creditors agree with the Issuer and any other parties in making or sanctioning any modification:

- (a) other than in respect of a Basic Terms Modification, to these Conditions, the Residual Certificates Conditions, the Trust Deed or any other Transaction Document, which in the opinion of the Note Trustee (acting in accordance with the Trust Deed) or will not be materially prejudicial to the interests of the Noteholders (or, if there are no Notes then outstanding, the interests of the Certificateholders), and, for the avoidance of doubt, any modification of the Collection Account Declaration of Trust which does not affect the manner in which the Issuer's Trust Share (as defined in the Collection Account Declaration of Trust) is calculated will not be materially prejudicial to the interests of the Noteholders (or, if there are no Notes then outstanding, the interests of the Certificateholders); or
- (b) to these Conditions, the Residual Certificates Conditions, the Trust Deed or any other Transaction Document if in the opinion of the Note Trustee (acting in accordance with the Trust Deed), such modification is of a formal, minor or technical nature or to correct a manifest error,

**provided that**, in respect of any variation, novation, amendment, supplement, modification or waiver of any of the Transaction Documents, the Terms and Conditions of the Notes or the Residual Certificates Conditions that would adversely affect the Swap Provider in respect of any of the following: (i) the amount, timing or priority of any payments or deliveries due to be made by or to the Swap Provider under the Terms and Conditions of the Notes, the Residual Certificates Conditions or any Transaction Document; (ii) the Issuer's ability to make payments or deliveries to the Swap Provider or any Priority of Payments in relation to the Swap Provider under the Transaction Documents; (iii) the Swap Provider's rights in relation to any security (howsoever described, and including as a result of changing the nature or the scope of, or releasing such security) granted by the Issuer in favour of the Security Trustee on behalf of the Secured Creditors; (iv) the Swap Provider's status as a Secured Creditor; (v) Condition 8 (*Redemption*) or any additional redemption rights in respect of the Notes; (vi) the first proviso to Clause 24.1 (*Modification to the Transaction Documents*) of the Trust Deed or the first proviso to Condition 13.5 (*Modification to the Transaction Documents*); (vii) any requirement under the Transaction Documents to obtain the Swap Provider's prior consent; (viii) the operation of the Swap Collateral Accounts (including but not limited to the effectiveness of the segregation and the application

of amounts and securities to and from the Swap Collateral Accounts) pursuant to the Cash Administration Agreement; (ix) the amount the Swap Provider would have to pay or would receive to replace itself under the terms of the Swap Agreement, in the reasonable opinion of the Swap Provider, in connection with such replacement, as compared to what the Swap Provider would have been required to pay or would have received had such modification, amendment, supplement or waiver not been made; (x) the undertakings of the Issuer as set out in the Trust Deed and the Master Definitions and Construction Schedule or Condition 5 (*Covenants*) related to a refinancing of the Notes or the sale, transfer or disposal of the assets of the Issuer in circumstances not expressly permitted or provided for in the Transaction Documents as at the Closing Date, either (x) the prior written consent of the Swap Provider (such consent not to be unreasonably withheld or delayed) or (y) written notification from the Issuer to the Note Trustee, the Security Trustee and the Swap Provider that the Swap Provider's consent is not needed as the modifications do not have any of the effects described in (i) to (x) above, is also required prior to such variation, novation, amendment, supplement, modification or waiver being made; and

**provided that**, in respect of any modification of, or in connection with the (i) Deed Poll and the Call Option; or (ii) the Risk Retention Regulatory Change Deed Poll and the Risk Retention Regulatory Change Option, the written consent of the Option Holder or the Risk Retention Regulatory Change Option Holder (as applicable) has been provided to the Issuer.

### 13.6 Additional Right of Modification

- (a) Notwithstanding the provisions of Condition 13.5 (*Modification to the Transaction Documents*), the Note Trustee or, as the case may be, the Security Trustee (acting on the direction of the Note Trustee), shall be obliged, without any consent or sanction of the Noteholders, the Certificateholders or any other Secured Creditor, subject to written consent of the Secured Creditors which are a party to the relevant Transaction Documents (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document), to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to these Conditions, the Residual Certificates Conditions, the Trust Deed or any other Transaction Document to which it is a party or in relation to which it holds security or to enter into any new, supplemental or additional documents that the Issuer (in each case) considers necessary:
  - (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 applicable from time to time, provided that:
    - (A) the Issuer (or the Servicer on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and
    - (B) in the case of any modification to a Transaction Document proposed by any of the Seller or the Issuer (for the purpose of this Condition 13.6 only, each a "**Relevant Party**"), in order (x) for the Servicer, the Swap Provider, the Cash Administrator, the Agent Bank, the Principal Paying Agent or the Issuer Account Bank to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):

- (I) the Relevant Party certifies in writing to the Issuer (where applicable), the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in sub-paragraphs (B)(x) and/or (B)(y) above; and
  - (II) either:
    - (aa) the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) obtains from each of the Rating Agencies, a confirmation 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 Class of the Notes on rating watch negative (or equivalent) and delivers a copy of each such confirmation to the Issuer (in the case of the Relevant Party or the Servicer), the Note Trustee and the Security Trustee; or
    - (bb) the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated within 30 calendar days that such modification would 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 Class of Notes on rating watch negative (or equivalent) and, if requested by the Note Trustee or the Security Trustee, procures that an Issuer Certificate and/or a Servicer Certificate are provided to the Note Trustee and the Security Trustee in accordance with Condition 18 (*Non-Responsive Rating Agency*); and
  - (III) the Relevant Party pays all costs and expenses (including legal fees) incurred by the Issuer, the Note Trustee and the Security Trustee in connection with such modification;
- (ii) for the purpose of complying with any changes in the requirements of, and/or enabling the Issuer and/or the Seller to comply with any obligation in respect of, the UK Securitisation Framework or the EU Securitisation Regulation (including but not limited to (i) risk retention, transparency and/or investor due diligence requirements and/or (ii) the UK STS Requirements and the treatment of the Notes as a simple, transparent and standardised securitisation and/or (iii) such other requirement which the Issuer and/or the Seller has in its discretion elected to comply with under the EU Securitisation Regulation) after the Closing Date, together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements in relation thereto, in each case as amended, varied or substituted from time to time after the Closing Date **provided that** the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
  - (iii) for the purpose of enabling the Notes to be (or to remain) listed on Euronext Dublin, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing

that such modification is required solely for such purpose and has been drafted solely to such effect;

- (iv) for the purposes of enabling the Issuer or any of the other Parties to the Transaction Documents to comply with FATCA, provided that the Issuer or the relevant Party, as applicable, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (v) for the purpose of complying with any changes in the requirements of the EU CRA Regulation and/or the UK CRA Regulation after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation and/or the EU CRA Regulation and the Commission Delegated Regulation 2015/3 (including, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators), as amended from time to time (the "**CRA Requirements**"), or any other obligation which applies under the CRA Requirements and/or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect, (the certificate to be provided by the Issuer, the Servicer (on behalf of the Issuer), any of the Servicer and/or the Relevant Party and/or Party, as the case may be, pursuant to Conditions 13.6(a)(i) to 13.6(a)(v) or Condition 13.6(a)(viii) being a "**Modification Certificate**");
- (vi) for the purpose of changing the reference rate or the base rate in respect of the Notes from SONIA to an alternative base rate (including where such base rate may remain linked to SONIA but may be calculated in a different manner) (any such rate, an "**Alternative Base Rate**") and make such other amendments as are necessary or advisable in the reasonable judgment of the Issuer (or the Servicer on its behalf) to facilitate such change (a "**Base Rate Modification**"), provided that:
  - (A) the Servicer, on behalf of the Issuer certifies to the Note Trustee and the Security Trustee in writing (such certificate, a "**Base Rate Modification Certificate**") that:
    - (I) such Base Rate Modification is being undertaken due to:
      - (a) a material disruption to SONIA, an adverse change in the methodology of calculating SONIA or SONIA ceasing to exist or be published;
      - (b) the insolvency or cessation of business of the SONIA administrator (in circumstances where no successor SONIA administrator has been appointed);
      - (c) a public statement by the SONIA administrator that it will cease publishing SONIA permanently or indefinitely (in circumstances where no successor SONIA administrator has been appointed that will continue publication of SONIA) and such cessation is reasonably expected by the Issuer to occur prior to the Final Maturity Date;
      - (d) a public statement by the supervisor of the SONIA administrator that SONIA has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner and such

discontinuation or change is reasonably expected by the Issuer to occur prior to the Final Maturity Date

- (e) a public statement by the supervisor of the SONIA administrator that means SONIA may no longer be used or that its use is subject to restrictions or adverse consequences;
- (e) an alternative manner of calculating a SONIA-based rate being introduced and becoming a standard means of calculating interest for similar transactions;
- (g) a change in the generally accepted market practice in the publicly listed asset backed floating rate notes market to refer to a benchmark rate endorsed in a public statement by the Bank of England, the FCA or the PRA or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates, despite the continued existence of SONIA;
- (h) following the implementation of a Base 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 Base Rate which had already been adopted by the Issuer in respect of the Notes pursuant to a Base Rate Modification; or
- (i) the reasonable expectation of the Servicer that any of the events specified in sub-paragraphs (a) to (h) above will occur or exist within six months of the proposed effective date of such Base Rate Modification; and

(II) such Alternative Base Rate is:

- (aa) a base rate published, endorsed, approved or recognised by the Bank of England, any regulator in the UK or the EU or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);
- (bb) a base rate utilised in a material number of publicly-listed new issues of Sterling-denominated asset backed floating rate notes prior to the effective date of such Base Rate Modification;
- (cc) a base rate utilised in a publicly-listed new issue of Sterling-denominated asset backed floating rate notes where the originator of the relevant assets is an affiliate of the Seller; or
- (dd) such other base rate as the Servicer reasonably determines,

- (vii) for the purpose of changing the base rate that then applies in respect of the Swap Agreement to an alternative base rate as is necessary or advisable in the commercially reasonable judgment of the Issuer (or the Servicer on its behalf) and the Swap Provider solely as a consequence of a Base Rate Modification and solely for the purpose of aligning the base rate of the Swap Agreement to the base rate of the Notes following such Base

Rate Modification and making any associated amendment (a "**Swap Rate Modification**"), provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and it has been drafted solely to such effect (such certificate being a "**Swap Rate Modification Certificate**");

- (viii) for the purposes of enabling the Issuer and/or the Swap Provider to comply with any requirements which apply to it under European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation as amended ("**EU EMIR**") and/or EU EMIR as it forms part of domestic law of the UK by virtue of the EUWA ("**UK EMIR**"), irrespective of whether such modifications are materially prejudicial to the interests of the holders of any Class of Notes or Residual Certificates or any other Secured Creditor (any such modification, an "**EMIR Amendment**") and subject to receipt by the Note Trustee and the Security Trustee of a Modification Certificate of (A) the Issuer signed by two directors or (B) the Servicer on behalf of the Issuer certifying to the Note Trustee and the Security Trustee that the amendments (which may be requested by the Issuer) are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under UK EMIR and/or EU EMIR as amended;
- (ix) in order to enable the Issuer to effect the appointment of (A) the Replacement Servicer selected by the Replacement Servicer Facilitator (or in each case any affiliate or related entity to the replacement Servicer) or (B) another third party substitute servicer, as applicable, to act as Servicer of the Mortgage Loans, provided that the conditions to the appointment of a substitute or successor servicer set out in the Servicing Deed are satisfied;
- (x) in order to facilitate the appointment of a replacement Cash Administrator appointed by the Issuer in accordance with the terms of the Cash Administration Agreement, subject to receipt by the Note Trustee of a certificate issued by the Issuer certifying to the Note Trustee the requested amendments are to be made solely for the purpose of facilitating the appointment of a replacement Cash Administrator appointed by the Issuer in accordance with the terms of the Cash Administration Agreement and have been drafted solely to that effect;
- (xi) in order to enable the Issuer to enter into a back-up servicing agreement with a back-up servicer (the "**Proposed Back-Up Servicing Agreement**"); and making any modification (other than in respect of a Notes Basic Terms Modification or a Certificates Basic Terms Modification) to the Notes Conditions, the Certificates 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 (or the Servicer on its behalf) considers necessary in order to facilitate the entry into a Proposed Back-Up Servicing Agreement, provided that the Issuer (or the Servicer on its behalf) certifies in writing to the Note Trustee and the Security Trustee that the requested amendments are to be made solely for the purpose of facilitating the entry into the Proposed Back-Up Servicing Agreement and have been drafted solely to that effect,

**provided that** (in the case of each of sub-paragraphs (i)–(xi) above):

- (I) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Note Trustee and the Security Trustee;
- (II) the Modification Certificate, Swap Rate Modification Certificate or Base Rate Modification Certificate in relation to such modification shall be provided to the

Note Trustee and the Security Trustee both at the time the Note Trustee and the Security Trustee is notified of the proposed modification and on the date that such modification takes effect; and

(III) the consent of each Secured Creditor which is party to the relevant Transaction Document has been obtained,

and provided further that:

(xii) other than in the case of a modification pursuant to Condition 13.6(a)(i)(B), either

(aa) the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) obtains from each of the Rating Agencies a confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any Class of the Notes on rating watch negative (or equivalent) and delivers each such confirmation to the Issuer (in the case of the Relevant Party or the Servicer), the Note Trustee and the Security Trustee; or

(bb) the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) certifies in the Modification Certificate, Swap Rate Modification Certificate or the Base Rate Modification Certificate that it has informed the Rating Agencies of the proposed modification and none of the Rating Agencies has indicated within 30 calendar days that such modification would 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 Class of the Notes on rating watch negative (or equivalent) and, if requested by the Note Trustee or the Security Trustee, procures that an Issuer Certificate and/or a Servicer Certificate are provided to the Note Trustee and the Security Trustee in accordance with Condition 18 (*Non-Responsive Rating Agency*); and

(y) the Issuer certifies in writing to the Note Trustee and the Security Trustee that (X) the Issuer has provided at least 30 calendar days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 16 (*Notice to Noteholders*) and in relation to the Notes, 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 then outstanding have not contacted the Issuer and the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which any Notes may be held) within such notification period notifying the Issuer and the Note Trustee that such Noteholders do not consent to the modification.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have notified the Issuer and the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which any Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding is passed in favour of such modification in accordance with this Condition 13.

Objections made in writing other than, in respect of the Notes, through the applicable clearing system must be accompanied by evidence to the Issuer's and the Note Trustee's satisfaction of the relevant Noteholder's holding of the Notes.

- (b) Other than where specifically provided in this Condition 13.6 or any Transaction Document:
  - (i) when implementing any modification pursuant to this Condition 13.6 (save to the extent the Note Trustee considers that the proposed modification would constitute a Basic Terms Modification), neither the Note Trustee nor the Security Trustee shall consider the interests of the Noteholders, any other Secured Creditor or any other person but may act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or any of the Servicer (as the case may be) or the Relevant Party or Party, as the case may be, pursuant to this Condition 13.6 and shall not be liable to the Noteholders, the Certificateholders or any other Secured Creditor for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and
  - (ii) neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification which, in the 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 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 and/or the Residual Certificates Conditions.
- (c) Any such modification shall be binding on all Noteholders and Certificateholders and shall be notified by the Issuer as soon as reasonably practicable to:
  - (i) so long as any of the Notes rated by the Rating Agencies remains outstanding, each Rating Agency;
  - (ii) the Secured Creditors; and
  - (iii) the Noteholders in accordance with Condition 16 (*Notice to Noteholders*).

### **13.7 Authorisation or Waiver of Breach**

The Note Trustee and/or the Security Trustee (acting on the direction of the Note Trustee), as applicable, may, without the consent or sanction of the Noteholders, the Certificateholders or the other Secured Creditors and without prejudice to its rights in respect of any further or other breach, from time to time and at any time, on such terms and conditions (if any) as shall seem expedient to it determine that a Potential Event of Default or an Event of Default shall not, or shall not subject to any specified conditions, be treated as such or authorise or waive any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to these Conditions, the Residual Certificates Conditions or any of the Transaction Documents by any party thereto but only if in the Note Trustee's sole opinion the interests of the holders of the Most Senior Class of Notes or, if no Notes are outstanding, the Certificateholders will not be materially prejudiced thereby that the Note Trustee shall not exercise any powers conferred on it by this Condition 13.7 in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class of Notes or by a direction under Condition 11 (*Events of Default*) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made.

### **13.8 Notification of modifications, waivers, authorisations or determinations**

Any such modification, waiver, authorisation or determination by the Note Trustee and/or the Security Trustee, as applicable, in accordance with these Conditions, the Residual Certificates Conditions or the Transaction Documents shall be binding on the Noteholders, the Certificateholders and the Secured



Creditors and shall be notified by the Issuer to the Noteholders in accordance with Condition 16 (*Notice to Noteholders*), the Rating Agencies (while any Notes remain outstanding) and the Secured Creditors as soon as practicable thereafter.

### **13.9 Additional modifications; rating agency confirmations; and regard to Noteholder interests**

- (a) In connection with any such substitution of principal debtor referred to in Condition 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*), the Note Trustee and the Security Trustee (acting on the direction of the Note Trustee) may also agree, without the consent of the Noteholders or the other Secured Creditors, to a change of the laws governing the Notes, these Conditions and/or any of the Transaction Documents, provided that such change would not, in the opinion of the Note Trustee be materially prejudicial to the interests of the Noteholders.
- (b) In determining whether a proposed action will not be materially prejudicial to the Noteholders or any Class thereof, the Note Trustee and the Security Trustee may, among other things, have regard to whether the Rating Agencies have confirmed in writing to the Issuer or any other party to the Transaction Documents that any proposed action will not result in the withdrawal or reduction of, or entail any other adverse action with respect to, the then current ratings of the Notes. It is agreed and acknowledged by the Note Trustee and the Security Trustee that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders. In being entitled to take into account that each of the Rating Agencies has confirmed that the then current ratings of the Notes would not be adversely affected, it is agreed and acknowledged by the Note Trustee and the Security Trustee this does not impose or extend any actual or contingent liability for each of the Rating Agencies to the Security Trustee, the Note Trustee, the Noteholders or any other person, or create any legal relations between each of the Rating Agencies and the Security Trustee, the Note Trustee, the Noteholders or any other person, whether by way of contract or otherwise.
- (c) Where, in connection with the exercise or performance by each of them of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents (including in relation to any modification, waiver, authorisation, determination, substitution or change of laws as referred to above), the Note Trustee is required to have regard to the interests of the Noteholders of any Class or Classes, it shall (i) have regard to the general interests of the Noteholders of such Class or Classes but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof, and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Note Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders and (ii) subject to the more detailed provisions of the Trust Deed and the Deed of Charge, as applicable, have regard to the interests of holders of each Class of Notes (except where expressly provided otherwise) but requiring the Note Trustee where there is a conflict of interests between one or more Classes of Notes and/or the Residual Certificates in any such case to have regard (except as expressly provided otherwise) to the interests of the holders of the Class or Classes of Notes ranking in priority to the other relevant Classes of Notes.
- (d) Other than in respect of any matter requiring an Extraordinary Resolution, Noteholders are required to vote by way of an Ordinary Resolution.

- (e) **"Ordinary Resolution"** means,
  - (i) in respect of the holders of any Class of Notes:
    - (A) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed and these Conditions by a clear majority of the Eligible Persons voting thereat on a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll;
    - (B) a resolution in writing signed by or on behalf of the Noteholders of not less than a clear majority in aggregate Principal Amount Outstanding of the relevant Class of Notes, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders of the relevant Class; or
    - (C) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Noteholders of not less than a clear majority in aggregate Principal Amount Outstanding of the relevant Class of Notes.
- (f) **"Extraordinary Resolution"** means:
  - (i) in respect of the holders of any Class of Notes:
    - (A) a resolution passed at a meeting of Noteholders duly convened and held in accordance with the Trust Deed and these Conditions by a majority consisting of not less than three-quarters of the Eligible Persons voting at such meeting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three quarters of the votes cast on such poll;
    - (B) a resolution in writing signed by or on behalf of the Noteholders of not less than three quarters in aggregate Principal Amount Outstanding of the relevant Class of Notes (as applicable) which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders of the relevant Class; or
    - (C) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Noteholders of not less than three quarters in aggregate Principal Amount Outstanding of the relevant Class of Notes.
- (g) **"Eligible Person"** means, in respect of the Notes, any one of the following persons who shall be entitled to attend and vote at a meeting:
  - (i) a bearer of any Voting Certificate; and
  - (ii) a proxy specified in any Block Voting Instruction.
- (h) **"Voting Certificate"** means an English language certificate issued in respect of the Notes by a Paying Agent in which it is stated:
  - (i) that on the date thereof the Notes (not being the Notes in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate) are blocked in an account with a clearing system and that no such Notes will cease to be so blocked until the first to occur of:

- (A) the conclusion of the meeting specified in such Voting Certificate; and
  - (B) the surrender of the Voting Certificate to the Paying Agent who issued the same; and
- (ii) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes represented by such Voting Certificate.
- (i) **"Block Voting Instruction"** means an English language document issued in respect of Notes by a Paying Agent in which:
  - (i) it is certified that on the date thereof Notes (not being Notes in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction) are blocked in an account with a clearing system and that no such Notes will cease to be so blocked until the first to occur of:
    - (A) the conclusion of the meeting specified in such Block Voting Instruction; and
    - (B) the Notes ceasing with the agreement of the Paying Agent to be so blocked and the giving of notice by the Paying Agent to the Issuer of the necessary amendment to the Block Voting Instruction;
  - (ii) it is certified that each holder of such Notes has instructed such Paying Agent that the vote(s) attributable to the Notes so blocked should be cast in a particular way in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period commencing 48 hours prior to the time for which such meeting is convened and ending at the conclusion or adjournment thereof, neither revocable nor capable of amendment;
  - (iii) the aggregate principal amount or aggregate total amount of the Rated so blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
  - (iv) one or more persons named in such Block Voting Instruction (each hereinafter called a **"proxy"**) is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in Condition 13.9(i)(iii) as set out in such Block Voting Instruction, provided that no such person shall be named as a proxy:
    - (A) whose appointment has been revoked and in relation to whom the relevant Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such meeting; and
    - (B) who was originally appointed to vote at a meeting which has been adjourned for want of a quorum and who has not been re-appointed to vote at the meeting when it is resumed.
- (j) Details of any Extraordinary Resolution and any Ordinary Resolution passed in accordance with the provisions of the Trust Deed shall be notified to each of the Rating Agencies by the Issuer.

### **13.10 Issuer Substitution Condition**

The Note Trustee and Security Trustee may agree, subject to such amendment of these Conditions and of any of the Transaction Documents, and to such other conditions as the Note Trustee and Security Trustee may require and subject to the terms of the Trust Deed, but without the consent of the Noteholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Residual Certificates and in respect of the other Secured Obligations, provided that the conditions set out in the Trust Deed are satisfied including, *inter alia*, that the Notes are unconditionally and irrevocably guaranteed by the Issuer (unless all of the assets of the Issuer are transferred to such body corporate) and that such body corporate is a single purpose vehicle and undertakes itself to be bound by provisions corresponding to those set out in Condition 5 (*Covenants*) (the "**Issuer Substitution Condition**"). In the case of a substitution pursuant to this Condition 13.10, the Note Trustee may in its absolute discretion agree (and may direct the Security Trustee to agree), without the consent of the Noteholders, to a change in law governing the Notes and/or any of the Transaction Documents unless such change would, in the opinion of the Note Trustee, be materially prejudicial to the interests of the Noteholders.

## **14 Indemnification and Exoneration of the Note Trustee and the Security Trustee**

The Trust Deed and the Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee respectively and providing for their indemnification in certain circumstances, including provisions relieving them from taking any steps, actions or proceedings or, in the case of the Security Trustee, enforcing the Security, unless indemnified and/or prefunded and/or secured to their satisfaction.

The Trust Deed and the Deed of Charge also contain provisions pursuant to which the Note Trustee and the Security Trustee are entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Transaction Documents, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, individual Noteholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

## **15 Replacement of Notes**

If any Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Registrar subject to all applicable laws and stock exchange requirements. Replacement of any mutilated, defaced, lost, stolen or destroyed Note will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Note must be surrendered before a new one will be issued.

## **16 Notice to Noteholders**

### **16.1 Publication of Notice**

- (a) Subject to Condition 16.1(d), any notice to Noteholders shall be validly given if published in the *Financial Times* or, if such newspaper shall cease to be published or if timely publication therein is not practicable, in such other English newspaper or newspapers as the Note Trustee shall approve in advance having a general circulation in the United Kingdom, provided that if, at any time, (i) the Issuer procures that the information concerned in such notice shall appear on a page

of the Reuters screen, the Bloomberg screen or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and notified to Noteholders (in each case a "**Relevant Screen**"), or (ii) Condition 16.1(c) applies and the Issuer has so elected, publication in the newspaper set out above or such other newspaper or newspapers shall not be required with respect to such notice. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which (or on the Relevant Screen on which) publication is required.

- (b) In respect of Notes in definitive form, notices to Noteholders will be sent to them by first class post (or its equivalent) or (if posted to an address outside the United Kingdom) by airmail at the respective addresses on the Register. Any such notice will be deemed to have been given on the fourth day after the date of posting.
- (c) While the Notes are represented by Global Notes, notices to holders of the Notes will be valid if published as described above or, at the option of the Issuer, if submitted to Euroclear and/or Clearstream, Luxembourg for communication by them to Noteholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg, as aforesaid shall be deemed to have been given on the day of such delivery.
- (d) So long as the relevant Notes are admitted to trading on, and listed on the official list of, Euronext Dublin all notices to the Noteholders will be valid if published in a manner which complies with the rules and regulations of Euronext Dublin (which includes delivering a copy of such notice to Euronext Dublin) and any such notice will be deemed to have been given on the date sent to Euronext Dublin.

## **16.2 Note Trustee's Discretion to Select Alternative Method**

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

## **17 Subordination by Deferral**

### **17.1 Interest**

If, on any Interest Payment Date, the Issuer has insufficient funds to make payment in full of all amounts of interest (which shall, for the purposes of this Condition 17, include any interest previously deferred under this Condition 17.1 and, subject to Condition 17.2, accrued interest thereon) payable in respect of the Notes, other than (i) the Class A Notes or (ii) if the Most Senior Class of Notes are not the Class A Notes, the Most Senior Class of Notes (except that (A) the Issuer shall be entitled to defer to the next Interest Payment Date any Deferred Interest which has accrued in respect of a Class of Notes which is not the Class A Notes prior to such Class of Notes becoming the Most Senior Class of Notes and (B) where the Class X Notes are the Most Senior Class of Notes interest deferral shall always apply) ("**Deferred Interest Exempt Notes**"), after having paid or provided for items of higher priority in the Pre-Enforcement Revenue Priority of Payments, then the Issuer shall be entitled to defer to the next Interest Payment Date the payment of interest (such interest, the "**Deferred Interest**") in respect of the Notes other than the Deferred Interest Exempt Notes to the extent only of any insufficiency of funds.

## 17.2 General

Any amounts of Deferred Interest in respect of a Class of Notes shall accrue interest ("**Additional Interest**") at the same rate and on the same basis as scheduled interest in respect of the corresponding Class of Notes, but shall not be capitalised. Such Deferred Interest and Additional Interest shall, in any event, become payable on the next Interest Payment Date (unless and to the extent that Condition 17.1 (*Interest*) applies) or on such earlier date as the relevant Class of Notes become due and payable in full in accordance with these Conditions **provided that** where the Most Senior Class of Notes is not the Class A Notes the Issuer shall be entitled to defer any Additional Interest to the next Interest Payment Date.

## 17.3 Notification

As soon as practicable after becoming aware that any part of a payment of interest on a Class of Notes will be deferred or that a payment previously deferred will be made in accordance with this Condition 17, the Issuer will give notice thereof to the holders of the relevant Class of Notes, as appropriate, in accordance with Condition 16 (*Notice to Noteholders*). Any deferral of interest in accordance with this Condition 17 will not constitute a Potential Event of Default or an Event of Default. The provisions of this Condition 17 shall cease to apply on the Final Maturity Date, or any earlier date on which the Notes are redeemed in full or, are required to be redeemed in full, at which time all deferred interest and accrued interest thereon shall become due and payable.

## 18 Non-Responsive Rating Agency

- 18.1 In respect of the exercise of any power, duty, trust, authority or discretion as contemplated hereunder or in relation to the Notes and any of the Transaction Documents, the Note Trustee and the Security Trustee shall be entitled but not obliged to take into account any written confirmation or affirmation (in any form acceptable to the Note Trustee and the Security Trustee) from the relevant Rating Agencies that the then current ratings of the Notes will not be reduced, qualified, adversely affected or withdrawn thereby (a "**Rating Agency Confirmation**").
- 18.2 If a Rating Agency Confirmation or other response by a Rating Agency is a condition to any action or step under any Transaction Document and a written request for such Rating Agency Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and the Security Trustee, as applicable) and:
- (a) (A) one Rating Agency (such Rating Agency, a "**Non-Responsive Rating Agency**") indicates that it does not consider such Rating Agency Confirmation or response necessary in the circumstances or that it does not, as a matter of practice or policy, provide such Rating Agency Confirmation or response or (B) within 30 calendar days of delivery of such request, no Rating Agency Confirmation or response is received and/or such request elicits no statement by such Rating Agency that such Rating Agency Confirmation or response could not be given; and
  - (b) one Rating Agency gives such Rating Agency Confirmation or response based on the same facts,
- then such condition to receive a Rating Agency Confirmation or response from each Rating Agency shall be modified so that there shall be no requirement for the Rating Agency Confirmation or response from the Non-Responsive Rating Agency if the Issuer provides to the Note Trustee and the Security Trustee a certificate signed by two directors certifying and confirming that each of the events in Condition 18.2(a)(A) or 18.2(a)(B) and 18.2(b) has occurred. If no such Rating Agency Confirmation is forthcoming and two directors of the Issuer have certified the same in writing to the Note Trustee and the Security Trustee (an "**Issuer Certificate**"), the Note Trustee and Security Trustee shall be entitled

(but not obliged) to assume from a written certificate of the Servicer to the Note Trustee and the Security Trustee (a "**Servicer Certificate**") that such proposed action:

- (i) (while any of the Notes remain outstanding) has been notified to the Rating Agencies;
- (ii) would not adversely impact on the Issuer's ability to make payment when due in respect of the Notes;
- (iii) would not affect the legality, validity and enforceability of any of the Transaction Documents or any Security; and
- (iv) (while any of the Notes remain outstanding) the then current rating of the Notes would not be reduced, qualified, adversely affected or withdrawn,

upon which confirmation from the Rating Agencies, Issuer Certificate and/or Servicer Certificate, the Note Trustee and the Security Trustee shall be entitled to rely absolutely without liability to any person for so doing. In being entitled to take into account any such confirmation from the Rating Agencies, it is agreed and acknowledged by the Note Trustee and the Security Trustee that this does not impose or extend any actual or contingent liability for each of the Rating Agencies to the Security Trustee, the Note Trustee, the Noteholders or any other person or create any legal relations between each of the Rating Agencies and the Security Trustee, the Note Trustee, the Noteholders or any other person whether by way of contract or otherwise.

## **19 Jurisdiction and Governing Law**

- 19.1 The Courts of England (the "**Courts**") are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes and the Transaction Documents (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the Notes or the Transaction Documents or the consequences of their nullity) and accordingly any legal action or proceedings arising out of or in connection with the Notes and/or the Transaction Documents may be brought in such Courts.
- 19.2 The Transaction Documents, the Notes and these Conditions (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law except that, to the extent that the provisions of the Mortgage Sale Agreement, the Deed of Charge and any documents supplemental thereto relate to the Scottish Mortgage Loans, such provisions and documents shall be construed in accordance with and (in certain cases) governed by Scots law.

## **20 Rights of Third Parties**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes or these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## Terms and Conditions of the Residual Certificates

The following are the terms and conditions of the Residual Certificates in the form (subject to amendment) in which they will be set out in the Trust Deed (as defined below)

### 1 General

The 1000 residual certificates (the "**Residual Certificates**") of Exmoor Funding 2025-1 PLC (the "**Issuer**") are constituted by a trust deed (the "**Trust Deed**") dated on or about [●] 2025 (the "**Closing Date**") and made between, among others, the Issuer and Citicorp Trustee Company Limited as trustee for the registered holders for the time being of the Residual Certificates (the "**Certificateholders**") (in such capacity, the "**Note Trustee**").

Any reference in these residual certificates terms and conditions (the "**Residual Certificates Conditions**") to a "**Class**" of Notes or of Noteholders shall be a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, or the Class X Notes, as the case may be, or to the respective holders thereof. The security for the Residual Certificates is constituted by and pursuant to a deed of charge and assignment (the "**Deed of Charge**") dated on the Closing Date and made between, among others, the Issuer and Citicorp Trustee Company Limited as trustee for the Secured Creditors (in such capacity, the "**Security Trustee**").

Pursuant to an agency agreement (the "**Agency Agreement**") dated on or prior to the Closing Date and made between the Issuer, the Note Trustee, the Security Trustee, Citibank, N.A., London Branch as principal paying agent (in such capacity, the "**Principal Paying Agent**" and, together with any further or other paying agent appointed under the Agency Agreement, the "**Paying Agents**"), Citibank, N.A., London Branch as registrar (in such capacity, the "**Registrar**") and Citibank, N.A., London Branch as agent bank (in such capacity, the "**Agent Bank**"), provision is made for, *inter alia*, the payment of amounts in respect of the Residual Certificates.

The statements in these Residual Certificates Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and a master definitions and construction schedule (the "**Master Definitions and Construction Schedule**") dated the Closing Date and the other Transaction Documents (as defined therein).

Physical copies of the Trust Deed, the Deed of Charge, the Agency Agreement, the Master Definitions and Construction Schedule and the other Transaction Documents are available for inspection by appointment during normal business hours at the specified office for the time being of each of the Paying Agents or at the relevant Paying Agent's option, such inspection may be provided electronically. The Certificateholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of all the provisions of the other Transaction Documents applicable to them.

The Trust Deed and the Deed of Charge contain provisions requiring the Note Trustee and the Security Trustee, respectively, not to have regard to the interests of the Certificateholders equally with the rights of the Noteholders as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee and the Security Trustee (except where expressly provided otherwise) and instead requiring the Note Trustee and the Security Trustee in any such case to have regard (except as expressly provided otherwise) to the interests of the Noteholders for so long as there is any Class of Notes outstanding.

### 2 Interpretation

#### 2.1 Definitions

Capitalised terms not otherwise defined in these Residual Certificates Conditions shall bear the meanings given to them in the Master Definitions and Construction Schedule available as described above.



## 2.2 Interpretation

These Residual Certificates Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions and Construction Schedule.

## 3 Form and Title

### 3.1 Form and Denomination

Each Residual Certificate is represented by a global certificate in registered form (a "**Global Certificate**").

For so long as any of the Residual Certificates are represented by a Global Certificate, transfers and exchanges of beneficial interests in such Global Certificate and entitlement to payments thereunder will be effected subject to and in accordance with the rules and procedures from time to time of Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), as appropriate. The Global Certificates have been deposited with and registered in the name of a nominee of a common depository for Euroclear and Clearstream, Luxembourg.

A Global Certificate will be exchanged for the relevant Certificate in definitive registered form (such exchanged Global Certificate in definitive registered form, the "**Definitive Certificates**") only if either of the following applies:

- (a) both Euroclear and Clearstream, Luxembourg:
  - (i) are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise); or
  - (ii) announce an intention permanently to cease business or to cease to make their book-entry systems available for settlement of beneficial interests in the Global Certificate and do in fact do either of those things,and in either case no alternative clearing system satisfactory to the Note Trustee is available; or
- (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration by a revenue authority or a court or in the application of such laws or regulations which becomes effective on or after the Original Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Residual Certificates which would not be required were the relevant Residual Certificates in definitive registered form.

If Definitive Certificates are issued in respect of Residual Certificates originally represented by a Global Certificate, the beneficial interests represented by such Global Certificate shall be exchanged by the Issuer for the relevant Residual Certificates in registered definitive form.

Definitive Certificates will be serially numbered and will be issued in registered form only.

References to "**Residual Certificates**" in these Residual Certificates Conditions shall include the Global Certificate and the Definitive Certificates.

### 3.2 Title

Title to the Global Certificates shall pass by and upon registration in the register (the "**Register**") which the Issuer shall procure to be kept by the Registrar. The registered holder of a Global Certificate may (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for

all purposes (including the making of any payments), as the absolute owner of such Global Certificate regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

Title to Definitive Certificates shall only pass by and upon registration of the transfer in the Register.

Definitive Certificates may be transferred upon the surrender of the relevant Definitive Certificate, with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. All transfers of Definitive Certificates are subject to any restrictions on transfer set out on the Definitive Certificates and the detailed regulations concerning transfers in the Agency Agreement.

Each new Definitive Certificate to be issued upon transfer of such Definitive Certificate will, within five Business Days of receipt and surrender of such Definitive Certificate (duly completed and executed) for transfer, be available for delivery at the specified office of the Registrar or be mailed at the risk of the transferee entitled to such Definitive Certificate to such address as may be specified in the relevant form of transfer.

Registration of a Definitive Certificate on transfer will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any Tax, stamp duty or other similar government charges or Taxes which may be imposed in relation to it.

## **4 Status and Security**

### **4.1 Status of the Residual Certificates**

These Residual Certificates constitute direct, secured and (subject to the limited recourse provision in Residual Certificates Condition 11.3 (*Limited Recourse*)) unconditional obligations of the Issuer, and represent the Issuer's obligation to pay deferred consideration for its purchase of the Portfolio, consisting of the Residual Payments. The Residual Certificates rank *pro rata* and *pari passu* without preference or priority among themselves in relation to the Residual Payments. Residual Payments will be made subject to and in accordance with the Pre-Enforcement Revenue Priority of Payments and the Post-Enforcement Priority of Payments.

The Trust Deed and the Deed of Charge contain provisions requiring the Note Trustee and the Security Trustee, respectively, to have regard to the interests of the Certificateholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee and the Security Trustee (except where expressly provided otherwise) but requiring the Note Trustee and the Security Trustee in any such case to have regard (except as expressly provided otherwise) to the interests of the Noteholders for so long as there is any Class of Notes outstanding.

### **4.2 Security**

The security constituted by or pursuant to the Deed of Charge is granted to the Security Trustee for it to hold on trust for the Certificateholders and the other Secured Creditors, upon and subject to the terms and conditions of the Deed of Charge.

The Certificateholders and the other Secured Creditors will share in the benefit of the security constituted by or pursuant to the Deed of Charge, upon and subject to the terms and conditions of the Deed of Charge.

## 5 Issuer Covenants

Save with the prior written consent of the Note Trustee or unless otherwise permitted under any of these Residual Certificates Conditions or any of the Transaction Documents, the Issuer shall not, so long as any Residual Certificate remains outstanding:

- (a) **Negative pledge:** create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertaking;
- (b) **Restrictions on activities:** (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage or (ii) have any subsidiaries, any subsidiary undertaking (as defined in the Companies Act 1985 and the Companies Act 2006 (as applicable)) or any employees (but shall procure that, at all times, it shall retain at least one independent director) or premises;
- (c) **Disposal of assets:** assign, transfer, sell, lend, lease, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of, its assets or undertakings or any interest, estate, right, title or benefit therein or attempt or purport to do any of the foregoing;
- (d) **Equitable and Beneficial Interest:** permit any person, other than itself and the Security Trustee, to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (e) **Dividends or distributions:** pay any dividend or make any other distribution to its shareholders except out of amounts of profit retained by the Issuer in accordance with the applicable Priority of Payments which are available for distribution in accordance with the Issuer's memorandum and articles of association and with applicable laws or issue any further shares;
- (f) **Deed Poll:** following the exercise of any right by the Option Holder under the Deed Poll to purchase the Portfolio in accordance with the terms of the Deed Poll, the Issuer shall not seek to enter into an arrangement with any other third party to sell the Portfolio and/or participate in any arrangement which frustrates the rights of the Option Holder to complete any such acquisition of the Portfolio.
- (g) **Risk Retention Regulatory Change Deed Poll:** following the exercise of any right by the Risk Retention Regulatory Change Option Holder under the Risk Retention Regulatory Change Deed Poll to purchase the Portfolio in accordance with the terms of the Risk Retention Regulatory Change Deed Poll, the Issuer shall not seek to enter into an arrangement with any other third party to sell the Portfolio and/or participate in any arrangement which frustrates the rights of the Retention Holder to complete any such acquisition of the Portfolio.
- (h) **Indebtedness:** incur any financial indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any other obligation of any person;
- (i) **Merger:** consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;
- (j) **No modification or waiver:** permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied, modified, terminated, postponed, waived or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;

- (k) **Bank accounts:** have an interest in any bank account other than the Issuer Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;
- (l) **Purchase Residual Certificates:** purchase or otherwise acquire any Residual Certificates; or
- (m) **U.S. activities:** engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

## 6 Residual Payments

### 6.1 Right to Residual Payments

Each Residual Certificate represents a *pro rata* entitlement to receive Residual Payments by way of deferred consideration for the purchase by the Issuer of the Portfolio.

### 6.2 Payment

A Residual Payment received by the Issuer during the prior Collection Period may be payable in respect of the Residual Certificates on each Interest Payment Date, other than an Interest Payment Date falling within a Determination Period (in accordance with the Pre-Enforcement Priority of Payments), and each date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments.

- (a) **"Determination Period"** has the meaning set out in Condition 6.8 (*Determinations and Reconciliation*).
- (b) **"Interest Payment Date"** means each date determined as an Interest Payment Date in accordance with the Conditions of the Notes.
- (c) **"Residual Payment"** means payment, by way of deferred consideration for the Issuer's purchase of the Portfolio, of an amount equal to:
  - (i) prior to the delivery of an Enforcement Notice, in respect of each Interest Payment Date, the sum of the amount (if any) by which Available Revenue Receipts exceeds the amounts required to satisfy items (a) to (w) of the Pre-Enforcement Revenue Priority of Payments on that Interest Payment Date; and
  - (ii) following the delivery of an Enforcement Notice, in respect of each date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, the amount by which amounts available for payment in accordance with the Post-Enforcement Priority of Payments exceeds the amounts required to satisfy items (a) to (m) of the Post-Enforcement Priority of Payments on that date.
- (d) **"Residual Payment Amount"** means, for a Residual Certificate on any date on which amounts are to be applied in accordance with the applicable Priority of Payments, the Residual Payment for that date, divided by the number of Residual Certificates then in issue.

### 6.3 Determination of Residual Payment and Residual Payment Amount

The Cash Administrator shall on each Calculation Date determine the Residual Payment payable on the immediately following Interest Payment Date and the Residual Payment Amount payable in respect of each Residual Certificate on such Interest Payment Date.

#### **6.4 Publication of Residual Payment and Residual Payment Amount**

The Cash Administrator shall cause the Residual Payment and Residual Payment Amount (if any) for each Interest Payment Date to be notified to the Issuer, the Cash Administrator, the Note Trustee, the Registrar and the Paying Agents (as applicable) and to be published in accordance with Residual Certificates Condition 14 (*Notice to Certificateholders*) as soon as possible after their determination and in no event later than two Business Days prior to the immediately succeeding Interest Payment Date.

#### **6.5 Notifications to be Final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Residual Certificates Condition 6 by the Cash Administrator will (in the absence of manifest error) be binding on the Issuer, the Cash Administrator, the Note Trustee, the Registrar, the Paying Agents and all Certificateholders and (in the absence of fraud) no liability to the Issuer or the Certificateholders shall attach to the Cash Administrator in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Residual Certificates Condition 6.

#### **6.6 Termination of Payments**

- (a) Following the redemption in full of the Notes, the realisation of the Charged Assets and payment of the proceeds of realisation in accordance with the applicable Priority of Payments, no more Residual Payment Amount will be paid by the Issuer and the Residual Certificates shall be cancelled.
- (b) Following the exercise of the Call Option, the application of the Optional Purchase Price as Available Revenue Receipts and payment of the Optional Purchase Collections to the Beneficial Title Transferee(s) pursuant to the Deed Poll, no more Residual Payment Amounts will be paid by the Issuer and the Residual Certificates shall be cancelled.
- (c) Following the exercise of the Risk Retention Regulatory Change Option, the application of the Risk Retention Regulatory Change Optional Purchase Price as Available Revenue Receipts and payment of the Risk Retention Regulatory Change Portfolio Purchase Collections to the Beneficial Title Transferee(s) pursuant to the Risk Retention Regulatory Change Deed Poll, no more Residual Payment Amounts will be paid by the Issuer and the Residual Certificates shall be cancelled.

### **7 Payments**

#### **7.1 Payment of Residual Payment Amounts**

Payments in respect of the Residual Certificates shall be made by transfer to the account specified by the Certificateholders to the Registrar in accordance with the terms of the Agency Agreement.

#### **7.2 Laws and Regulations**

Payments of any Residual Payment Amounts are subject, in all cases, to (i) any fiscal or other laws and regulations applicable thereto and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto. Certificateholders will not be charged commissions or expenses on payments.

### 7.3 Change of Paying Agents

The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent or the Registrar and to appoint additional or other agents, provided that there will at all times be a person appointed to perform the obligations of the Principal Paying Agent with a specified office in London, and a person appointed to perform the obligations of the Registrar with a specified office in Ireland or in London.

Except where otherwise provided in the Trust Deed or the Agency Agreement, the Issuer will cause notice of no more than 30 calendar days and no less than 15 calendar days of any change in or addition to the Paying Agents or the Registrar or their specified offices to be given to the Certificateholders in accordance with Residual Certificates Condition 14 (*Notice to Certificateholders*) and will notify the Rating Agencies of such change or addition.

### 7.4 No Payment on non-Business Day

If the date for payment of any amount in respect of a Residual Certificate is not a Presentation Date, Certificateholders shall not be entitled to payment until the next following Presentation Date and shall not be entitled to interest or other payment in respect of such delay. In this Residual Certificates Condition 7.4, the expression "**Presentation Date**" means a day which is (a) a Business Day and (b) a day on which banks are generally open for business in the relevant place.

## 8 Taxation

All payments of Residual Payment Amounts by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, all present and future taxes, levies, imports, duties, fees, deductions, withholding or charges of any nature whatsoever and wheresoever imposed, including income tax, corporation tax, value added tax or other tax in respect of added value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with any penalties, fines or interest thereon ("**Taxes**"), unless the withholding or deduction of the Taxes is required by applicable law. In that event, the Issuer or, as the case may be, the Paying Agent shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor any Paying Agent nor any other person shall be obliged to make any additional payments to Certificateholders in respect of such withholding or deduction.

## 9 Prescription

Claims in respect of Residual Payment Amounts will be prescribed after ten years from the Relevant Date in respect of the relevant payment.

In this Residual Certificates Condition 9, the "**Relevant Date**", in respect of a payment, is the date on which such payment first becomes due or (if the full amount of the monies payable on that date has not been duly received by the Principal Paying Agent or the Note Trustee on or prior to such date) the date on which, the full amount of such monies having been received, notice to that effect is duly given to the relevant Certificateholders in accordance with Residual Certificates Condition 14 (*Notice to Certificateholders*).

## 10 Events of Default

### 10.1 Residual Certificates

The Note Trustee at its absolute discretion may, and, provided all of the Notes have been redeemed in full, if so directed in writing by the holders of at least 25 per cent. of the number of Residual Certificates

then in issue or if so directed by an Extraordinary Resolution of the Certificateholders shall (subject to being indemnified and/or prefunded and/or secured to its satisfaction), give a notice (an "**Enforcement Notice**") to the Issuer (with a copy to the Cash Administrator, the Security Trustee, the Servicer, the Seller, the Swap Provider and the Issuer Account Bank) that any Residual Payments pursuant to the Residual Certificates are immediately due and payable, if any of the following events (each, an "**Event of Default**") occur:

- (a) if default is made in the payment of any amount due in respect of the Residual Certificates and the default continues for a period of 14 Business Days from the due date for payment (provided that all of the Notes have been redeemed in full); or
- (b) if the Issuer fails to perform or observe any of its other obligations under these Residual Certificates Conditions or any Transaction Document to which it is a party and the failure continues for a period of 30 calendar days (or such longer period as the Note Trustee may permit) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied (except in any case where the Note Trustee considers the failure to be incapable of remedy, in which case no continuation or notice as is aforementioned will be required); or
- (c) if any order is made by any competent court or any resolution is passed for the winding up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the Certificateholders; or
- (d) if (i) the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the Certificateholders, or (ii) the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account its contingent and prospective liabilities) or (iii) the Issuer is deemed unable to pay its debts pursuant to or for the purposes of any applicable law or is adjudicated or found bankrupt or insolvent; or
- (e) if proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to the whole or any part of the undertaking or assets of the Issuer, and in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the Issuer, is not discharged or within 30 calendar days; or
- (f) if the Issuer (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or takes steps with a view to obtaining a moratorium in respect of any of its indebtedness or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors).

## **10.2 General**

Upon the service of an Enforcement Notice by the Note Trustee in accordance with Residual Certificates Condition 10.1 (*Residual Certificates*), any Residual Payment Amounts pursuant to the Residual Certificates shall thereby immediately become due and payable.

# **11 Enforcement**

## **11.1 General**

Each of the Note Trustee and the Security Trustee may, at any time, at its discretion and without notice, take such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Residual Certificates or the Trust Deed (including these Residual Certificates Conditions) or (in the case of the Security Trustee) the Deed of Charge or (in either case) any of the other Transaction Documents to which it is a party and, at any time after the service of an Enforcement Notice, the Security Trustee may, at its discretion and without notice, take such proceedings, actions or steps as it may think fit to enforce the Security, but neither of them shall be bound to take any such proceedings, action or steps unless, and only if no Classes of Notes remain outstanding at that time:

- (a) it shall have been so directed by an Extraordinary Resolution of the holders of the Certificateholders or directed in writing by the holders of at least 25 per cent. of the number of Residual Certificates then in issue; and
- (b) in all cases, it shall have been indemnified and/or prefunded and/or secured to its satisfaction.

## **11.2 Limitations on Enforcement**

No Certificateholder shall be entitled to proceed directly against the Issuer or any other party to any of the Transaction Documents to enforce the performance of any of these Residual Certificates Conditions or any of the provisions of the Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer unless the Note Trustee or, as the case may be, the Security Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, provided that no Certificateholder shall be entitled to take any steps or proceedings to procure the winding up, administration or liquidation of the Issuer.

## **11.3 Limited Recourse**

Notwithstanding any other Residual Certificates Condition or any provision of any Transaction Document, all obligations of the Issuer to the Certificateholders are limited in recourse to the property, assets and undertakings of the Issuer the subject of any security created under and pursuant to the Deed of Charge (the "**Charged Assets**"). If:

- (a) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and
- (c) there are insufficient amounts available from the Charged Assets to pay, in accordance with the provisions of the Deed of Charge, any further amounts under the Residual Certificates (including payments of Residual Payment Amounts),



then the Certificateholders shall have no further claim against the Issuer in respect of any further amounts due or to be paid in respect of the Residual Certificates (including, for the avoidance of doubt, payments of Residual Payment Amounts in respect of the Residual Certificates) and the Issuer shall be deemed to be discharged from making any further payments in respect of the Residual Certificates and any further payment rights shall be extinguished.

## **12 Meetings of Certificateholders, Modification, Waiver and Substitution**

12.1 The Trust Deed contains provisions for convening meetings of the Noteholders of each Class and, in certain cases, more than one Class and the Certificateholders, to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Residual Certificates Conditions, the Conditions or the provisions of any of the Transaction Documents. The Trust Deed provides that at least 21 days' and a maximum of 365 days' notice (exclusive of the day on which the notice is given and of the day of the meeting) of a proposed meeting shall be given to Certificateholders. The notice shall, amongst other things, specify the day, time and place of the meeting, with such place to be a venue in the United Kingdom.

12.2 For the purposes of these Residual Certificates Conditions, "**Most Senior Class of Notes**" means:

- (a) the Class A Notes; or
- (b) if there are no Class A Notes then outstanding, the Class B Notes; or
- (c) if there are no Class A Notes or Class B Notes then outstanding, the Class C Notes; or
- (d) if there are no Class A Notes, Class B Notes or Class C Notes then outstanding, the Class D Notes; or
- (e) if there are no Class A Notes, Class B Notes, Class C Notes or Class D Notes then outstanding, the Class E Notes; or
- (f) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes then outstanding, the Class F Notes
- (g) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class F Notes then outstanding, the Class X Notes.

### **12.3 Most Senior Class of Notes and Limitations on other Noteholders and Certificateholders**

- (a) Other than in relation to a Basic Terms Modification, which additionally requires an Extraordinary Resolution of the holders of the relevant affected Class or Classes of Notes and/or Residual Certificates then in issue, as applicable:
  - (i) subject to Residual Certificates Conditions 12.3(a)(ii) and 12.3(a)(iii), an Extraordinary Resolution passed at any meeting of the holders of the Most Senior Class of Notes shall be binding on all other Classes of Noteholders and the Certificateholders irrespective of the effect it has upon them;
  - (ii) subject to Residual Certificates Condition 12.3(a)(iii), an Extraordinary Resolution passed at any meeting of a relevant Class of Noteholders shall be binding on (A) all other Classes of Noteholders ranking junior to such Class of Noteholders in the Post-Enforcement Priority of Payments in each case and (B) the Certificateholders, irrespective of the effect it has upon them;

- (iii) no Extraordinary Resolution of any Class of Noteholders or the Certificateholders shall take effect for any purpose while any of the Most Senior Class of Notes remains outstanding (or in the case of the Residual Certificates, any of the Notes remain outstanding) unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class of Notes or, in the case of an Extraordinary Resolution of the Certificateholders, all Notes then outstanding or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes or, in the case of an Extraordinary Resolution of the Certificateholders, the holders of all Notes then outstanding; and
- (iv) no Ordinary Resolution that is passed by the holders of any Class of Noteholders or the Certificateholders shall take effect for any purpose while any of the Most Senior Class of Notes remains outstanding or (in the case of the Residual Certificates, any of the Notes remain outstanding) unless it shall have been sanctioned by an Ordinary Resolution of the holders of the Most Senior Class of Notes or, in the case of an Ordinary Resolution of the Certificateholders, the holders of all Notes then outstanding, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes or, in the case of an Ordinary Resolution of the Certificateholders, the holders of all Notes then outstanding;

**provided that**, in respect of any Extraordinary Resolution of a Class or Classes of Noteholders and/or Residual Certificates relating to any variation, novation, amendment, supplement, modification or waiver of any of the Transaction Documents, the Terms and Conditions of the Notes or the Residual Certificates Conditions that would adversely affect the Swap Provider in respect of any of the following: (i) the amount, timing or priority of any payments or deliveries due to be made by or to the Swap Provider under the Terms and Conditions of the Notes, the Residual Certificates Conditions or any Transaction Document; (ii) the Issuer's ability to make payments or deliveries to the Swap Provider or any Priority of Payments in relation to the Swap Provider under the Transaction Documents; (iii) the Swap Provider's rights in relation to any security (howsoever described, and including as a result of changing the nature or the scope of, or releasing such security) granted by the Issuer in favour of the Security Trustee on behalf of the Secured Creditors; (iv) the Swap Provider's status as a Secured Creditor; (v) Condition 8 (*Redemption*) or any additional redemption rights in respect of the Notes; (vi) the first proviso to Clause 24.1 (*Modification to the Transaction Documents*) of the Trust Deed or the first proviso to Condition 13.5 (*Modification to the Transaction Documents*); (vii) any requirement under the Transaction Documents to obtain the Swap Provider's prior consent; (viii) the operation of the Swap Collateral Accounts (including but not limited to the effectiveness of the segregation and the application of amounts and securities to and from the Swap Collateral Accounts) pursuant to the Cash Administration Agreement; (ix) the amount the Swap Provider would have to pay or would receive to replace itself under the terms of the Swap Agreement, in the reasonable opinion of the Swap Provider, in connection with such replacement, as compared to what the Swap Provider would have been required to pay or would have received had such modification, amendment, supplement or waiver not been made; (x) the undertakings of the Issuer as set out in the Trust Deed and the Master Definitions and Construction Schedule or Condition 5 (*Covenants*) related to a refinancing of the Notes or the sale, transfer or disposal of the assets of the Issuer in circumstances not expressly permitted or provided for in the Transaction Documents as at the Closing Date, either (x) the prior written consent of the Swap Provider (such consent not to be unreasonably withheld or delayed) or (y) written notification from the Issuer to the Note Trustee. the Security Trustee and the Swap Provider that the Swap Provider's consent is not needed as the

modifications do not have any of the effects described in (i) to (x) above, is also required prior to such variation, novation, amendment, supplement, modification or waiver being made.

- (b) Other than in relation to Basic Terms Modifications and subject as provided in Residual Certificates Conditions 12.3(a) and 12.4 (*Quorum*), a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of:
  - (i) (A) any Class of Notes of one class only or (B) the Residual Certificates shall be deemed to have been duly passed if passed at a meeting (or by a resolution in writing or, in respect of the Notes only, by a resolution passed by way of electronic consents received through the relevant Clearing System(s)) of the holders of (x) that Class of Notes so affected or (y) the Residual Certificates;
  - (ii) any two or more Classes of Notes, but does not give rise to an actual or potential conflict of interest between the holders of such Classes of Notes, shall be deemed to have been duly passed if passed at a single meeting (or by a single resolution in writing or, in respect of the Notes, by a single resolution passed by way of electronic consents received through the relevant Clearing System(s)) of the holders of each such Class of Notes; and
  - (iii) one or more Classes of Notes and/or the Residual Certificates, but does not give rise to an actual or potential conflict of interest between the holders of such Classes of Notes and/or the Residual Certificates, shall be deemed to have been duly passed if passed at a single meeting (or by a single resolution in writing or, in respect of the Notes only, by a single resolution passed by way of electronic consents received through the relevant Clearing System(s)) of the holders of such Classes of Notes so affected and/or the Residual Certificates. Where such a resolution gives, or may give rise to an actual or potential conflict of interest between the holders of such Classes of Notes and/or the Residual Certificates, it shall be deemed to have been duly passed only if passed at separate meetings (or by separate resolutions in writing or, in respect of the Notes only, by separate resolutions passed by way of electronic consents received through the relevant Clearing System(s)) of the holders of each such Class of Notes so affected and/or Residual Certificates.
- (c) No Extraordinary Resolution of the holders of a Class or Classes of Notes and/or the Residual Certificates which would have the effect of sanctioning a Basic Terms Modification in respect of any Class of Notes or Residual Certificates shall take effect unless it has been sanctioned by an Extraordinary Resolution of the holders of each affected Class of Notes then outstanding and/or the holders of the Residual Certificates then in issue which are affected by such Basic Terms Modification.
- (d) No Ordinary Resolution that is passed by the holders of the Residual Certificates shall take effect for any purpose while any of the Notes remain outstanding unless it shall have been sanctioned by an Ordinary Resolution of the holders of the Most Senior Class of Notes and all other Classes of Notes then outstanding, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes or any other Classes of Notes then outstanding.

#### **12.4 Quorum**

- (a) Subject as provided below, the quorum at any meeting of Certificateholders for passing an Ordinary Resolution will be one or more persons holding or representing not less than 25 per cent. of the number of Residual Certificates then in issue.

- (b) Subject as provided below, the quorum at any meeting of Certificateholders for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the number of Residual Certificates then in issue.
- (c) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any meeting of any holders of any Residual Certificates passing an Extraordinary Resolution to (i) sanction a modification of the date of maturity of the Notes, (ii) sanction a modification of the date of payment of principal or interest in respect of the Notes, or where applicable, of the method of calculating the date of payment of principal or interest in respect of the Notes or of the method of calculating the date of payment in respect of the Residual Certificates (other than pursuant to Condition 12.6(a)(vi) (*Additional Right of Modification*) or Swap Rate Modification), (iii) sanction a modification of the amount of principal or the rate of interest payable in respect of the Notes (other than pursuant to Condition 12.6(a)(vi) (*Additional Right of Modification*) or Swap Rate Modification), or where applicable, of the method of calculating the amount payable of any principal or interest in respect of the Notes (other than pursuant to Condition 12.6(a)(vi) (*Additional Right of Modification*) or Swap Rate Modification) or of the method of calculating the amounts payable in respect of the Residual Certificates, (iv) alter the currency in which payments under any Class of Notes or the Residual Certificates are to be made, (v) alter the quorum or majority required in relation to this exception, (vi) sanction any scheme or proposal for the sale, conversion or cancellation of any Class of Notes or the Residual Certificates, (vii) (viii) any changes to the terms of the Deed Poll or any provisions concerning the exercise of the Call Option thereunder, including Condition 8.3 (*Optional Redemption of the Notes in Full*), (viii) any changes to the terms of the Risk Retention Regulatory Change Deed Poll or any provisions concerning the exercise of the Risk Retention Regulatory Change Option thereunder, including Condition 8.3(c) (*Optional Redemption of the Notes in Full*), (ix) any change to the definition of Basic Terms Modification, or (x) alter any of the provisions contained in this exception (each a "**Basic Terms Modification**"), shall be one or more persons holding or representing in aggregate not less than (A) three-quarters of the aggregate Principal Amount Outstanding of such Class of Notes then outstanding or (B) three-quarters of the Residual Certificates then in issue. Any Extraordinary Resolution in respect of a Basic Terms Modification shall only be effective if duly passed at separate meetings (or by separate resolutions in writing or, in respect of the Notes, by separate resolutions passed by way of electronic consents received through the relevant Clearing System(s)) of each relevant affected Class of Noteholders and (if affected) by a meeting of the Certificateholders.
- (d) Subject as provided below, the quorum at any adjourned meeting of Certificateholders for passing an Ordinary Resolution will be one or more persons holding or representing not less than 10 per cent. of the number of Residual Certificates then in issue.
- (e) Subject as provided below, the quorum at any adjourned meeting of Certificateholders for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 25 per cent. of the number of Residual Certificates then in issue.
- (f) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any adjourned meeting of any holders of any Residual Certificates passing an Extraordinary Resolution to sanction a Basic Terms Modification, shall be one or more persons holding or representing in aggregate not less than 50 per cent. of the number of Residual Certificates then in issue. Any Extraordinary Resolution in respect of a Basic Terms Modification shall only be effective if duly passed at separate meetings (or by separate resolutions in writing or, in respect of the Notes, by separate resolutions in writing or by separate resolutions passed by way of electronic consents

received through the relevant Clearing System(s)) of each relevant affected Class of Noteholders and (if affected) by a meeting of the Certificateholders.

- (g) The terms of the Trust Deed and the Deed of Charge provide for the Noteholders to give directions in writing to the Note Trustee and the Security Trustee upon which the Note Trustee or, as the case may be, the Security Trustee is bound to act.

## 12.5 Modification to the Transaction Documents

The Note Trustee or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee) may at any time and from time to time, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) but without the consent or sanction of the Noteholders, the Certificateholders or any other Secured Creditors agree with the Issuer and any other parties in making or sanctioning any modification:

- (a) other than in respect of a Basic Terms Modification, to the Conditions, these Residual Certificates Conditions, the Trust Deed or any other Transaction Document, which in the opinion of the Note Trustee (acting in accordance with the Trust Deed) will not be materially prejudicial to the interests of the Noteholders (or, if there are no Notes then outstanding, the interests of the Certificateholders), for the avoidance of doubt, any modification of the Collection Account Declaration of Trust which does not affect the manner in which the Issuer's Trust Share (as defined in the Collection Account Declaration of Trust) is calculated will not be materially prejudicial to the interests of the Noteholders (or, if there are no Notes then outstanding, the interests of the Certificateholders); or
- (b) to the Conditions, these Residual Certificates Conditions, the Trust Deed or any other Transaction Document if in the opinion of the Note Trustee (acting in accordance with the Trust Deed) such modification is of a formal, minor or technical nature or to correct a manifest error,

**provided that**, in respect of any variation, novation, amendment, supplement, modification or waiver of any of the Transaction Documents, the Terms and Conditions of the Notes or the Residual Certificates Conditions that the Issuer determines would adversely affect: (i) the amount, timing or priority of any payments or deliveries due to be made by or to the Swap Provider under the Terms and Conditions of the Notes, the Residual Certificates Conditions or any Transaction Document; (ii) the Issuer's ability to make payments or deliveries to the Swap Provider or any Priority of Payments in relation to the Swap Provider under the Transaction Documents; (iii) the Swap Provider's rights in relation to any security (howsoever described, and including as a result of changing the nature or the scope of, or releasing such security) granted by the Issuer in favour of the Security Trustee on behalf of the Secured Creditors; (iv) the Swap Provider's status as a Secured Creditor; (v) Condition 8 (*Redemption*) or any additional redemption rights in respect of the Notes; (vi) the first proviso to Clause 24.1 (*Modification to the Transaction Documents*) of the Trust Deed or the first proviso to Condition 13.5 (*Modification to the Transaction Documents*); (vii) any requirement under the Transaction Documents to obtain the Swap Provider's prior consent; (viii) the operation of the Swap Collateral Accounts (including but not limited to the effectiveness of the segregation and the application of amounts and securities to and from the Swap Collateral Accounts) pursuant to the Cash Administration Agreement; (ix) the amount the Swap Provider would have to pay or would receive to replace itself under the terms of the Swap Agreement, in the reasonable opinion of the Swap Provider, in connection with such replacement, as compared to what the Swap Provider would have been required to pay or would have received had such modification, amendment, supplement or waiver not been made; (x) the undertakings of the Issuer as set out in the Trust Deed and the Master Definitions and Construction Schedule or Condition 5 (*Covenants*) related to

a refinancing of the Notes or the sale, transfer or disposal of the assets of the Issuer in circumstances not expressly permitted or provided for in the Transaction Documents as at the Closing Date, either (x) the prior written consent of the Swap Provider (such consent not to be unreasonably withheld or delayed) or (y) written notification from the Issuer to the Note Trustee, the Security Trustee and the Swap Provider that the Swap Provider's consent is not needed as the modifications do not have any of the effects described in (i) to (x) above, is also required prior to such variation, novation, amendment, supplement, modification or waiver being made.

## 12.6 Additional Right of Modification

- (a) Notwithstanding the provisions of Residual Certificates Condition 12.5 (*Modification to the Transaction Documents*), the Note Trustee or, as the case may be, the Security Trustee (acting on the direction of the Note Trustee), shall be obliged, without any consent or sanction of the Noteholders, the Certificateholders or any other Secured Creditor, subject to written consent of the Secured Creditors which are a party to the relevant Transaction Documents (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document), to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to these Residual Certificates Conditions, the Conditions, the Trust Deed or any other Transaction Document to which it is a party or in relation to which it holds security or to enter into any new, supplemental or additional documents that the Issuer (in each case) considers necessary:
  - (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 applicable from time to time, provided that:
    - (A) the Issuer (or the Servicer on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and
    - (B) in the case of any modification to a Transaction Document proposed by any of the Issuer or the Seller (for the purpose of this Residual Certificates Condition 12.6 only, each a "**Relevant Party**"), in order (x) for the Servicer, the Swap Provider, the Servicer, the Agent Bank, the Principal Paying Agent or the Issuer Account to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds)):
      - (I) the Relevant Party certifies in writing to the Issuer (where applicable), the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in sub-paragraphs (B)(x) and/or (B)(y) above; and
      - (II) either:
        - (aa) the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) obtains from each of the Rating Agencies, a Rating Agency Confirmation 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 Class of the Notes on rating watch negative (or equivalent) and delivers a copy of each such confirmation to the Issuer (in the case of the Relevant Party or the Servicer), the Note Trustee and the Security Trustee; or

- (bb) the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated within 30 calendar days that such modification would 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 Class of the Notes on rating watch negative (or equivalent) and, if requested by the Note Trustee or the Security Trustee, procures that an Issuer Certificate and/or a Servicer Certificate are provided to the Note Trustee and the Security Trustee in accordance with Condition 18 (*Non-Responsive Rating Agency*); and

- (III) the Relevant Party pays all costs and expenses (including legal fees) incurred by the Issuer, the Note Trustee and the Security Trustee in connection with such modification;

- (ii) for the purpose of complying with any changes in the requirements of, and/or enabling the Issuer and/or the Seller to comply with any obligation in respect of, the UK Securitisation Framework or the EU Securitisation Regulation (including but not limited to (i) risk retention, transparency and/or investor due diligence requirements and/or (ii) the UK STS Requirements and the treatment of the Notes as a simple, transparent and standardised securitisation and/or (iii) such other requirement which the Issuer and/or the Seller has in its discretion elected to comply with under the EU Securitisation Regulation) after the Closing Date, together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements in relation thereto, in each case as amended, varied or substituted from time to time after the Closing Date **provided that** the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (iii) for the purpose of enabling the Notes to be (or to remain) listed on Euronext Dublin, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (iv) for the purposes of enabling the Issuer or any of the other Parties to the Transaction Documents to comply with FATCA, provided that the Issuer or the relevant Party, as applicable, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (v) for the purpose of complying with any changes in the requirements of the EU CRA Regulation and/or the UK CRA Regulation after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation

and/or the EU CRA Regulation and the Commission Delegated Regulation 2015/3 (including, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators), as amended from time to time (the "**CRA Requirements**"), or any other obligation which applies under the CRA Requirements and/or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect; or

- (vi) for the purpose of changing the base rate that then applies in respect of the Swap Agreement to an alternative base rate as is necessary or advisable in the commercially reasonable judgment of the Issuer (or the Servicer on its behalf) and the Swap Provider solely as a consequence of a Base Rate Modification and solely for the purpose of aligning the base rate of the Swap Agreement to the base rate of the Notes following such Base Rate Modification and making any associated amendment (a "**Swap Rate Modification**"), provided that the Servicer, on behalf of the Issuer, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and it has been drafted solely to such effect (such certificate being a "**Swap Rate Modification Certificate**");
- (vii) for the purposes of enabling the Issuer and/or the Swap Provider to comply with any requirements which apply to it under European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation as amended ("**EU EMIR**") and/or EU EMIR as it forms part of domestic law of the UK by virtue of the EUWA ("**UK EMIR**"), irrespective of whether such modifications are materially prejudicial to the interests of the holders of any Class of Notes or Residual Certificates or any other Secured Creditor (any such modification, an "**EMIR Amendment**") and subject to receipt by the Note Trustee and the Security Trustee of a Modification Certificate of (A) the Issuer signed by two directors or (B) the Servicer on behalf of the Issuer, certifying to the Note Trustee and the Security Trustee that the amendments (which may be requested by the Issuer) are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under EU EMIR and/or UK EMIR as amended,
- (viii) in order to enable the Issuer to effect the appointment of (A) the Replacement Servicer selected by the Replacement Servicer Facilitator (or in each case any affiliate or related entity to the replacement Servicer) or (B) another third party substitute servicer, as applicable, to act as Servicer of the Mortgage Loans, provided that the conditions to the appointment of a substitute or successor servicer set out in the Servicing Deed are satisfied;
- (ix) in order to facilitate the appointment of a replacement Cash Administrator appointed by the Issuer in accordance with the terms of the Cash Administration Agreement, subject to receipt by the Note Trustee of a certificate issued by the Issuer certifying to the Note Trustee the requested amendments are to be made solely for the purpose of facilitating the appointment of a replacement Cash Administrator appointed by the Issuer in accordance with the terms of the Cash Administration Agreement and have been drafted solely to that effect;
- (x) in order to enable the Issuer to enter into a back-up servicing agreement with a back-up servicer (the "**Proposed Back-Up Servicing Agreement**"); and making any modification (other than in respect of a Notes Basic Terms Modification or a Certificates Basic Terms



Modification) to the Notes Conditions, the Certificates 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 (or the Servicer on its behalf) considers necessary in order to facilitate the entry into a Proposed Back-Up Servicing Agreement, provided that the Issuer (or the Servicer on its behalf) certifies in writing to the Note Trustee and the Security Trustee that the requested amendments are to be made solely for the purpose of facilitating the entry into the Proposed Back-Up Servicing Agreement and have been drafted solely to that effect,

(the certificate to be provided by the Issuer, the Servicer (on behalf of the Issuer) and/or the Relevant Party and/or Party, as the case may be, pursuant to Residual Certificates Conditions 12.6(a)(i) to 12.6(a)(v) and 12.6(a)(vii) above being a "**Modification Certificate**"),

**provided that** (in the case of each of Conditions 12.6(a)(i) to 12.6(a)(v) and 12.6(a)(viii) to 12.6(a)(x) above):

- (I) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Note Trustee and the Security Trustee;
- (II) the Modification Certificate or Swap Rate Modification Certificate in relation to such modification shall be provided to the Note Trustee and the Security Trustee both at the time the Note Trustee and the Security Trustee is notified of the proposed modification and on the date that such modification takes effect; and
- (III) the consent of each Secured Creditor which is a party to the relevant Transaction Document has been obtained,

and **provided further** that:

- (a) other than in the case of a modification pursuant to Residual Certificates Condition 12.6(a)(i)(B), either:
  - (a) the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) obtains from each of the Rating Agencies a Rating Agency Confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any Class of the Notes on rating watch negative (or equivalent) and delivers a copy of each such confirmation to the Issuer (in the case of the Relevant Party or the Servicer), the Note Trustee and the Security Trustee; or
- (b) the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) certifies in the Modification Certificate or Swap Rate Modification Certificate that it has informed the Rating Agencies of the proposed modification and none of the Rating Agencies has indicated within 30 calendar days that such modification would 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 Class of the Notes on rating watch negative (or equivalent) and, if requested by the Note Trustee or the Security Trustee, procures that an Issuer Certificate and/or a Servicer Certificate are provided to the Note Trustee and the Security Trustee in accordance with Condition 18 (*Non-Responsive Rating Agency*); and
- (c) the Issuer certifies in writing to the Note Trustee and the Security Trustee that (X) the Issuer has provided at least 30 calendar days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 16 (*Notice to Noteholders*) and, in the case of the

Notes, 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 then outstanding have not contacted the Issuer and the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which any Notes may be held) within such notification period notifying the Issuer and the Note Trustee that such Noteholders do not consent to the modification.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have notified the Issuer and the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which any Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding is passed in favour of such modification in accordance with Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

Objections made in writing other than, in respect of the Notes, through the applicable clearing system must be accompanied by evidence to the Issuer's and the Note Trustee's satisfaction of the relevant Noteholder's holding of the Notes.

- (d) Other than where specifically provided in this Residual Certificates Condition 12.6 or any Transaction Document:
  - (i) when implementing any modification pursuant to this Residual Certificates Condition 12.6 (save to the extent the Note Trustee considers that the proposed modification would constitute a Basic Terms Modification), neither the Note Trustee nor the Security Trustee shall consider the interests of the Certificateholders, any other Secured Creditor or any other person but may act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or any of the Servicer (as the case may be), the Cash Administrator or the Relevant Party or Party, as the case may be, pursuant to this Residual Certificates Condition 12.6 and shall not be liable to the Noteholders, or the Certificateholders or any other Secured Creditor for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and
  - (ii) neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification which, in the 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 or duties, or decreasing the rights or protection, of the Note Trustee and/or the Security Trustee in the Transaction Documents, the Conditions and/or these Residual Certificates Conditions.
- (e) Any such modification shall be binding on all Certificateholders and shall 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 Certificateholders in accordance with Residual Certificates Condition 14 (*Notice to Certificateholders*).

## **12.7 Authorisation or Waiver of Breach**

The Note Trustee and/or the Security Trustee (acting on the direction of the Note Trustee), as applicable, may, without the consent or sanction of the Noteholders, the Certificateholders or the other Secured Creditors and without prejudice to its rights in respect of any further or other breach, from time to time and at any time, on such terms and conditions (if any) as shall seem expedient to it, determine that a Potential Event of Default or an Event of Default shall not, or shall not subject to any specified conditions, be treated as such or authorise or waive any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to the Conditions, these Residual Certificates Conditions or any of the Transaction Documents by any party thereto but only if in the Note Trustee's sole opinion the interests of the holders of the Most Senior Class of Notes or, if there are no Notes then outstanding, the Certificateholders will not be materially prejudiced thereby. The Note Trustee shall not exercise any powers conferred on it by this Residual Certificates Condition 12.7 in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class of Notes or by a direction under Residual Certificates Condition 10 (*Events of Default*) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made.

## **12.8 Notification of modifications, waivers, authorisations or determinations**

Any such modification, waiver, authorisation or determination by the Note Trustee and/or the Security Trustee, as applicable, in accordance with the Conditions, these Residual Certificates Conditions or the Transaction Documents shall be binding on the Certificateholders and the Secured Creditors shall be notified by the Issuer to the Certificateholders in accordance with Residual Certificates Condition 14 (*Notice to Certificateholders*), the Rating Agencies (while any Notes remain outstanding) and the Secured Creditors as soon as practicable thereafter.

- (a) In connection with any such substitution of principal debtor referred to in Condition 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*), the Note Trustee and the Security Trustee (acting on the direction of the Note Trustee) may also agree, without the consent of the Certificateholders or the other Secured Creditors, to a change of the laws governing the Residual Certificates, these Residual Certificates Conditions and/or any of the Transaction Documents, provided that such change would not, in the opinion of the Note Trustee materially prejudicial to the interests of the Certificateholders.
- (b) Where, in connection with the exercise or performance by each of them of any right, power, trust, authority, duty or discretion under or in relation to these Residual Certificates Conditions or any of the Transaction Documents (including in relation to any modification, waiver, authorisation, determination, substitution or change of laws as referred to above), the Note Trustee is required to have regard to the interests of the Certificateholders, it shall have regard to the general interests of the Certificateholders but shall not have regard to any interests arising from circumstances particular to individual Certificateholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof, and the Note Trustee shall not be entitled to require, nor shall any Certificateholders be entitled to claim from the Issuer, the Note Trustee or any other person, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Certificateholders.

- (c) Other than in respect of any matter requiring an Extraordinary Resolution, Certificateholders are required to vote by way of an Ordinary Resolution.
- (d) **"Ordinary Resolution"** means, in respect of the holders of the Residual Certificates:
  - (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed and these Residual Certificates Conditions by a clear majority of the Certificateholders voting thereat on a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll; or
  - (ii) a resolution in writing signed by or on behalf of the Certificateholders of not less than a clear majority in number of the Residual Certificates then in issue which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Certificateholders.
- (e) **"Extraordinary Resolution"** means, in respect of the holders of the Residual Certificates:
  - (i) a resolution passed at a meeting of Certificateholders duly convened and held in accordance with the Trust Deed and these Residual Certificates Conditions by a majority consisting of not less than three-quarters of the Certificateholders voting at such meeting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three quarters of the votes cast on such poll; or
  - (ii) a resolution in writing signed by or on behalf of the Certificateholders of not less than three quarters in number of the Residual Certificates then in issue which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Certificateholders.
- (f) Details of any Extraordinary Resolution and any Ordinary Resolution passed in accordance with the provisions of the Trust Deed shall be notified to each of the Rating Agencies by the Issuer.

## 12.9 Issuer Substitution Condition

The Note Trustee and Security Trustee may agree, subject to such amendment of these Residual Certificates Conditions and of any of the Transaction Documents, and to such other conditions as the Note Trustee and Security Trustee may require and subject to the terms of the Trust Deed, but without the consent of the Certificateholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Residual Certificates and in respect of the other Secured Obligations, provided that the conditions set out in the Trust Deed are satisfied including, *inter alia*, that the Residual Certificates are unconditionally and irrevocably guaranteed by the Issuer (unless all of the assets of the Issuer are transferred to such body corporate) and that such body corporate is a single purpose vehicle and undertakes itself to be bound by provisions corresponding to those set out in Residual Certificates Condition 5 (*Issuer Covenants*) (the **"Issuer Substitution Condition"**). In the case of a substitution pursuant to this Residual Certificates Condition 12.9, the Note Trustee may in its absolute discretion agree (and may direct the Security Trustee to agree), without the consent of the Certificateholders, to a change in law governing the Residual Certificates and/or any of the Transaction Documents unless such change would, in the opinion of the Note Trustee, be materially prejudicial to the interests of the Certificateholders.

## 13 Indemnification and Exoneration of the Note Trustee and the Security Trustee

The Trust Deed and the Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee respectively and providing for their indemnification

in certain circumstances, including provisions relieving them from taking steps, proceedings or actions or, in the case of the Security Trustee, enforcing the Security, unless indemnified and/or prefunded and/or secured to their satisfaction.

The Trust Deed and the Deed of Charge also contain provisions pursuant to which the Note Trustee and the Security Trustee are entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Transaction Documents, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, individual Certificateholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

## **14 Notice to Certificateholders**

### **14.1 Publication of Notice**

Any notice to a Certificateholder shall be validly given if sent to the email address of such Certificateholder as notified in writing to the Issuer from time to time and shall be deemed effective and delivered on the date received.

### **14.2 Note Trustee's Discretion to Select Alternative Method**

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

## **15 Jurisdiction and Governing Law**

- 15.1 The Courts of England (the "**Courts**") are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Residual Certificates and the Transaction Documents (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the Residual Certificates or the Transaction Documents or the consequences of their nullity) and accordingly any legal action or proceedings arising out of or in connection with the Residual Certificates and/or the Transaction Documents may be brought in such Courts.
- 15.2 The Transaction Documents, the Residual Certificates and these Residual Certificates Conditions (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law except that, to the extent that the provisions of the Mortgage Sale Agreement, the Deed of Charge and any documents supplemental thereto relate to the Scottish Mortgage Loans, such provisions and documents shall be construed in accordance with and (in certain cases) governed by Scots law.

## **16 Rights of Third Parties**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Residual Certificates or these Residual Certificates Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## Taxation

### UK Taxation

The following two paragraphs apply only to persons who are the beneficial owners of the Notes and are a summary of the Issuer's understanding of current UK law and published HM Revenue & Customs ("**HMRC**") practice (which may not be binding on HMRC) relating only to the UK withholding tax treatment of payments of interest (as that term is understood for UK tax purposes) in respect of the Notes. They do not deal with any other UK taxation implications of acquiring, holding or disposing of the Notes. The UK tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future (possibly with retrospective effect). Prospective Noteholders who may be subject to tax in a jurisdiction other than the UK or who may be unsure as to their tax position should seek professional advice. The Residual Certificates are not considered in the following two paragraphs.

Payments of interest on the Notes may be made without deduction of or withholding for or on account of UK income tax provided that the Notes carry a right to interest and the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of Section 1005 of the Income Tax Act 2007. Euronext Dublin is a recognised stock exchange for such purposes. The Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in Member States of the European Economic Area and are admitted to trading on the regulated market of Euronext Dublin. Provided, therefore, that the Notes carry a right to interest and are and remain so listed on a "recognised stock exchange", interest on the Notes will be payable without withholding of or deduction on account of UK income tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a UK source on account of UK income tax at the basic rate (currently 20 per cent.), subject to any available exemptions or reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

### Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of 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, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments

are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless any such Note is materially modified after such date (including by reason of a substitution of the Issuer). Prospective Noteholders should consult their own tax advisers regarding how these rules may apply to their 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 as a result of the withholding.

## Subscription and Sale

Citigroup Global Markets Limited, the "**Arranger**" and together with Jefferies International Limited the "**Joint Lead Managers**", and the Seller have, pursuant to a subscription agreement dated on or around [●] 2025 between the Arranger, the Joint Lead Managers, the Seller and the Issuer (the "**Subscription Agreement**"), agreed with the Issuer (subject to certain conditions) to subscribe and pay for:

(a) in the case of the Joint Lead Managers:

- (i) £[●] of the Class A Notes at the issue price of [●] per cent. of the aggregate principal amount of the Class A Notes;
- (ii) £[●] of the Class B Notes at the issue price of [●] per cent. of the aggregate principal amount of the Class B Notes;
- (iii) £[●] of the Class C Notes at the issue price of [●] per cent. of the aggregate principal amount of the Class C Notes; and
- (iv) £[●] of the Class D Notes at the issue price of [●] per cent. of the aggregate principal amount of the Class D Notes;
- (v) £[●] of the Class E Notes at the issue price of [●] per cent. of the aggregate principal amount of the Class E Notes;
- (vi) £[●] of the Class F Notes at the issue price of [●] per cent. of the aggregate principal amount of the Class F Notes; and
- (vii) £[●] of the Class X Notes at the issue price of [●] per cent. of the aggregate principal amount of the Class X Notes;

(b) in the case of the Seller:

- (i) £[●] of the Class A Notes at the issue price of [●] per cent. of the aggregate principal amount of the Class A Notes;
- (ii) £[●] of the Class B Notes at the issue price of [●] per cent. of the aggregate principal amount of the Class B Notes;
- (iii) £[●] of the Class C Notes at the issue price of [●] per cent. of the aggregate principal amount of the Class C Notes; and
- (iv) £[●] of the Class D Notes at the issue price of [●] per cent. of the aggregate principal amount of the Class D Notes;
- (v) £[●] of the Class E Notes at the issue price of [●] per cent. of the aggregate principal amount of the Class E Notes; and
- (vi) £[●] of the Class F Notes at the issue price of [●] per cent. of the aggregate principal amount of the Class F Notes,

respectively as at the Closing Date.

The Issuer has agreed to indemnify the Seller, the Arranger and the Joint Lead Managers, and the Sellers have agreed to indemnify the Arranger and the Joint Lead Managers, against certain liabilities in connection with the issue of the Notes and the Residual Certificates.



Except with the prior written consent of the Seller in the form of a U.S. Risk Retention Consent and as permitted by the exemption provided under Section 20 of the U.S. Risk Retention Rules, the Notes sold on the Closing Date may not be purchased by, or for the account or benefit of Risk Retention U.S. Persons. Prospective investors should note that, although the definition of "**U.S. persons**" in the U.S. Risk Retention Rules is very similar to the definition of "**U.S. person**" in Regulation S, the definitions are not identical and that persons who are not "**U.S. Persons**" under Regulation S may be "**U.S. Persons**" under the U.S. Risk Retention Rules. Each purchaser of Notes, including beneficial interests therein, will, by its acquisition of a Note or beneficial interest therein, be deemed to have made certain representations and agreements, including that it (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained a U.S. Risk Retention Consent from the Seller, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein). Any Risk Retention U.S. Person wishing to purchase Notes must inform the Seller and the Joint Lead Managers that it is a Risk Retention U.S. Person.

This Prospectus does not constitute, and may not be used for the purpose of, an offer or a solicitation by anyone to subscribe for or purchase any of the Notes in or from any country or jurisdiction where such an offer or solicitation is not authorised or is unlawful.

## United States

The Notes have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state or any other relevant jurisdiction of the United States. The Issuer has not been, and will not be, registered under the Investment Company Act. Accordingly, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S) except pursuant to an exemption from registration requirements and in a transaction that would not require the Issuer or the pool of Charged Assets to register as an "investment company" under the Investment Company Act. Accordingly, the Notes are being offered and sold in offshore transactions in reliance on Regulation S. In addition, the Notes cannot be resold in the United States or to "U.S. persons" unless they are subsequently registered or an exemption from registration is available. Terms used in this paragraph have the meanings given to them by Regulation S.

Each of the Joint Lead Managers (in respect of the Notes only), and the Seller (in respect of the Notes to be subscribed by them) has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (a) as part of its distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (the "**Distribution Compliance Period**") within the United States or to, or for the account or benefit of, "U.S. persons", except in accordance with Rule 903 or 904 of Regulation S, and it will have sent to each distributor or dealer or a person receiving a selling concession, fee or other remuneration in respect of the securities sold, to which it sells Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, "U.S. persons". Terms used in this paragraph have the meanings given to them by Regulation S. See the section entitled "*Transfer Restrictions and Investor Representations*".

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an exemption from the registration requirements under the Securities Act.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer, each of the Joint Lead Managers (in respect of the Notes only), and the Seller (in respect of the Notes to be subscribed by them) reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States or to any U.S. person (as defined in Regulation S). Distribution of this Prospectus by any non U.S. person outside the United States to any U.S. person or to any other person within the United States, other than those persons, if any, retained to advise such non U.S. person with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than those persons, if any, retained to advise such non U.S. person, is prohibited.

## United Kingdom

Each of the Joint Lead Managers (in respect of the Notes only), and the Seller (in respect of the Notes to be subscribed by them) has represented to and agreed with the Issuer that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

## Ireland

Each of the Joint Lead Managers (in respect of the Notes only), and the Seller (in respect of the Notes to be subscribed by them) has represented, warranted and undertaken to the Issuer that:

- (a) it will not underwrite the issuance of, or place the Notes, otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended, the "**EU MiFID Regulations**") including, without limitation, Regulation 5 (*Requirement for authorisation (and certain provisions concerning MTFs and OTFs)*) thereof, any codes of conduct made under the EU MiFID Regulations and any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) it will not underwrite the issuance of, or place, the Notes, otherwise than in conformity with the provisions of the Companies Act 2014 (as amended, the "**Companies Act**"), the Central Bank Acts 1942-2018 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);
- (c) it will not underwrite the issuance of, or place, or do anything in Ireland with respect to, the Notes otherwise than in conformity with the provisions of the European Union (Prospectus) Regulations 2019 and any rules issued by the Central Bank of Ireland (the "**Central Bank**") under Section 1363 of the Companies Act; and
- (d) it will not underwrite the issuance of, place or otherwise act in Ireland with respect to, the Notes, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended) and any rules and guidance issued by the Central Bank under Section 1370 of the Companies Act.

### **Prohibition of Sales to EEA Retail Investors**

Each of the Joint Lead Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or
- (b) a customer within the meaning of Directive 2016/97/EU (as amended, the "**EU Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

For these purposes, 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 for the Notes.

### **Prohibition of Sales to UK Retail Investors**

Each of the Joint Lead Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the EUWA; or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA.

For these purposes, 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 for the Notes.

### **General**

Each of the Issuer, the Arranger, the Joint Lead Managers and the Seller has acknowledged that, save for having obtained the approval of this Prospectus as a prospectus in accordance with the EU Prospectus Regulation, applying for the admission of the Notes to the Official List of Euronext Dublin and applying for the admission of the Notes to trading on its regulated market, no action has been taken by the Issuer, the Arranger, the Joint Lead Managers or the Seller that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each of the Issuer, the Arranger and the Joint Lead Managers (in respect of the Notes only), and the Seller (in respect of the Notes to be subscribed by them) has undertaken that it will not, directly or indirectly, offer or sell any Notes or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in respect of the Notes in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms. Notwithstanding the foregoing, none of the

Joint Lead Managers will have any liability to the Issuer or the Seller for compliance by the Issuer or the Seller or any other person with the U.S. Risk Retention Rules.

## Transfer Restrictions and Investor Representations

### Offers and Sales

The Notes (including interests therein represented by a Global Note, a Registered Definitive Note or a Book-Entry Interest) have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, such registration requirements, and in a transaction that would not require the Issuer or the pool of Charged Assets to register as an "investment company" under the Investment Company Act. Accordingly, the Notes are being offered and sold in offshore transactions to persons other than U.S. persons pursuant to Regulation S.

Any offers, sales or deliveries of the Notes in the United States or to U.S. persons by an investor purchasing in an offshore transaction pursuant to Regulation S prior to the date that is 40 days after the later of (i) the commencement of the offering of the Notes and (ii) the Closing Date, may constitute a violation of United States law.

### *Investor Representations and Restrictions on Resale*

Each purchaser of the Notes (which term for the purposes of this section will be deemed to include any interests in the Notes, including Book-Entry Interests) will be deemed to have represented and agreed as follows:

- (a) the Notes have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States and such Notes are being offered only in a transaction that does not require registration under the Securities Act and, if such purchaser decides to resell or otherwise transfer such Notes, then it agrees that it will offer, resell, pledge or transfer such Notes only (i) to a purchaser who is not a U.S. person (as defined in Regulation S) or an affiliate of the Issuer or a person acting on behalf of such an affiliate, and who is not acquiring the Notes for the account or benefit of a U.S. person and who is acquiring the Notes in an offshore transaction pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S, or (ii) pursuant to an effective registration statement under the Securities Act, or an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act in each case in accordance with any applicable state or local securities laws and in a transaction that would not require the Issuer or the pool of Charged Assets to register as an "investment company" under the Investment Company Act of 1940, as amended;
- (b) prior to the Distribution Compliance Period, purchaser shall notify each transferee of Notes (as applicable) from it that (i) such Notes have not been registered under the Securities Act, (ii) the holder of such Notes is subject to the restrictions on the resale or other transfer thereof described in paragraph (a) above, (iii) such transferee shall be deemed to have represented that such transferee is acquiring the Notes in an offshore transaction and that such transfer is made pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S and (iv) such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing; and
- (c) the Issuer, the Registrar, the Arranger, the Joint Lead Managers and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

On the Closing Date, the Notes may only be purchased by persons that (a) are not Risk Retention U.S. Persons or (b) have obtained a U.S. Risk Retention Consent from the Seller. Each purchaser of the Notes (which term for the purposes of this section will be deemed to include any interest in the Notes, including, in respect of the Notes, Book-Entry Interests) during the initial syndication will be deemed to have represented to the Issuer, the

Seller, the Arranger and the Joint Lead Managers and agreed as follows: it (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained a U.S. Risk Retention Consent from the Seller, (2) is acquiring such Note, Residual Certificate or a beneficial interest therein for its own account and not with a view to distribute such Notes or

Residual Certificates and (3) is not acquiring such Note, Residual Certificate or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules).

The Notes bear a legend to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE SECURITIES LAWS OR "**BLUE SKY**" LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) OTHERWISE PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING OF THE OFFERING OF THE NOTES, EXCEPT PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO THE REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS, AND IN A TRANSACTION THAT WOULD NOT REQUIRE THE ISSUER OR THE POOL OF CHARGED ASSETS TO REGISTER AS AN "INVESTMENT COMPANY" UNDER, THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING OF THE OFFERING OF THE NOTES, ANY TRANSFER OF THE NOTES MAY ONLY BE MADE TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PURSUANT TO RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S"). ANY PURPORTED TRANSFER OF THIS NOTE THAT DOES COMPLY WITH THE FOREGOING REQUIREMENTS SHALL BE NULL AND VOID AB INITIO. THE ISSUER HAS NOT BEEN REGISTERED AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

EXCEPT WITH THE PRIOR WRITTEN CONSENT OF THE SELLER (A "**U.S. RISK RETENTION CONSENT**") AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "**U.S. RISK RETENTION RULES**"), THIS NOTE AND BENEFICIAL INTERESTS HEREIN MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "**U.S. PERSON**" AS DEFINED IN THE U.S. RISK RETENTION RULES ("**RISK RETENTION U.S. PERSONS**"). EACH PURCHASER OF THE NOTES OR A BENEFICIAL INTEREST HEREIN ACQUIRED IN THE INITIAL SYNDICATION OF THE NOTES BY ITS ACQUISITION OF THIS NOTE OR A BENEFICIAL INTEREST HEREIN, WILL BE DEEMED TO HAVE MADE, AND IN CERTAIN CIRCUMSTANCES WILL BE REQUIRED TO MAKE, CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) EITHER (i) IS NOT A RISK RETENTION U.S. PERSON OR (ii) IT HAS OBTAINED A U.S. RISK RETENTION CONSENT FROM THE SELLER, (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL

INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTE THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES)

EACH PURCHASER OR HOLDER OF THIS NOTE (OR ANY INTEREST HEREIN) SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED BY SUCH PURCHASE AND/OR HOLDING THAT IT IS NOT AND IS NOT USING THE ASSETS OF, AND SHALL NOT AT ANY TIME HOLD THIS NOTE FOR OR ON BEHALF OF A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, ("**ERISA**") OR SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"). THE TERM "**BENEFIT PLAN INVESTOR**" SHALL MEAN (I) AN "**EMPLOYEE BENEFIT PLAN**" (AS DEFINED IN SECTION 3(3) OF ERISA), WHICH IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (II) A "**PLAN**" AS DEFINED IN SECTION 4975(e)(1) OF THE CODE THAT IS SUBJECT TO SECTION 4975 OF THE CODE, OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY UNDER U.S. DEPARTMENT OF LABOR REGULATIONS at 29 C.F.R. § 2510-101, AS MODIFIED BY SECTION 3(42) OF ERISA.

THE PURCHASER OR ACQUIROR ACKNOWLEDGES THAT THE ISSUER RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

Because of the foregoing restrictions, purchasers of Notes should consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered and sold."

## General Information

- 1 It is expected that the admission of the Notes to the Official List of Euronext Dublin and the admission of the Notes to trading on Euronext Dublin's regulated market will be granted on or around [●] 2025.
- 2 The Issuer's LEI is: 635400YFBIYXOQAEON61.
- 3 For the purposes of the UK Securitisation Framework, the securitisation transaction unique identifier number is [●].
- 4 None of the Issuer or Holdings is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Holdings respectively is aware) since 4 April 2025 (being the date of incorporation of each of the Issuer and Holdings) which may have, or have had in the recent past, significant effects upon the financial position or profitability of the Issuer or Holdings (as the case may be).
- 5 No statutory or non-statutory accounts within the meaning of Sections 434 and 435 of the Companies Act 2006 (as amended) in respect of any financial year of the Issuer have been prepared. The accounting reference date of the Issuer is 31 December and the first statutory accounts of the Issuer will be drawn up to 31 December 2025. So long as the Notes are admitted to trading on Euronext Dublin's regulated market, the most recently published audited annual accounts of the Issuer from time to time shall be available at the specified office of the Principal Paying Agent in London. The Issuer does not publish interim accounts. Since the date of its incorporation the Issuer has not commenced operations and no financial statements have been made up as at the date of this Prospectus.
- 6 For so long as the Notes are admitted to the Official List of Euronext Dublin and to trading on Euronext Dublin's regulated market, the Issuer shall maintain a Paying Agent in the United Kingdom.
- 7 Since the date of its incorporation, the Issuer has not entered into any contracts or arrangements not being in the ordinary course of business.
- 8 Since 4 April 2025 (being the date of incorporation of each of the Issuer and Holdings), there has been (a) no material adverse change in the financial position or prospects of the Issuer or Holdings and (b) no significant change in the financial or trading position of the Issuer or Holdings.
- 9 The issue of the Notes and the Residual Certificates was authorised pursuant to a resolution of the board of directors of the Issuer passed on [●] 2025.
- 10 The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under the following ISINs and Common Codes:

| Class of Notes | ISIN         | Common Code |
|----------------|--------------|-------------|
| Class A Notes  | XS3102512913 | 310251291   |
| Class B Notes  | XS3102513051 | 310251305   |
| Class C Notes  | XS3102514703 | 310251470   |
| Class D Notes  | XS3102514885 | 310251488   |
| Class E Notes  | XS3102514968 | 310251496   |
| Class F Notes  | XS3102515007 | 310251500   |
| Class X Notes  | XS3102515262 | 310251526   |



**11** The Rated Notes have the following CFIs and FISNs:

| <b>Class of Notes</b> | <b>CFI</b> | <b>FISN</b>                               |
|-----------------------|------------|---|
| Class A Notes         | DAVNFR     | EXMOOR<br>FUNDING/VARASST BKD<br>20950122 |
| Class B Notes         | DAVXFR     | EXMOOR<br>FUNDING/VARASST BKD<br>20950122 |
| Class C Notes         | DAVXFR     | EXMOOR<br>FUNDING/VARASST BKD<br>20950122 |
| Class D Notes         | DAVXFR     | EXMOOR<br>FUNDING/VARASST BKD<br>20950122 |
| Class E Notes         | DAVXFR     | EXMOOR<br>FUNDING/VARASST BKD<br>20950122 |
| Class F Notes         | DAVXFR     | EXMOOR<br>FUNDING/VARASST BKD<br>20950122 |
| Class X Notes         | DAVXFR     | EXMOOR<br>FUNDING/VARASST BKD<br>20950122 |

**12** The Residual Certificates have been granted the following ISIN and Common Code in connection with their listing:

| <b>Class of Security</b> | <b>ISIN</b>  | <b>Common Code</b> |
|--------------------------|--------------|--------------------|
| Residual Certificates    | XS3102515858 | 310251585          |

**13** The Residual Certificates have the following CFI and FISN:

| <b>Class of Security</b> | <b>CFI</b> | <b>FISN</b>                           |
|--------------------------|------------|---------------------------------------|
| Residual Certificates    | DAXXFR     | EXMOOR FUNDING/ASST<br>BKD 20950122 S |

**14** The Issuer confirms that the Mortgage Loans backing the issue of the Notes have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes. Investors are advised that this confirmation is based on the information available to the Issuer at the date of this Prospectus and may be affected by the future performance of such assets backing the issue of the Notes. Investors are advised to review carefully any disclosure in this Prospectus together with any amendments or supplements thereto.

- 15** Mathesons is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the regulated market of Euronext Dublin.
- 16** Any website referred to in this document does not form part of this Prospectus.

### **Documents available for inspection**

- 17** From the date of this Prospectus and for so long as the Notes are listed on Euronext Dublin and admitted to trading on its regulated market, electronic copies of the following documents can be inspected at the registered office of the Issuer (and, by appointment with the exception of paragraph (a) below, at the specified office of the Paying Agents, at the relevant Paying Agent's option, such inspection may be provided electronically) during usual business hours, on any weekday (public holidays excepted), and electronic copies of such documents can be inspected in electronic form online at <https://connect.cscgfm.com/issuer/2630699>.
- (a) the memorandum and articles of association of each of the Issuer and Holdings;
  - (b) physical copies of the following documents:
    - (i) the Agency Agreement;
    - (ii) the Deed of Charge;
    - (iii) the Cash Administration Agreement;
    - (iv) the Master Definitions and Construction Schedule;
    - (v) the Mortgage Sale Agreement;
    - (vi) the Corporate Services Agreement;
    - (vii) the Bank Account Agreement;
    - (viii) the Collection Account Declaration of Trust;
    - (ix) the Servicing Deed;
    - (x) the Share Trust Deed
    - (xi) the Trust Deed;
    - (xii) the Swap Agreement;
    - (xiii) each Scottish Declaration of Trust (with the schedule thereto redacted); and
    - (xiv) each Scottish Trust Security.

- 18** From the date of this Prospectus and for so long as the Notes are listed on Euronext Dublin and admitted to trading on its regulated market, copies of the memorandum and articles of association of the Issuer and Holdings (and any amendments thereto from time to time) will be available electronically at the Reporting Websites and may be inspected at the registered office of the Issuer.

### **General investor reporting**

- 19** The Cash Administrator on behalf of the Issuer will prepare and the Servicer shall publish the Quarterly SR Investor Reports in accordance with the Cash Administration Agreement.

- 20 Quarterly SR Investor Reports will be published on the website of EDW at [Securitisation Repository - European DataWarehouse \(eurodw.co.uk/eurodw.eu\)](https://www.securitisation-repository.europa.eu/) on or around the Calculation Date. For the avoidance of doubt, such website and the contents thereof do not form part of this Prospectus.
- 21 The Servicer will publish the BoE Report on a monthly basis detailing, inter alia, certain aggregated loan data in relation to the Portfolio in the form required by the Bank of England for the purpose of the Bank of England's sterling monetary framework. Such reports will be published on the Reporting Websites.

## **Securitisation Regulation Reporting**

### *UK Securitisation Framework Reporting*

- 22 The Reporting Entity has undertaken in the Mortgage Sale Agreement that it will fulfil the requirements of SECN 6 either itself or shall procure that such requirements are fulfilled on its behalf.
- 23 The Reporting Entity will procure that:
- (a) a quarterly investor report is prepared and published as required by and in accordance with SECN 6.2.1R(5) (the "**Quarterly UK SR Investor Report**"); and
  - (b) (simultaneously with the Quarterly UK SR Investor Report) certain loan-by-loan information in relation to the Portfolio in respect of the relevant period is published on a quarterly basis as required by and in accordance with SECN 6.2.1R(1) (the "**Quarterly UK SR Loan Level Report**"); and
  - (c) any information required to be reported pursuant to SECN 6.2.1R(6) and/or SECN 6.2.1R(7) (as applicable) is prepared and published without delay; and
  - (d) data on static and dynamic historical default and loss performance required under SECN 2.2.25R is made available prior to the pricing date of the Notes; and
  - (e) within 15 days of the issuance of the Notes, make available via the Reporting Websites final copies of the Transaction Documents, the UK STS Notification, and this Prospectus.
- 24 The Reporting Entity confirms that it has made available this Prospectus and the Transaction Documents as required by SECN 6.2.1R(3) (in draft form) prior to the pricing date of the Notes and that it will procure that final documents are provided no later than 15 calendar days after the Closing Date.
- 25 The Reporting Entity will procure that the information referred to in paragraphs 23 and 24 above is made available to the Noteholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator and, upon request, to potential investors in the Notes on the website of EDW at [Securitisation Repository - European DataWarehouse \(eurodw.co.uk\)](https://www.securitisation-repository.europa.eu/) (or such other website as may be notified by the Servicer to the Issuer, the Seller, the Note Trustee, each Rating Agency, the Noteholders and the Certificateholders from time to time). The Issuer has procured that on or about the date of this Prospectus a UK STS Notification shall be submitted to the FCA in accordance of the UK Securitisation Framework, confirming that the UK STS Notification will be available on the website of the FCA <https://data.fca.org.uk/#/sts/stssecuritisations>. A draft version of the UK STS notification was made available prior to pricing to potential investors in the Notes by way of the Reporting Websites. For the avoidance of doubt, such websites and the contents thereof do not form part of this Prospectus.
- 26 The Reporting Entity will also procure that the private securitisation notification is made, if applicable, to the FCA, the Bank of England, the PRA and/or the Pensions Regulator.
- 27 The undertakings referred to in paragraphs 22 to 26 above are subject always to any requirement of law, and provided that: (i) the Reporting Entity will not be in breach of such undertaking if the Reporting Entity fails to so comply due to events, actions or circumstances beyond the Reporting Entity's control; and (ii) the Reporting Entity is only required to do so to the extent that the relevant disclosure requirements under SECN 6.

*EU Securitisation Regulation Reporting*

**28** Although the EU Securitisation Regulation is not applicable to it, the Seller has agreed that it will act as if it is the designated entity for the purposes of Article 7(2) of the EU Securitisation Regulation as such regulation is in force as at the Closing Date. The Seller has contractually agreed to procure that:

- (a) a quarterly investor report is prepared and published as required by and in accordance with Article 7(1)(e) of the EU Securitisation Regulation and the EU Article 7 Technical Standards for the purposes of Article 5(1)(e) of the EU Securitisation Regulation not taking into account any relevant national measures, as if such requirement was applicable to it (the "**Quarterly EU SR Investor Report**"); and
- (b) (simultaneously with the Quarterly EU SR Investor Report) certain loan-by-loan information in relation to the Portfolio in respect of the relevant period is published on a quarterly basis as required by and in accordance with Article 7(1)(a) of the EU Securitisation Regulation and the EU Article 7 Technical Standards for the purposes of Article 5(1)(e) of the EU Securitisation Regulation not taking into account any relevant national measures, as if such requirement was applicable to it (the "**Quarterly EU SR Loan Level Report**"); and
- (c) any information required to be reported pursuant to Articles 7(1)(f) and/or 7(1)(g) of the EU Securitisation Regulation and the EU Article 7 Technical Standards is prepared and published without delay (for the purposes of Article 5(1)(e) of the EU Securitisation Regulation) not taking into account any relevant national measures, as if such requirements were applicable to it,

in each case,

- (i) as such articles and/or requirements under the EU Securitisation Regulation and the EU Article 7 Technical Standards described in paragraphs 28(a) to (b) above are interpreted and applied solely on the Closing Date (and, for the avoidance of doubt, neither the Seller nor the Servicer will be under any obligation to comply with any amendments to applicable EU technical standards, guidance or policy statements introduced in relation to paragraphs 28(a) to (b) above after the Closing Date);
- (ii) in the form or template prescribed under the EU Securitisation Regulation and the EU Article 7 Technical Standards as at the Closing Date only or as otherwise adopted by the Seller (in its sole discretion) from time to time;
- (iii) until such time when the Seller is able to certify to the Note Trustee that a competent EU authority has confirmed that the satisfaction of the requirements detailed in paragraphs 23(a) to (c) above relating to the UK Securitisation Framework will also satisfy the requirements of Article 7(2) of the EU Securitisation Regulation due to the application of an equivalency regime or similar analogous concept;
- (iv) subject always to any requirement of law; and
- (v) provided that:
  - (a) neither the Servicer, the Cash Administrator nor the Seller will be in breach of such obligation if it fails to so comply due to events, actions or circumstances beyond its control; and
  - (b) the Servicer, the Cash Administrator and the Seller is only required to comply with such obligation to the extent that the disclosure requirements under Article 7 of the EU Securitisation Regulation and EU Article 7 Technical Standards (in each case, as in force as at the Closing Date) remain in effect.

- 29** The Seller confirms that it has made available this Prospectus and the Transaction Documents (in draft form) in accordance with Article 7(1)(b) of the EU Securitisation Regulation (as if such requirement applied to it) prior to the pricing date of the Notes.
- 30** The Seller will procure that the information referred to in paragraphs 28 above is provided in a manner consistent with the requirements of Article 7(2) of the EU Securitisation Regulation as in force as at the Closing Date only and, for these purposes, the information is made available to the Noteholders, the competent authorities and, upon request, to potential investors in the Notes on the website of EDW at [Securitisation Repository - European DataWarehouse \(eurodw.eu\)](https://www.eurodw.eu) (or such other website as may be notified by the Seller to the Issuer, the Servicer, the Cash Administrator, the Note Trustee, each Rating Agency, the Noteholders and the Certificateholders from time to time, being a website that conforms to the requirements set out in Article 7(2) of the EU Securitisation Regulation as in force as at the Closing Date only)). For the avoidance of doubt, such website and the contents thereof do not form part of this Prospectus
- 31** The undertakings referred to in paragraphs 28 and 30 above are subject always to any requirement of law, and provided that: (i) the Seller will not be in breach of such undertaking if it fails to so comply due to events, actions or circumstances beyond the Seller's control; and (ii) the Seller is only required to do so to the extent that the relevant disclosure requirements under Article 7 of the EU Securitisation Regulation remain in effect.

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