

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS MEETING THE QUALIFICATIONS DESCRIBED IN THE FOLLOWING DOCUMENT (THE "PROSPECTUS").

This Prospectus will be valid until the date of admission of the Notes and the Class VRR Notes to trading on the Regulated Market. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Prospectus is no longer valid.

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

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES, THE CLASS VRR NOTES AND THE CERTIFICATES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION AND THE NOTES, THE CLASS VRR NOTES AND THE CERTIFICATES MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE ACQUISITION AND TRANSFER OF THE NOTES, THE CLASS VRR NOTES AND THE CERTIFICATES ARE SUBJECT TO ANY ADDITIONAL RESTRICTIONS DESCRIBED IN THE PROSPECTUS.

EXCEPT AS SET FORTH IN THE PROSPECTUS, THE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT, OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view this Prospectus, investors in the Notes and/or the Certificates must be (i) a qualified institutional buyer ("**QIB**") (within the meaning of Rule 144A under the Securities Act) ("**Rule 144A**") or (ii) not a U.S. Person ("**Non-U.S. Person**") (as defined in Regulation S under the Securities Act ("**Regulation S**") in compliance with Regulation S. Investors in the Class VRR Notes must be a Non-U.S. Person (as defined in Regulation S under the Securities Act) in compliance with Regulation S. This Prospectus is being sent at your request and by accepting this e-mail and accessing this Prospectus, you will be deemed to have represented to us that you are a QIB, or a Non-U.S. Person and that you consent to delivery of this Prospectus by electronic transmission, see *Subscription and Sale and Transfer Restrictions and Investor Representations*.

You are reminded that this Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Prospectus to any other person.

The Notes of each Class sold in reliance on Rule 144A ("**Rule 144A Notes**") will each be represented on issue by beneficial interests in one or more global notes of such Class (each, a "**Rule 144A Global Note**" and together, the "**Rule 144A Global Notes**"), in each case in fully registered form, which will be deposited on or about the Closing Date with, and registered in the name of, a nominee of a common safekeeper for Euroclear and Clearstream, Luxembourg.

The Notes of each Class sold outside the United States to Non-U.S. Persons in reliance on Regulation S ("**Regulation S Notes**") will each be represented on issue by beneficial interests in one or more global notes of such Class (each, a "**Regulation S Global Note**" and together, the "**Regulation S Global Notes**"), in each case in fully registered form, which will be deposited on or about the Closing Date with, and registered in the name of, a nominee of a common safekeeper for Euroclear and Clearstream, Luxembourg. U.S. Persons may not hold an interest in any Notes sold in reliance on Regulation S.

The Class VRR Notes sold outside the United States to Non-U.S. Persons in reliance on Regulation S ("**Regulation S Class VRR Notes**") will each be represented on issue by beneficial interests in a global note (each, a "**Regulation S Class VRR Global Note**"), in each case in fully registered form, which will be deposited on or about the Closing Date with, and registered in the name of, a nominee of a common safekeeper for Euroclear and Clearstream, Luxembourg. U.S. Persons may not hold an interest in any Class VRR Notes sold in reliance on Regulation S.

The Certificates sold in reliance on Rule 144A ("**Rule 144A Certificates**") will each be represented on issue by beneficial interests in one or more global certificates (each, a "**Rule 144A Global Certificate**" and together, the "**Rule 144A Global Certificates**"), in each case in fully registered form, which will be deposited on or about the Closing Date with, and registered in the name of, a nominee of a common depository for Euroclear and Clearstream, Luxembourg.

The Certificates sold outside the United States to Non-U.S. Persons in reliance on Regulation S ("**Regulation S Certificates**") will each be represented on issue by beneficial interests in one or more global certificates (each, a "**Regulation S Global Certificate**" and together, the "**Regulation S Global Certificates**"), in each case in fully registered form, which will be deposited on or about the Closing Date with, and registered in the name of, a nominee of a common depository for Euroclear and Clearstream, Luxembourg. U.S. Persons may not hold an interest in any Certificates sold in reliance on Regulation S.

Ownership interests in the Regulation S Global Notes, the Regulation S Class VRR Global Note and the Rule 144A Global Notes (together, the "**Global Notes**" and each a "**Global Note**") and the Regulation S Global Certificates and the Rule 144A Global Certificates (the "**Global Certificates**" and each a "**Global Certificate**") will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear Bank S.A./N.V. ("**Euroclear**"), Clearstream Banking *société anonyme* ("**Clearstream, Luxembourg**") and their respective participants. Notes, Class VRR Notes and Certificates in definitive certificated form will be issued only in limited circumstances, and will be registered in the name of the holder (or a nominee thereof). In each case, purchasers and transferees of the Notes, the Certificates and the Class VRR Notes will be deemed and in certain circumstances will be required to have made certain representations and agreements. See *Description of the Global Notes*, *Description of the Global Certificates* and *Transfer Restrictions and Investor Representations* below.

THIS PROSPECTUS HAS BEEN DELIVERED TO YOU ON THE BASIS THAT YOU ARE A PERSON INTO WHOSE POSSESSION THIS PROSPECTUS MAY BE LAWFULLY DELIVERED IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH YOU ARE LOCATED. BY ACCESSING THE PROSPECTUS, YOU SHALL BE DEEMED TO HAVE CONFIRMED AND REPRESENTED TO US THAT (A) YOU HAVE UNDERSTOOD AND AGREE TO THE TERMS SET OUT HEREIN, (B) YOU CONSENT TO DELIVERY OF THE PROSPECTUS BY ELECTRONIC TRANSMISSION, (C) YOU ARE A QIB OR A NON-U.S. PERSON 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.

NEITHER THE NOTES NOR THE CLASS VRR NOTES NOR THE CERTIFICATES ARE INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (EEA). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, MIFID II); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (AS AMENDED, THE INSURANCE DISTRIBUTION DIRECTIVE), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) A PERSON WHO IS NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129 (AS AMENDED, THE PROSPECTUS REGULATION). CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE PRIIPS REGULATION) FOR OFFERING OR SELLING THE NOTES OR THE CLASS VRR NOTES OR THE CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR THE CLASS VRR NOTES OR THE CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – SOLELY FOR THE PURPOSES OF EACH MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES AND THE CLASS VRR NOTES AND THE CERTIFICATES HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE NOTES AND THE CLASS VRR NOTES AND THE CERTIFICATES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES AND THE CLASS VRR NOTES AND THE CERTIFICATES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES OR THE CLASS VRR NOTES OR THE CERTIFICATES (A DISTRIBUTOR) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURERS' TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES AND THE CLASS VRR NOTES AND THE CERTIFICATES (BY EITHER ADOPTING OR REFINING THE MANUFACTURERS' TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

This Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Elvet Mortgages 2019-1 PLC (the "**Issuer**"), Atom Bank Plc, Citigroup Global Markets Limited, nor any person who controls any such person nor any director, officer, employee or agent of any such person or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the prospectus distributed to you in electronic format and the hard copy version available to you on request from Citigroup Global Markets Limited.

Elvet Mortgages 2019-1 PLC

(Incorporated in England and Wales with limited liability, registered number 12166381 and legal entity identifier (LEI) number 213800A4GH6AYH76K328)

| Class Notes | Initial of Principal Amount | Issue Price | Interest Rate | Margin (payable up to and including the Step-Up Date) | Step-Up Margin (payable after Step-Up Date) | the Expected Ratings (Fitch & S&P) | Final Maturity Date |
|---------------------------|-----------------------------|-------------|--|---|---|------------------------------------|--|
| OFFERED SECURITIES | | | | | | | |
| Class A Notes | £390,010,000 | 100.00 % | Compounded Daily SONIA + Margin or Step-up Margin, as applicable | 0.88% per annum | 1.76% per annum | AAA / AAA | The Interest Payment Date falling in November 2061 |
| Class B Notes | £26,383,000 | 99.5375 % | Compounded Daily SONIA + Margin or Step-up Margin, as applicable | 1.50% per annum | 2.50% per annum | AAA / AA | The Interest Payment Date falling in November 2061 |
| Class C Notes | £18,353,000 | 100.00 % | Compounded Daily SONIA + Margin or Step-up Margin, as applicable | 2.00% per annum | 3.00% per annum | A+ / A | The Interest Payment Date falling in November 2061 |
| Class D Notes | £8,029,000 | 100.00 % | Compounded Daily SONIA + Margin or Step-up Margin, as applicable | 2.50% per annum | 3.50% per annum | A- / BBB | The Interest Payment Date falling in November 2061 |
| Class E Notes | £5,735,000 | 100.00 % | Compounded Daily SONIA + Margin or Step-up Margin, as applicable | 3.25% per annum | 4.25% per annum | BBB- / BBB- | The Interest Payment Date falling in November 2061 |
| Class F Notes | £4,588,000 | 100.00 % | Compounded Daily SONIA + Margin or Step-up Margin, as applicable | 4.25% per annum | 5.25% per annum | B- / BB | The Interest Payment Date falling in November 2061 |
| Class Z Notes | £5,736,000 | 65.8496 % | N/A | N/A | N/A | Not Rated | The Interest Payment Date falling in November 2061 |

NON-OFFERED SECURITIES

| | | | | | | | | |
|----------------|-----|-------------|--------------|-----|-----|-----|-----------|---|
| Class Notes | VRR | £24,150,000 | 99.5430 % | N/A | N/A | N/A | Not Rated | The Interest Payment Date falling in November 2061 |
| Certificates | N/A | | 0% | N/A | N/A | N/A | Not Rated | The Interest Payment Date falling in November 2061 |

ARRANGER AND LEAD MANAGER

**CITIGROUP GLOBAL MARKETS
LIMITED**

The date of this Prospectus is 5 December 2019

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|---|---|
| Issue Date | The Issuer will issue the Notes, in the Classes set out above, the Class VRR Notes and the Certificates on or about 5 December 2019 (the " Closing Date "). |
| Standalone/ programme issuance | Standalone issuance. |
| Listing | <p>This document comprises a prospectus (the "Prospectus"), for the purpose of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation"). This Prospectus has been approved by the Central Bank of Ireland (the "Central Bank") as competent authority under the Prospectus Regulation. The Central Bank of Ireland only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the securities that are subject of this Prospectus. Such approval relates to the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class Z Notes (together, the "Notes") and the Class VRR Notes (the "Class VRR Notes") which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU (as amended, "MIFID II") and/or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to The Irish Stock Exchange plc. trading as Euronext Dublin ("Euronext Dublin") for the Notes and the Class VRR Notes to be admitted to the official list (the "Official List") and trading on its regulated market (the "Regulated Market"). Euronext Dublin's Regulated Market is a regulated market for the purposes of MIFID II. The Certificates will not be admitted to the Official List and will not be admitted to trading on the Regulated Market, or any other market.</p> <p>Investors should make their own assessment as to the suitability of investing in the Notes or Certificates.</p> |
| Non-Offered Class VRR Notes and Certificates | The Class VRR Notes and the Certificates are not offered pursuant to this Prospectus. |
| Underlying Assets | <p>The Issuer will make payments on the Notes, the Class VRR Notes and the Certificates from, <i>inter alia</i>, payments of principal and revenue received from a portfolio comprising mortgage loans and their related security originated by Atom Bank Plc ("Atom Bank" and the "Seller") and sold to the Issuer on the Closing Date. The Issuer confirms that the assets backing the issue of the Notes, the Class VRR Notes and the Certificates do not consist of securities and are not part of a re-securitisation.</p> <p>See the sections entitled <i>Transaction Overview – Portfolio and Servicing</i>, <i>The Loans</i> and <i>Characteristics of the Provisional Portfolio</i> for further details.</p> |
| Credit Enhancement | <p>Credit enhancement of the Notes is provided in the following manner:</p> <ul style="list-style-type: none"> • the subordination in payment of the junior ranking Notes; |

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

The Class VRR Notes and the Certificates do not benefit from any credit enhancement.

See the sections entitled *Transaction Overview – Credit Structure and Cashflow* and *Credit Structure* for further details.

Liquidity Support

Liquidity support for the Class A Notes and the Class B Notes is provided in the following manner:

- all amounts recorded to the credit of the Liquidity Reserve Fund Ledger; and
- Available Redemption Receipts applied to make up a Revenue Deficit.

Liquidity support for the Rated Notes is provided by all amounts recorded to the credit of the General Reserve Fund Ledger.

Additionally, liquidity support for the Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes is also provided by Available Redemption Receipts applied to make up any shortfalls in respect of interest amounts under the Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes in each case subject to the relevant PDL Condition.

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

Redemption Provisions

Information on any redemption of the Notes, the Class VRR Notes and the Certificates is summarised in the section of this Prospectus entitled *Transaction Overview – Summary of the Terms and Conditions of the Notes, the Class VRR Notes and the Certificates* and set out in full in Note Condition 8 (*Redemption*) of the terms and conditions of the Notes (the "**Note Conditions**") and Class VRR Note Condition 8 (*Redemption*) of the terms and conditions of the Class VRR Notes (the "**Class VRR Note Conditions**") and Certificate Condition 7 (*Redemption*) of the terms and conditions of the Certificates (the "**Certificate Conditions**"). As to early redemption of the Notes, the Class VRR Notes and the Certificates see the section entitled *Early Redemption of the Notes, Class VRR Notes and Certificates* below.

| | | |
|--|---------------|--|
| Benchmarks Regulation | | Interest payable under the Notes and the Class VRR Notes are calculated by reference to SONIA. As at the date of this Prospectus, the administrator of SONIA is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No 2016/1011 (the " Benchmarks Regulation "). The transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the Bank of England is not currently required to obtain authorisation/registration (or if located outside the European Union, recognition, endorsement or equivalence). |
| Credit Agencies | Rating | Fitch Ratings Ltd. (" Fitch "), and S&P Global Ratings Europe Limited, a division of Standard & Poor's Credit Market Services Europe Limited (" S&P ") (each a " Rating Agency " and together, the " Rating Agencies "). As of the date of this Prospectus, each of the Rating Agencies is a credit rating agency established in the European Union (the " EU ") and is registered under Regulation (EU) No 1060/2009 (as amended) (the " CRA Regulation "). |
| Credit Ratings | | <p>The ratings assigned to the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes (the "Rated Notes") by both the Rating Agencies address, <i>inter alia</i> (a) the likelihood of full and timely payment to the holders of the Class A Notes of all interest payable on each Interest Payment Date and (b) the likelihood of ultimate payment to the Noteholders of principal and interest in relation to the Rated Notes on or prior to the Final Maturity Date.</p> <p>Ratings are expected to be assigned to the Rated Notes on or before the Issue Date. The assignment of a rating to each Class of Rated 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.</p> <p>The Class Z Notes, the Class VRR Notes and the Certificates will not be rated.</p> |
| Obligations | | The Notes, the Class VRR Notes and the Certificates will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity named in the Prospectus. |
| Simple, Transparent and Standardised Securitisation (STS) | | <p>It is intended that the transaction described in this Prospectus (the "Transaction") qualifies as an STS securitization within the meaning of Article 18 of the Securitisation Regulation and a notification will be submitted by Atom Bank prior to the Closing Date to the European Securities and Markets Association ("ESMA"), in accordance with Article 27 of Regulation (EU) 2017/2402 (the "Securitisation Regulation"), that the requirements of Articles 19 to 22 of the Securitisation Regulation have been satisfied with respect to the Notes, the Class VRR Notes and the Certificates (such notification, the "STS Notification"). The STS Notification, once notified to ESMA, will be available for download on the ESMA STS register website. In relation to the STS Notification, Atom Bank has been designated as the first contact point for investors and competent authorities.</p> <p>With respect to an STS Notification, the Seller has used the services of Prime Collateralised Securities (PCS) UK Limited ("PCS") as a verification agent authorised under Article 28 of the Securitisation Regulation in connection</p> |

with an assessment of the compliance of the Notes, the Class VRR Notes and the Certificates with the requirements of Articles 19 to 22 of the Securitisation Regulation (the "**STS Verification**"). It is expected that the STS Verification prepared by PCS will be available on the following website (<https://www.pcsmarket.org/sts-verification-transactions/>) (the "**PCS Website**") together with detailed explanations of its scope at <https://www.pcsmarket.org/disclaimer>. Neither the PCS Website nor the contents thereof form part of this Prospectus. See *Risk Factors - Certain Regulatory Risks in Respect of the Notes, Class VRR Notes and Certificates - Simple, Transparent and Standardised Securitisations*.

The STS status of any series of notes is not static and prospective investors should verify the current status of such notes on ESMA's website.

EU Risk Retention

On the Closing Date, Atom Bank, as an originator for the purposes of the Securitisation Regulation, will undertake (i) to the Lead Manager in the Subscription Agreement, and (ii) to the Issuer and the Security Trustee in the Mortgage Sale Agreement that, for so long as any Notes remain outstanding, it will retain on an ongoing basis, a material net economic interest of not less than 5 per cent. in the nominal value of the securitisation in the form of the Class VRR Notes (the "**Retained Exposures**") in accordance with Article 6(3)(a) of the Securitisation Regulation (which does not take into account any corresponding relevant national measures, and as interpreted and applied on the date hereof). See the section entitled *Certain Regulatory Disclosures - EU Risk Retention Requirements* for further information.

U.S. Risk Retention Requirements

Pursuant to the requirements of Section 15G of the Securities Exchange Act of 1934, as amended, as added by Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act 2010 (the "**Dodd-Frank Act**") and implemented by final rules jointly adopted in October 2014 by the Federal Deposit Insurance Corporation (the "**FDIC**"), the Federal Housing Finance Agency, the Office of the Comptroller of the Currency, the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System and HUD (the "**U.S. Risk Retention Rules**"), a "securitizer" of asset-backed securities is required, unless an exemption exists, to retain at least 5% of the aggregate credit risk of the assets collateralizing a securitization transaction. The securitizer can choose to retain the interest as an "eligible vertical interest" or "eligible horizontal residual interest," or any combination thereof, in each case as further described in the U.S. Risk Retention Rules. The U.S. Risk Retention Rules became effective on December 24, 2015. As of the Closing Date, Atom Bank, as "securitizer" of this transaction, has elected to retain, directly, 100% of the Class VRR Notes which constitute an eligible vertical interest in the form of a "single vertical security" in the required amount of not less than 5% of the aggregate of the Notes and the Certificates (the initial principal amount of which is zero) multiplied by (100/95) (the "**Required Credit Risk**"), thereby satisfying the U.S. Risk Retention Rules.

Under the U.S. Risk Retention Rules, Atom Bank will be required to hold the Required Credit Risk until the later of (i) the fifth anniversary of the Closing Date and (ii) the date on which the aggregate Current Balance of the Loans has been reduced to 25% of the aggregate Current Balance of the Loans as of the Closing Date, but in any event no longer than the seventh anniversary of the Closing Date (the "**Sunset Date**"). However,

notwithstanding this, Atom Bank will be required to maintain its holding of the Class VRR Notes for so long as any Notes remain outstanding in order to comply with the EU Risk Retention Requirements, as to which see *EU Risk Retention Undertaking* above.

See the section entitled *Risk Factors - U.S. Risk Retention Requirements and Certain Regulatory Disclosures – U.S. Risk Retention Requirements*.

The Investment Company Act

The Issuer will be relying on an exclusion or exemption from the definition of "investment company" under the Investment Company Act of 1940, as amended (the "**Investment Company Act**") contained in Section 3(c)(5)(C) of the Investment Company Act, although there may be additional exceptions, exclusions or exemptions available to the Issuer. The Issuer has been structured so as not to constitute a "covered fund" for purposes of Section 619 of the Dodd-Frank Act (the "**Volcker Rule**").

The Issuer has relied on determinations that (i) it may rely on the exemption from registration as an investment company under the Investment Company Act provided by Section (3)(c)(5)(C) thereof and (ii) it does not rely on Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act for its exemption from registration thereunder and, accordingly, the issuer may rely on the exemption from the definition of a covered fund under the Volcker Rule made available to entities that do not rely solely on Section 3(c)(1) or Section 3(c)(7) for their exemption from registration under the Investment Company Act. See the section entitled *Risk Factors – The Issuer Has Not Registered as an Investment Company Pursuant to the Investment Company Act and Certain Regulatory Disclosures – Investment Company Act*.

Significant Investor

Atom Bank will, on the Closing Date, purchase all of the Class VRR Notes and some of the Class A Notes. Atom Bank will, on the Closing Date, receive (but will not purchase) all of the Certificates in partial satisfaction of the consideration due and payable by the Issuer for the Portfolio. Atom Bank will then sell the Certificates to a third party investor. A third party investor will, on the Closing Date, also purchase all of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes.

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

IMPORTANT NOTICE

THE NOTES, THE CLASS VRR NOTES AND THE CERTIFICATES WILL BE OBLIGATIONS OF THE ISSUER ONLY. THE NOTES, THE CLASS VRR NOTES AND THE CERTIFICATES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY PERSON OTHER THAN THE ISSUER. IN PARTICULAR, NEITHER THE NOTES, THE CLASS VRR NOTES NOR THE CERTIFICATES WILL BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY OF THE SELLER, THE SWAP PROVIDER, THE ARRANGER, THE LEAD MANAGER, THE SERVICER, THE CASH MANAGER, THE CITI TRANSACTION ACCOUNT BANK, THE CUSTODIAN, THE ELAVON ACCOUNT BANK, THE SWAP COLLATERAL ACCOUNT BANK, THE COLLECTION ACCOUNT BANK, HOLDINGS, THE CORPORATE SERVICES PROVIDER, THE STANDBY SERVICER FACILITATOR, 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, THE CLASS VRR NOTES OR THE CERTIFICATES SHALL BE ACCEPTED BY ANY OF THE RELEVANT PARTIES OR BY ANY PERSON OTHER THAN THE ISSUER.

THIS PROSPECTUS (THIS "PROSPECTUS") DOES NOT CONSTITUTE AN OFFER OF, OR AN INVITATION BY OR ON BEHALF OF, THE ISSUER, THE SELLER, THE NOTE TRUSTEE, THE SECURITY TRUSTEE, THE LEAD MANAGER OR ANY OF THEM TO SUBSCRIBE FOR OR PURCHASE ANY OF THE CERTIFICATES, AND NONE OF THEM MAKE ANY REPRESENTATION, WARRANTY OR OTHER ASSURANCE, EXPRESSED OR IMPLIED, TO ANY INVESTORS IN THE CERTIFICATES (AND NOTHING CONTAINED HEREIN IS, OR SHALL BE RELIED UPON AS A REPRESENTATION, WHETHER AS TO THE PAST, PRESENT OR THE FUTURE).

The Notes and the Class VRR Notes will each be represented on issue by the Global Notes and the Certificates will each be represented on issue by the Global Certificates. The Notes and the Class VRR Notes may be issued in registered definitive form under certain circumstances. The Certificates may be issued in registered definitive form under certain circumstances.

THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING OF THE NOTES AND THE CLASS VRR NOTES MAY, IN CERTAIN JURISDICTIONS, 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 OR THE CLASS VRR 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 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, THE CLASS VRR NOTES OR DISTRIBUTION OF THIS PROSPECTUS IN ANY JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, NEITHER THE NOTES NOR THE CLASS VRR NOTES MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED, IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS

PROSPECTUS COMES ARE REQUIRED BY THE ISSUER, THE ARRANGER AND THE LEAD MANAGER TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS.

THE NOTES, THE CLASS VRR NOTES AND THE CERTIFICATES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY STATE SECURITIES LAWS AND 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) ("U.S. PERSONS") EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON REALES OR TRANSFERS, SEE *TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS*.

Each initial and subsequent purchaser of the Notes, the Class VRR Notes and the Certificates will be deemed by its acceptance of such Notes or, as relevant, such Class VRR Notes or the Certificates to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer of the Notes or the Class VRR Notes or the Certificates 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 or the Class VRR Notes or the Certificates regarding the legality of investment therein by such prospective investor or purchaser under applicable legal investment or similar laws or regulations.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes, the Class VRR Notes and the Certificates has led to the conclusion that: (i) the target market for the Notes, the Class VRR Notes and the Certificates is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MIFID II**"); and (ii) all channels for distribution of the Notes, the Class VRR Notes and the Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes or the Class VRR Notes or the Certificates (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes, the Class VRR Notes and the Certificates (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – Neither the Notes nor the Class VRR Notes nor the Certificates are intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the "**PRIIPs Regulation**") for offering or selling the Notes or the Class VRR Notes or the Certificates or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or the Class VRR Notes or the Certificates or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of its knowledge (having taken all reasonable care to ensure that such is the case), 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 Servicer, The Loans, Characteristics of the Provisional Portfolio, Characteristics of the United Kingdom Residential Mortgage Market, Certain Regulatory Disclosures – Credit-granting* and the initial paragraph in the section entitled *Certain Regulatory Disclosures - EU Risk Retention Requirements* and *Certain Regulatory Disclosures – U.S. Risk Retention Requirements*. To the best of the knowledge and belief of the Seller (having taken all reasonable care to ensure that such is the case), the information contained in the sections referred to in this paragraph is in accordance with the facts and 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 Seller as to the accuracy or completeness of any information contained in this Prospectus (other than in the sections referred to above and not specifically excluded therein) or any other information supplied in connection with the Notes or the Class VRR Notes or the Certificates or their distribution.

Citibank, N.A., London Branch accepts responsibility for the information set out in the section headed *The Cash Manager, Principal Paying Agent, Agent Bank, Registrar and Citi Transaction Account Bank*. To the best of the knowledge and belief of Citibank, N.A., London Branch (having taken all reasonable care to ensure that such is the case), 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 Citibank, N.A., London Branch 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 or the Class VRR Notes or the Certificates or their distribution.

Elavon Financial Services DAC, UK Branch accepts responsibility for the information set out in the section headed *The Elavon Account Bank, the Custodian and the Swap Collateral Account Bank*. To the best of the knowledge and belief of Elavon Financial Services DAC, UK Branch (having taken all reasonable care to ensure that such is the case), 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 Elavon Financial Services DAC, UK Branch 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 or the Class VRR Notes or the Certificates or their distribution.

The Collection Account Bank accepts responsibility for the information set out in the section headed *The Collection Account Bank*. To the best of the knowledge and belief of the Collection Account Bank (having taken all reasonable care to ensure that such is the case), 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 Collection 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 or the Class VRR Notes or the 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 the Security Trustee*. To the best of the knowledge and belief of the Note Trustee and the Security Trustee (having taken all reasonable care to ensure that such is the

case), 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 sections referred to above) or any other information supplied in connection with the Notes or the Class VRR Notes or the 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 (having taken all reasonable care to ensure that such is the case), 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 or the Class VRR Notes or the Certificates or their distribution.

Law Debenture Corporate Services Limited accepts responsibility for the information set out in the section headed *The Corporate Services Provider and Standby Servicer Facilitator*. To the best of the knowledge and belief of Law Debenture Corporate Services Limited (having taken all reasonable care to ensure that such is the case), 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 Law Debenture Corporate Services Limited 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 or the Class VRR Notes or the Certificates or their distribution.

The Standby Servicer accepts responsibility for the information set out in the section headed *The Standby Servicer*. To the best of the knowledge and belief of the Standby Servicer (having taken all reasonable care to ensure that such is the case), 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 Standby Servicer 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 or the Class VRR Notes or the 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 or the Class VRR Notes or the Certificates 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 Note Trustee or the Security Trustee, the Arranger, the Lead Manager 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 or the Class VRR Notes or the Certificates shall, under any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer or the Seller in the other information contained herein since the date hereof.

The information contained 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 Seller, the Lead Manager or the Arranger as to the accuracy or completeness of such information. None of the Arranger, the Lead Manager, the Seller, the Note Trustee or the Security Trustee have separately verified the information contained herein. Accordingly, none of the Arranger, the Lead Manager, the Seller, the Note Trustee or the Security Trustee makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus or any document or agreement relating to the Notes, the Class VRR Notes, the Certificates

or any Transaction Document. None of the Seller, Note Trustee, Security Trustee, Arranger or the Lead Manager shall be responsible for, any matter which is the subject of, any statement, representation, warranty or covenant of the Issuer contained in the Notes, the Class VRR Notes, the Certificates or any Transaction Documents, or any other agreement or document relating to the Notes, the Class VRR Notes, the Certificates or any Transaction Document, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof. 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 or the Class VRR Notes or the Certificates.

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

Payments of interest and principal in respect of the Notes and the Class VRR Notes and the Certificates will be subject to any applicable withholding taxes without the Issuer or any other person being obliged to pay additional amounts to compensate Noteholders, Class VRR Noteholders or Certificateholders for the lesser amounts the Noteholders, Class VRR Noteholders or Certificateholders 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 (the "**United Kingdom**" or "**UK**"). 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 on the Functioning of the European Union (as amended).

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

DISCLOSURE

NOTWITHSTANDING ANYTHING IN THIS PROSPECTUS TO THE CONTRARY, YOU (AND ANY OF YOUR EMPLOYEES, REPRESENTATIVES, OR OTHER AGENTS) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE U.S. FEDERAL, STATE, AND LOCAL TAX TREATMENT OF THE ISSUER, THE NOTES, THE CLASS VRR NOTES, THE CERTIFICATES AND THE TRANSACTIONS DESCRIBED IN THIS PROSPECTUS AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER U.S. TAX ANALYSES) RELATING TO SUCH U.S. FEDERAL, STATE, AND LOCAL TAX TREATMENT AND THAT MAY BE RELEVANT TO UNDERSTANDING SUCH U.S. FEDERAL, STATE, AND LOCAL TAX TREATMENT.

This Prospectus contains substantial information concerning the Transaction Parties, including the Seller, the Issuer, the Security Trustee, the Note Trustee, the Cash Manager and the Servicer, and information concerning the Notes, the Class VRR Notes and the Certificates. Potential investors are urged to review this Prospectus in its entirety. The obligations of the parties with respect to the transactions contemplated in this Prospectus are set forth herein and will be governed by certain documents described in this Prospectus, and all of the statements and information in this Prospectus are qualified in their entirety by reference to such documents.

Cross-references are included in this Prospectus to captions where you can find additional information. The "*Table of Contents*" in this Prospectus provides the locations of these captions. The "Index of Defined Terms" in this Prospectus directs you to the locations of the definitions of capitalised terms used in this Prospectus.

PROSPECTIVE PURCHASERS ARE NOT TO CONSTRUE THE CONTENTS OF THIS PROSPECTUS OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM THE ARRANGER, THE LEAD MANAGER, THE TRANSACTION PARTIES INCLUDING THE SELLER, THE ISSUER, THE SECURITY TRUSTEE, THE NOTE TRUSTEE, THE CASH MANAGER OR THE SERVICER OR ANY OF THEIR OFFICERS, EMPLOYEES OR AGENTS AS INVESTMENT, LEGAL, ACCOUNTING OR TAX ADVICE. PRIOR TO INVESTING IN THE NOTES, THE CLASS VRR NOTES OR THE CERTIFICATES, A PROSPECTIVE PURCHASER SHOULD CONSULT WITH ITS LAWYERS AND ITS INVESTMENT, ACCOUNTING, REGULATORY AND TAX ADVISORS TO DETERMINE THE CONSEQUENCES OF AN INVESTMENT IN THE NOTES, THE CLASS VRR NOTES OR THE CERTIFICATES AND ARRIVE AT AN INDEPENDENT EVALUATION OF SUCH INVESTMENT.

THE NOTES, THE CLASS VRR NOTES AND THE CERTIFICATES HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OR UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND THE ISSUER IS NOT AND WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE ISSUER WILL BE RELYING ON AN EXCLUSION OR EXEMPTION FROM THE DEFINITION OF "INVESTMENT COMPANY" UNDER THE INVESTMENT COMPANY ACT CONTAINED IN SECTION 3(c)(5)(C) OF THE INVESTMENT COMPANY ACT, ALTHOUGH THERE MAY BE OTHER EXEMPTIONS, EXCLUSIONS OR EXCEPTIONS AVAILABLE. THE ISSUER HAS BEEN STRUCTURED SO AS NOT TO CONSTITUTE A "COVERED FUND" FOR PURPOSES OF SECTION 619 OF THE DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT. THE RESALE OR TRANSFER OF THE NOTES, THE CLASS VRR NOTES AND THE CERTIFICATES IS RESTRICTED BY THE TERMS THEREOF AND BY THE TERMS OF THE TRUST DEED. SEE "*NOTICE TO INVESTORS*". INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE NOTES AND CERTIFICATES WILL BE OFFERED (1) IN THE UNITED STATES TO QUALIFIED INSTITUTIONAL BUYERS IN RELIANCE ON RULE 144A OF THE SECURITIES ACT AND (2) OUTSIDE THE UNITED STATES TO ENTITIES WHICH ARE NOT "U.S. PERSONS" IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, EACH TO WHOM THIS PROSPECTUS HAS BEEN FURNISHED. THE CLASS VRR NOTES WILL BE OFFERED OUTSIDE THE UNITED STATES TO ENTITIES WHICH ARE NOT U.S. PERSONS" IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, EACH TO WHOM THIS PROSPECTUS HAS BEEN FURNISHED. THE NOTES, THE CLASS VRR NOTES AND THE CERTIFICATES WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES OR "BLUE SKY" LAWS AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH LAWS. THE TRANSFER OF THE NOTES, THE CLASS VRR NOTES AND THE CERTIFICATES ARE SUBJECT TO CERTAIN ADDITIONAL

RESTRICTIONS AND CONDITIONS. SEE "*NOTICE TO INVESTORS*". THERE IS NO MARKET FOR THE NOTES, THE CLASS VRR NOTES OR THE CERTIFICATES AND THERE IS NO ASSURANCE THAT ONE WILL DEVELOP. REALES OF THE NOTES AND THE CERTIFICATES MAY BE MADE ONLY (I) PURSUANT TO RULE 144A, (II) PURSUANT TO REGULATIONS UNDER THE SECURITIES ACT, (III) PURSUANT TO THE REQUIREMENTS OF, OR AN EXEMPTION UNDER, APPLICABLE STATE SECURITIES LAWS AND (IV) IN ACCORDANCE WITH THE OTHER RESTRICTIONS ON TRANSFER SET FORTH IN THE TRUST DEED AND DESCRIBED BELOW.

THIS PROSPECTUS IS FURNISHED TO THE RECIPIENT OF THIS ELECTRONIC TRANSMISSION SOLELY FOR THE PURPOSE OF EVALUATING THE INVESTMENT OFFERED HEREBY. THE INFORMATION CONTAINED HEREIN MAY NOT BE REPRODUCED OR USED IN WHOLE OR IN PART FOR ANY OTHER PURPOSE.

THE NOTES, THE CLASS VRR NOTES AND THE CERTIFICATES HAVE NOT BEEN REGISTERED WITH OR APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE OR FOREIGN SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE OR FOREIGN SECURITIES COMMISSION REVIEWED OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE UNDER UNITED STATES LAW.

THE NOTES, CLASS VRR NOTES AND CERTIFICATES REPRESENT NON-RECOURSE OBLIGATIONS OF THE ISSUER. NEITHER THE NOTES, CLASS VRR NOTES OR CERTIFICATES NOR THE LOANS WILL REPRESENT INTERESTS IN OR OBLIGATIONS OF THE SELLER, THE SECURITY TRUSTEE, THE NOTE TRUSTEE, ANY OTHER TRANSACTION PARTY OR ANY OF THEIR OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES OR ANY OTHER ENTITY. NEITHER THE NOTES, CLASS VRR NOTES OR CERTIFICATES NOR THE LOANS WILL BE GUARANTEED OR INSURED BY ANY GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR ANY OTHER ENTITY, INCLUDING ANY OF THE TRANSACTION PARTIES. THE ASSETS OF THE ISSUER WILL BE THE SOLE SOURCE OF PAYMENTS ON THE NOTES, CLASS VRR NOTES AND CERTIFICATES, AND THERE WILL BE NO RECOURSE TO THE SELLER, THE SECURITY TRUSTEE, THE NOTE TRUSTEE, ANY OTHER TRANSACTION PARTY OR ANY OF THEIR OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES OR ANY OTHER ENTITY IN THE EVENT THAT PAYMENTS ON AND PROCEEDS OF THE LOANS ARE INSUFFICIENT OR OTHERWISE UNAVAILABLE TO MAKE ALL PAYMENTS PROVIDED FOR UNDER THE TRUST DEED.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS AND ANY TERM SHEET PROVIDED TO YOU PRIOR TO THE DELIVERY OF THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE NOTES, CLASS VRR NOTES AND CERTIFICATES. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR WILL THERE BE ANY SALE OF THE NOTES, CLASS VRR NOTES OR CERTIFICATES, IN ANY STATE OR OTHER JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF SUCH STATE OR OTHER JURISDICTION. THE DELIVERY OF THIS PROSPECTUS AT ANY TIME DOES NOT IMPLY THAT INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE. THE LEAD MANAGER RESERVES THE RIGHT TO REJECT ANY OFFER TO PURCHASE THE NOTES, CLASS VRR NOTES OR THE CERTIFICATES IN WHOLE OR IN PART, FOR ANY REASON, OR TO SELL LESS THAN THE FULL AMOUNT OF THE NOTES, CLASS VRR NOTES AND CERTIFICATES OFFERED HEREBY.

THE NOTES, CLASS VRR NOTES AND CERTIFICATES REFERRED TO IN THIS PROSPECTUS ARE SUBJECT TO MODIFICATION OR REVISION (INCLUDING THE POSSIBILITY THAT ONE OR MORE CLASSES OF NOTES MAY BE SPLIT, COMBINED OR ELIMINATED AT ANY TIME PRIOR TO ISSUANCE OR AVAILABILITY OF A FINAL PROSPECTUS) AND ARE OFFERED ON A "WHEN, AS AND IF ISSUED" BASIS. PROSPECTIVE INVESTORS SHOULD UNDERSTAND THAT, WHEN CONSIDERING THE PURCHASE OF THESE NOTES, CLASS VRR NOTES OR CERTIFICATES AS TO ANY INVESTOR A CONTRACT OF SALE WILL COME INTO BEING NO SOONER THAN THE DATE ON WHICH THE LEAD MANAGER HAS CONFIRMED TO THE INVESTOR THE SALE OF A SPECIFIED AMOUNT OF THE RELEVANT CLASS OF NOTES, CLASS VRR NOTES OR CERTIFICATES AT A SPECIFIED PRICE, ANY "INDICATIONS OF INTEREST" EXPRESSED BY ANY PROSPECTIVE INVESTOR, AND ANY "SOFT CIRCLES" GENERATED BY THE LEAD MANAGER, WILL NOT CREATE BINDING CONTRACTUAL OBLIGATIONS FOR SUCH PROSPECTIVE INVESTORS, ON THE ONE HAND, OR THE LEAD MANAGER, THE ISSUER OR ANY OF THEIR RESPECTIVE AGENTS OR AFFILIATES, ON THE OTHER HAND.

AS A RESULT OF THE FOREGOING, A PROSPECTIVE INVESTOR MAY COMMIT TO PURCHASE NOTES THAT HAVE CHARACTERISTICS THAT MAY CHANGE, AND EACH PROSPECTIVE INVESTOR IS ADVISED THAT ALL OR A PORTION OF THE NOTES REFERRED TO IN THIS PROSPECTUS MAY BE ISSUED WITHOUT ALL OR CERTAIN OF THE CHARACTERISTICS DESCRIBED IN THIS PROSPECTUS OR MAY BE ISSUED WITH CHARACTERISTICS THAT DIFFER FROM THE CHARACTERISTICS DESCRIBED IN THIS PROSPECTUS. THE LEAD MANAGER'S OBLIGATION TO SELL NOTES TO ANY PROSPECTIVE INVESTOR IS CONDITIONED ON THE NOTES AND THE TRANSACTION HAVING THE CHARACTERISTICS DESCRIBED HEREIN. IF THE LEAD MANAGER DETERMINES THAT ONE OR MORE CONDITIONS ARE NOT SATISFIED IN ANY MATERIAL RESPECT, SUCH PROSPECTIVE INVESTOR WILL BE NOTIFIED, AND NONE OF THE ISSUER, THE LEAD MANAGER OR ANY OF THEIR AGENTS OR AFFILIATES WILL HAVE ANY OBLIGATION TO SUCH PROSPECTIVE INVESTOR TO DELIVER ANY PORTION OF THE NOTES WHICH SUCH PROSPECTIVE INVESTOR HAS COMMITTED TO PURCHASE, AND THERE WILL BE NO LIABILITY BETWEEN THE LEAD MANAGER, THE ISSUER OR ANY OF THEIR RESPECTIVE AGENTS OR AFFILIATES, ON THE ONE HAND, AND SUCH PROSPECTIVE INVESTOR, ON THE OTHER HAND, AS A CONSEQUENCE OF SUCH NON-DELIVERY.

THIS PROSPECTUS IS PERSONAL TO EACH OFFEREE AND DOES NOT CONSTITUTE AN OFFER TO ANY OTHER PERSON OR TO THE PUBLIC GENERALLY TO SUBSCRIBE FOR OR OTHERWISE ACQUIRE THE NOTES, CLASS VRR NOTES OR CERTIFICATES. DISTRIBUTION OF THIS PROSPECTUS TO ANY PERSON OTHER THAN THE OFFEREE AND THOSE PERSONS, IF ANY, RETAINED TO ADVISE SUCH OFFEREE WITH RESPECT THERETO IS UNAUTHORIZED, AND ANY DISCLOSURE OF ANY OF THE CONTENTS THEREOF OR HEREOF WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER IS PROHIBITED. EACH PROSPECTIVE PURCHASER, BY ACCEPTING DELIVERY OF THIS PROSPECTUS, AGREES TO THE FOREGOING AND THAT IT WILL NOT MAKE ANY COPIES OF, NOR FORWARD, THIS PROSPECTUS OR ANY DOCUMENTS REFERRED TO HEREIN AND, IF THE OFFEREE DOES NOT PURCHASE ANY NOTES, CLASS VRR NOTES OR CERTIFICATES OR THIS OFFERING IS TERMINATED, TO RETURN TO THE ISSUER THIS PROSPECTUS, AND ALL DOCUMENTS DELIVERED HERewith.

THIS PROSPECTUS HAS BEEN PREPARED BY THE ISSUER SOLELY FOR USE IN CONNECTION WITH THE SALE OF THE NOTES. NONE OF THE TRANSACTION PARTIES, THE ARRANGER OR THE LEAD MANAGER MAKES ANY REPRESENTATIONS OR WARRANTIES AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

INVESTORS INTERESTED IN PARTICIPATING IN THIS OFFERING SHOULD CONDUCT AN INDEPENDENT INVESTIGATION OF THE RISKS POSED BY AN INVESTMENT IN THE NOTES.

THE APPROPRIATE CHARACTERIZATION OF THE NOTES, CLASS VRR NOTES AND CERTIFICATES UNDER VARIOUS LEGAL INVESTMENT RESTRICTIONS, AND THUS THE ABILITY OF INVESTORS SUBJECT TO THESE RESTRICTIONS TO PURCHASE SUCH NOTES, CLASS VRR NOTES AND CERTIFICATES, IS SUBJECT TO SIGNIFICANT INTERPRETIVE UNCERTAINTIES. ACCORDINGLY, INVESTORS WHOSE INVESTMENT AUTHORITY IS SUBJECT TO LEGAL RESTRICTIONS SHOULD CONSULT THEIR OWN LEGAL ADVISORS TO DETERMINE WHETHER AND TO WHAT EXTENT THE NOTES, CLASS VRR NOTES AND CERTIFICATES CONSTITUTE LEGAL INVESTMENTS FOR THEM.

FORWARD-LOOKING STATEMENTS

THIS PROSPECTUS CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT. IN ADDITION, CERTAIN STATEMENTS MADE IN PRESS RELEASES AND IN ORAL AND WRITTEN STATEMENTS MADE BY OR WITH THE APPROVAL OF THE ARRANGER, THE LEAD MANAGER OR THE ISSUER MAY CONSTITUTE FORWARD-LOOKING STATEMENTS. SPECIFICALLY, FORWARD-LOOKING STATEMENTS, TOGETHER WITH RELATED QUALIFYING LANGUAGE AND ASSUMPTIONS, ARE FOUND IN THE MATERIAL (INCLUDING TABLES) UNDER THE HEADINGS "*RISK FACTORS*". FORWARD-LOOKING STATEMENTS ARE ALSO FOUND IN OTHER PLACES THROUGHOUT THIS PROSPECTUS, AND MAY BE IDENTIFIED BY, AMONG OTHER THINGS, ACCOMPANYING LANGUAGE SUCH AS "MAY", "WILL", "COULD", "BELIEVES", "PLANS", "EXPECTS", "INTENDS", "ANTICIPATES", "ESTIMATES" OR ANALOGOUS EXPRESSIONS, OR BY QUALIFYING LANGUAGE OR ASSUMPTIONS. THESE STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE ACTUAL RESULTS OR PERFORMANCE TO DIFFER MATERIALLY FROM THE FORWARD-LOOKING STATEMENTS. THESE RISKS, UNCERTAINTIES AND OTHER FACTORS INCLUDE, AMONG OTHERS, GENERAL ECONOMIC AND BUSINESS CONDITIONS, AN INCREASE IN DELINQUENCIES (INCLUDING INCREASES DUE TO WORSENING OF ECONOMIC CONDITIONS), CHANGES IN POLITICAL, SOCIAL AND ECONOMIC CONDITIONS, REGULATORY INITIATIVES AND COMPLIANCE WITH GOVERNMENTAL REGULATIONS, CUSTOMER PREFERENCE AND VARIOUS OTHER MATTERS, MANY OF WHICH ARE BEYOND THE CONTROL OF THE ARRANGER, THE LEAD MANAGER, THE ISSUER, THE SELLER OR ANY OTHER PARTY.

THESE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS PROSPECTUS. EACH OF THE ARRANGER, THE LEAD MANAGER, THE ISSUER, THE SELLER, THE SECURITY TRUSTEE AND THE NOTE TRUSTEE EXPRESSLY DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO DISSEMINATE ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENTS TO REFLECT CHANGES IN THE EXPECTATIONS OF THE ISSUER, WITH REGARD TO THOSE STATEMENTS OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY FORWARD-LOOKING STATEMENT IS BASED.

AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with sales of the Notes and the Certificates, the Issuer will be required to furnish, upon the request of any holder of the Notes or the Certificates, to such holder and a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act.

U.S. CREDIT RISK RETENTION

Pursuant to the credit risk retention requirements promulgated under the Dodd-Frank Act (as defined herein), the Seller will retain an eligible vertical interest consisting of 100% of the Class VRR Notes. See "*U.S. Risk Retention Requirements*" in this Prospectus.

NOTICE TO INVESTORS

Because of the following restrictions, prospective investors in the Notes, the Class VRR Notes and the Certificates are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes, the Class VRR Notes or the Certificates.

Each prospective purchaser of the Notes, Class VRR Notes and Certificates, by accepting delivery of this Prospectus, will be deemed to have represented and agreed as follows:

- (i) It acknowledges that this Prospectus is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes, Class VRR Notes or Certificates other than pursuant to Rule 144A (in the case of the Notes and Certificates only), or Regulation S. Distribution of this Prospectus, or disclosure of any of its contents to any person other than those persons, if any, retained to advise it with respect thereto and other persons meeting the requirements of Rule 144A (in the case of the Notes and Certificates only), or Regulation S is unauthorized, and any disclosure of any of its contents, without the prior written consent of the Issuer, except as expressly permitted in this Prospectus with respect to the federal income tax treatment of the Notes, Class VRR Notes or Certificates, is prohibited.
- (ii) It agrees to make no photocopies of this Prospectus or any documents referred to herein and, if it does not purchase any Notes, Class VRR Notes or Certificates or the offering is terminated, to return this Prospectus and all documents referred to herein to the Issuer.
- (iii) The Notes and the Certificates are being offered only (i) in the United States to persons that are QIBs, purchasing for their own account or one or more accounts with respect to which they exercise sole investment discretion, each of which is a QIB, in transactions exempt from the registration requirements of the Securities Act or (ii) outside the United States to Non-U.S. Persons in compliance with Regulation S. The Class VRR Notes are being offered only outside the United States to Non-U.S. Persons in compliance with Regulation S.
- (iv) The Notes and Certificates are subject to restrictions on transferability and resale and may not be transferred or resold except (i) as permitted under the Securities Act in accordance with Rule 144A or Regulation S, (ii) pursuant to the requirements of, or an exemption under, applicable state securities laws and (iii) in accordance with the other restrictions on transfer set forth in the Trust Deed and described below. The Class VRR Notes are subject to restrictions on transferability and resale and may not be transferred or resold except (i) as permitted under the Securities Act in accordance with Regulation S, (ii) pursuant to the requirements of, or an exemption under, applicable state securities laws and (iii) in accordance with the other restrictions on transfer set forth in the Trust Deed and described below. The Agency Agreement will provide that no transfer of any Notes, Class VRR Notes or Certificates will be registered by the Registrar unless certain required certifications are provided to the Registrar, at the expense of the transferor and transferee, with respect to their compliance with the foregoing restrictions. Investors transferring interests in the Book-Entry Interests will be deemed to have made such certifications. The Trust Deed provides that the Issuer will have the right to require any investor that does not meet the foregoing requirements to sell the Notes, Class VRR Notes or Certificates that such investor holds.

- (v) Pursuant to the Trust Deed, no sale, pledge or other transfer of any Notes, Class VRR Notes or Certificates or any beneficial interest therein may be made by any person unless such sale, pledge or other transfer complies with the requirements of the Trust Deed. Any holder of a Note, Class VRR Note or Certificate desiring to effect a transfer of such Note, Class VRR Note or Certificate or any beneficial interest therein will, by acceptance thereof, be deemed to have agreed to indemnify the Issuer, the Note Trustee, the Principal Paying Agent and the Registrar against any liability that may result if the transfer is not exempt from the registration requirements of the Securities Act or is not made in accordance with such applicable federal and state laws and the Trust Deed. None of the Arranger, Lead Manager, Seller, Issuer, Note Trustee, Security Trustee, Cash Manager, Servicer or any of their officers, employees, agents or affiliates will be required to register the Notes, Class VRR Notes or Certificates under the Securities Act, qualify the Notes, Class VRR Notes or Certificates under the securities laws of any state, or provide registration rights to any purchaser.

- (vi) Pursuant to the Agency Agreement, the transferee or owner of a beneficial interest in a Note, Class VRR Note or Certificate will be deemed to have made certain representations regarding ERISA. See "Certain ERISA Considerations". In addition, pursuant to the Agency Agreement, each transferee or owner of a beneficial interest in the Notes, Class VRR Notes or Certificates will be required to provide the appropriate IRS Form W-9 or IRS Form W-8 (or applicable successor form), as required by the Agency Agreement.

GENERAL NOTICE

EACH PURCHASER OF THE NOTES AND THE CLASS VRR NOTES AND THE CERTIFICATES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH NOTES OR SUCH CLASS VRR NOTES OR SUCH CERTIFICATES OR POSSESSES OR DISTRIBUTES THIS PROSPECTUS AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF SUCH NOTES OR SUCH CLASS VRR NOTES OR SUCH CERTIFICATES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUER, THE SELLER, THE LEAD MANAGER, (OR ANY OF THEIR AFFILIATES), THE NOTE TRUSTEE OR THE SECURITY TRUSTEE (OR ANY OF THEIR RESPECTIVE AFFILIATES) SHALL HAVE ANY RESPONSIBILITY THEREFOR.

THE NOTES AND THE CLASS VRR NOTES AND THE CERTIFICATES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

ENFORCEABILITY OF JUDGEMENTS

The Issuer is a public limited company registered in England and Wales. All of the Issuer's assets are located outside the United States. None of the officers or directors of the Issuer are residents of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States.

The Seller is a public limited company registered in England and Wales. All of the Seller's assets are located outside the United States. None of the officers or directors of the Seller are residents of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Seller or such persons or to enforce against them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States.

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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. Prospective investors should carefully read and consider all the information contained in this Prospectus, including the risk factors set out in this section, prior to making any investment decision.

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

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

The purchase of the Notes involves substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of the Notes should (i) ensure that they understand the nature of the Notes and the extent of their exposure to risk, (ii) consider carefully, in the light of their own financial circumstances and investment objectives (and those of any accounts for which they are acting) and in consultation with such legal, financial, regulatory and tax advisers as they deem 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. Neither the Notes are a conventional investment and carry various unique investment risks, which prospective investors should understand clearly before investing in them. In particular, an investment in the Notes involves the risk of a partial or total loss of investment.

For the avoidance of doubt, while the following risk factors contain references to the Certificates, the following risk factors do not address, nor are they intended to address, the risks relevant to prospective holders of the Certificates.

RISKS RELATED TO THE LIMITED RECOURSE NATURE OF THE ISSUER'S OBLIGATIONS

Limited source of Funds

The ability of the Issuer to meet its obligations to pay principal and interest on the Notes and the Class VRR Notes and to pay any amounts under the Certificates and its operating and administrative expenses will be dependent primarily on receipts from the English Loans and the Scottish Loans (the "**Loans**") in the Portfolio, interest earned on the Issuer Accounts (other than amounts representing interest earned on any Swap Collateral), income from any Authorised Investments (other than any amount of income received in respect of the Swap Collateral), the Liquidity Reserve Fund and the General Reserve Fund (applied in accordance with the terms of the Cash Management Agreement and the Citi Bank Account Agreement) and the net receipts under a swap agreement relating to the Swap Transaction between the Issuer and the Swap Provider (the "**Swap Agreement**"). Other than the foregoing, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes, Class VRR Notes or Certificates and/or any other payment obligation of the Issuer under the applicable Priority of Payments including in respect of any increased margin applicable to the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes (and the corresponding payments under the Class VRR Notes in accordance with the applicable Priority of Payments) following the Step-Up Date. If such funds are insufficient, any such insufficiency will be borne by the Noteholders, Class VRR Noteholders, Certificateholders and the other Secured Creditors, subject to the applicable Priority of Payments. The recourse of the Noteholders, Class VRR Noteholders, Certificateholders and the other Secured Creditors to the Charged Assets following service of an Enforcement Notice is described below (see further the section of this Prospectus headed *Security and insolvency considerations* below).

As of the Step-Up Date, the margin on the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and the corresponding payments under the Class VRR Notes in accordance with the applicable Priority of Payments, will be increased. There will, however, be no additional receipts or other sources of funds available to the Issuer at such time, nor is it expected that any of the sources of income available to the Issuer prior to the Step-Up Date will be increased. In such circumstances the Issuer may not have sufficient funds to pay all amounts of interest (including any increased Step-Up Margin on the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and the corresponding payments under the Class VRR Notes in accordance with the applicable Priority of Payments).

Limited recourse

The Notes, the Class VRR Notes and (to the extent that residual payments are due) the Certificates will be limited recourse obligations of the Issuer. Other than the source of funds referred to in the foregoing paragraph, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes, the Class VRR Notes and (to the extent that residual payments are due) the Certificates. Upon enforcement of the Security by the Security Trustee, if:

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

then the Secured Creditors (which include (without limitation) the Noteholders, Class VRR Noteholders and Certificateholders) shall have no further claim against the Issuer or its directors, shareholders, officers or successors in respect of any amounts owing to them which remain unpaid (in the case of the Noteholders, Class VRR Noteholders and Certificateholders, primarily payments of principal (on the Notes and the Class VRR Notes) and interest in respect of the Notes and Class VRR Notes and residual payments (if any) in respect of the Certificates) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be extinguished.

Limitations on enforcement

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

Liabilities under the Notes, Class VRR Notes and Certificates

The Notes, Class VRR Notes and Certificates will not be obligations of, or the responsibility of, or guaranteed by, any person other than the Issuer. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes, Class VRR Notes and Certificates shall be accepted by any of the Relevant Parties or by any person other than the Issuer.

RISKS RELATING TO YIELD TO MATURITY ON THE NOTES AND CLASS VRR NOTES

The yield to maturity on the Notes and the Class VRR Notes will depend on, among other things, the amount and timing of payment of principal and interest on the Loans. Prepayments on the Loans may result from early repayment of the Loans by the relevant Borrower (whether through refinancing or otherwise), sales of Properties by Borrowers (voluntarily or as a result of enforcement proceedings under the relevant Mortgages), as well as the receipt of proceeds under any applicable insurance policies. The yield to maturity of the Notes and the Class VRR Notes may be adversely affected by, among other things, a higher or lower than anticipated rate of prepayments on the Loans. In certain circumstances, early repayment charges (which would be due on an early repayment of a Loan) may be waived for certain vulnerable Borrowers. In certain circumstances other than those of vulnerable customers, the Seller may choose to waive some or all of the early repayment charge(s) at its discretion considering the full circumstances of a loan, as part of carrying out its regular customer service. Waiver of early repayment charges is subject to delegation of authority limits. The Seller's servicing department will determine the case for any potential full or partial waiver of the early repayment charge(s) without the knowledge of whether such a loan is part of the Portfolio. In this situation, the amount of money received in relation to such early repayment will be less than what it would have been had the early repayment charge not been waived.

Ported Loans, which are Loans in relation to which the relevant Mortgages have been transferred from an existing Property to a new Property where the new Property provides replacement security for the repayment by the relevant Borrowers of the relevant Loans, will not be repurchased by the Seller. Such Loans will be redeemed and this redemption will result in an early repayment of the relevant Loans which will result in an accelerated prepayment of the Notes and the Class VRR Notes which will, in turn, lead to a reduction in the weighted average life of the Notes and the Class VRR Notes. In certain circumstances, early repayment charges may be waived or not charged in full for Ported Loans. Ported Loans are only made available by Atom Bank for so long as it exists as a going concern and Atom Bank provides the Issuer with the funds needed to redeem such Loans.

The rate of prepayment of 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, local and regional economic conditions and homeowner mobility. However, the rate of payment cannot be predicted. Subject to the terms and conditions of the Loans, a Borrower may overpay or prepay principal at any time. No assurance can be given as to the level of prepayments that the Portfolio will experience. Accelerated prepayments will lead to a reduction in the weighted average life of the Notes and the Class VRR Notes. See also the section entitled *Overpayments and Early Repayment Charges*. Generally, when market interest rates increase, borrowers are less likely to prepay their mortgage loans, while conversely, when market interest rates decrease, borrowers (in particular those paying by reference to a fixed interest rate, where there are no or minimal associated early repayment charges) are generally more likely to prepay their mortgage loans. Borrowers may prepay mortgage loans when they refinance their loans or sell their properties (either voluntarily or as a result of enforcement action taken). If the Seller is required to repurchase a Loan and its Related Security because, for example, one of the Loans does not materially comply with the Loan Warranties (or is a Loan in respect of which there has been a Further Advance or Product Switch), then the payment received by the Issuer will have the same effect as a prepayment of all the relevant Loans. As a result of these and other relevant factors not being within the control of the Issuer, no assurance can be given as to the timing or level of redemptions of the Notes and the Class VRR Notes.

Payments and prepayments of principal on the Loans will be applied, *inter alia*, to reduce the Principal Amount Outstanding of the Notes and the Class VRR Notes on a pass-through basis on each Interest Payment Date in accordance with the Pre-Enforcement Redemption Priority of Payments (see *Cashflows* below).

Pursuant to the Refinancing Option, the Refinancing Option Holder has the right to require the Issuer to:

- (a) redeem, on the Refinancing Date, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z Notes and the Class VRR Notes, and to redeem and cancel the Certificates; and
- (b) issue, on the Refinancing Date, new class A notes, class B notes, class C notes, class D notes, class E notes, class F notes, class Z notes, class VRR notes and certificates.

Pursuant to the Portfolio Call Option, the Portfolio Option Holder(s) has/have the right to require the Issuer to redeem, on the Portfolio Call Option Completion Date, the Notes, Class VRR Notes and Certificates.

See the section entitled *Early Redemption of the Notes, Class VRR Notes and Certificates* below. No assurance can be given as to whether the Refinancing Option will be exercised, and if it is as to the exact timing of the exercise of the Refinancing Option.

RISKS RELATED TO THE MORTGAGES

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

The sale by the Seller to the Issuer of the English Loans and their Related Security (until legal title is conveyed) takes effect in equity only. The sale by the Seller to the Issuer of the Scottish Loans and their Related Security is given effect by a Scots law governed declaration of trust by the Seller for the benefit of the Issuer (the "**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 Loans and their Related Security in the Portfolio will remain with the Seller until certain perfection trigger events occur under the terms of the Mortgage Sale Agreement (see *Summary of the Key Transaction Documents – Mortgage Sale Agreement*, below). The Issuer has not applied, and prior to the occurrence of a Perfection Event (i) will

not apply to the Land Registry of England and Wales (the "**Land Registry**") to register or record its equitable interest in the English Mortgages and (ii) will not (and it is not competent to) apply to the General Register of Sasines or Land Register of Scotland (as appropriate) (together the "**Registers of Scotland**") to register or record its beneficial interest in the Scottish Mortgages pursuant to the Scottish Declaration of Trust.

Further, unless (i) notice of the assignment is given to the Borrowers in respect of the English Loans and their Related Security and (ii) an assignation of the Scottish Loans and their Related Security is effected by the Seller to the Issuer and notice thereof is then given to the Borrowers in respect of the Scottish Loans and their Related Security, equitable or independent set-off rights may accrue in favour of any Borrower against his or her obligation to make payments to the Seller under the relevant Loan. These rights may result in the Issuer receiving reduced payments on the Loans. The transfer of the benefit of any Loans to the Issuer will continue to be subject to any prior rights any applicable Borrower may become entitled to after the transfer. Where notice of the assignment or assignation is given to any Borrower, however, some rights of set-off (being those rights that are not connected with or related to the relevant Loan) may not arise after the date notice is given. For the purposes of this Prospectus, references herein to "**set-off**" shall be construed to include analogous rights in Scotland. For further information on the effects of set-off in relation to the Portfolio, see below *Set-off may adversely affect the value of the Portfolio or any part thereof*.

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

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 Loan or Related Security itself but would have to join the Seller as a party to any legal proceedings. Borrowers will also have the right to redeem their Mortgages by repaying the relevant Loan directly to the Seller or lender of record.

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

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

For so long as the Issuer does not have legal title to the Loans and their Related Security, the Seller will undertake in the Mortgage Sale Agreement for the benefit of the Issuer that it will lend its name to, and take such other steps as may reasonably be required by the Issuer in relation to, any legal proceedings in respect of the relevant Loans and their Related Security and the Issuer will have power of attorney to act in the name of the Seller, in respect of which please see the section entitled *The Loans – Characteristics of the Loans* –for further details.

Set-off may adversely affect the value of the Portfolio or any part thereof

As described above, the sale by the Seller to the Issuer of the English Loans and their Related Security will be given effect by an equitable assignment and the sale of the Scottish Loans and their Related Security will be given effect under a Scottish Declaration of Trust. As a result, legal title to the Loans and their Related Security sold by the Seller to the Issuer will remain with the Seller until the occurrence of a Perfection Event under the terms of the Mortgage Sale Agreement. Therefore, the rights of the Issuer may be subject to certain set-off rights which the relevant Borrower has against the Seller.

The Borrowers may be entitled to exercise certain independent or equitable set-off rights against the Issuer. Independent set-off will arise in connection with transactions that are unconnected with the relevant Borrower's Loan. Generally, an independent right of set-off could include, but is not limited to, claims by a Borrower for unpaid wages, pension liabilities or balances standing to the credit of savings and deposit accounts. The Seller is a deposit-taking institution and is authorised to hold client money as at the date of this Prospectus. Should a Borrower hold a deposit account with the Seller, the Borrower, in the event of the insolvency of the Seller, may be able to set-off any amounts held in the relevant deposit account against amounts owed by the Borrower pursuant to the Loan. The giving of notice to the Borrower would crystallise the Borrower's entitlement to set-off amounts as of the date of receipt of the relevant notice.

Banks, insurance companies and other financial institutions in the UK (such as the Seller) are subject to the Financial Services Compensation Scheme (the "FSCS") which gives customers protection where an authorised firm is unable or is likely to be unable to meet claims against it because of its financial circumstances. The majority of deposits made by Borrowers with the Seller will be covered by the FSCS which gives the Borrower protection up to the FSCS limit (as at the date of this Prospectus being £85,000). As such, in the event that the Seller is unable to meet a claim from a Borrower over and above the FSCS limit, set-off rights of such Borrower, despite the giving of notice to the Borrowers of the assignment or, as applicable, assignation of the Loans and their Related Security to the Issuer, may apply. The Seller will not repurchase any Loan that is a Significant Deposit Loan and therefore set-off risks, as described above, may arise in relation to such Loans.

Equitable set-off rights may arise in connection with a transaction connected with the Loan. An equitable right of set-off could arise where the Seller has failed to make a Further Advance to the Borrower having made a commitment to do so, where the Seller has agreed to Port a Loan and has failed to do so or where the Seller is in breach of contract under the relevant Loan. The Seller will represent and warrant in the Mortgage Sale Agreement that the terms and conditions of the Loans do not require the Seller to agree to any Further Advance or (so long as the Offer Conditions do not expressly allow the Borrower to Port its Loan) any Port.

Once notice has been given to the Borrowers of the assignment or assignation of the Loans and their Related Security to the Issuer, independent set-off rights which a Borrower has against the Seller 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 (being those set-off claims arising out of a transaction connected with the Loan) will not be affected by that notice and will continue to exist.

The relevant Borrower may set off any claim for damages arising from the Seller's breach of contract against the Seller's (and, as equitable assignee of or holder of the beneficial interest in the Loans and their Related Security, the Issuer's) claim for payment of principal and/or interest under the relevant Loan as and when it becomes due. These set-off claims will constitute transaction set-off, as described above.

The amount of any such claim against the Seller for equitable set-off will, in many cases, be the cost to the Borrower of finding an alternative source of funds. For example, in the case of a failure by the Seller to make a Further Advance having become bound to do so, the Borrower could set off against the Issuer any additional cost of funding incurred in borrowing an amount equal to the relevant Further Advance. In addition, where the Seller has failed to effect a Port, having committed to do so, the Borrower could set-off against the Issuer the difference between the rate of interest on the Loan and the interest rate at which the Borrower could borrow money in the market on the new property. However, the Seller will represent and warrant in the Mortgage Sale Agreement that the terms and conditions of the Loans do not require the Seller to agree to any Further Advance or (so long as the Offer Conditions do not expressly allow the Borrower to Port its Loan) any Port. In addition to the difference in the cost of borrowing, the relevant Borrower could also set-off any direct losses arising from the Seller's breach of

contract, namely the associated costs of obtaining alternative funds (for example, legal fees and survey fees).

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

The exercise of set-off rights by Borrowers may adversely affect the timing of receipt and ultimate amount received by the Issuer in respect of the relevant Loans and the realisable value of the Portfolio and/or the ability of the Issuer to make payments under the Notes, the Class VRR Notes and/or the Certificates.

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

Borrowers may default on their obligations under the Loans in the Portfolio. Defaults may occur for a variety of reasons. The Loans are affected by credit, liquidity and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic or housing conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Although interest rates are currently low, this may change in the future and an increase in interest rates may adversely affect Borrowers' ability to pay interest or repay principal on their Loans. Other factors in Borrowers' individual, personal or financial circumstances may affect the ability of Borrowers to repay the Loans. Unemployment, loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies by and bankruptcies (and analogous arrangements) of Borrowers, and could ultimately have an adverse impact on the ability of Borrowers to repay the Loans. In addition a Borrower may be unable to sell a property given as security for a Loan at a price sufficient to repay the amounts outstanding under that loan and this may result in an increase in the interest rate payable on their loan that could adversely affect their ability to maintain repayments. A valuation was obtained by the Seller on or about the time of origination of each Loan, and, in certain circumstances, an updated valuation of a Property may be obtained or determined by the Servicer, see *The Loans*.

Declining property values

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

The Issuer cannot guarantee that the value of a property will remain at the same level as on the date of origination of the related Loan. A fall in property prices resulting from the deterioration in the housing market could result in losses being incurred by lenders where the net recovery proceeds are insufficient to redeem any outstanding loan secured on such property. If the value of the Related Security backing the Loans is reduced this may ultimately result in losses to Noteholders and Class VRR Noteholders and no payments being made to Certificateholders if the Security is required to be enforced and the resulting proceeds are insufficient to make payments on all Notes, Class VRR Notes and in respect of all Certificates.

Borrowers may have insufficient equity in their properties to refinance their Loans with lenders other than the Seller and may (as a result of the circumstances described in *Delinquencies or Default by Borrowers in paying amounts due on their Loans* or otherwise) have insufficient resources to pay amounts in respect of their loans as and when they fall due. This could lead to higher delinquency rates and to losses which in turn may adversely affect payments on the Notes, Class VRR Notes and Certificates.

Geographic Concentration Risks

Loans in the Portfolio may also be subject to geographic concentration risks within certain regions of the United Kingdom. To the extent that specific geographic regions within the United Kingdom have experienced or may experience in the future weaker regional economic conditions and housing markets than other regions in the United Kingdom, a concentration of the Loans in such a region may be expected to exacerbate the risks relating to the Loans described in this section. Certain geographic regions within the United Kingdom rely on different types of industries. Any downturn in a local economy or particular industry may adversely affect the regional employment levels and consequently the repayment ability of the Borrowers in that region or in the region that relies most heavily on that industry. Any natural disasters in a particular region may reduce the value of affected Properties. This may result in a loss being incurred upon the sale of such Properties. These circumstances could affect receipts on the Loans and ultimately result in losses on the Notes and Class VRR Notes and no payments being made on the Certificates. For an overview of the geographical distribution of the Loans in the Provisional Portfolio, see *Characteristics of the Provisional Portfolio – Geographical distribution*.

Realisation of Loans and Liquidity Risk

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 assuming certain risks. Any possession order given in favour of the lender may be suspended to allow the Borrower more time to pay. In addition, if possession has been obtained, a reasonable period must be allowed for marketing the property, to discharge obligations to take reasonable care to obtain a proper 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, Class VRR Notes and Certificates may be reduced. The Issuer's ability to make such payments may be reduced further if the powers of a mortgagee in relation to obtaining possession of properties permitted by law are restricted in the future.

Characteristics of the Portfolio

The information in the section headed *Characteristics of the Provisional Portfolio* has been extracted from the systems of the Seller as at 30 September 2019 (the "**Portfolio Reference Date**"). The Provisional Portfolio has been selected from a pool of residential loans originated by the Seller using a system containing defined data on each of the qualifying loans. This system allows the setting of exclusion criteria, among others, corresponding to relevant Loan Warranties that the Seller will make in the Mortgage Sale Agreement in relation to the Loans (for the avoidance of doubt, the Loan Warranties are given in relation to the Portfolio and not the Provisional Portfolio). Once the criteria have been determined, the system identifies all loans owned by the Seller that are consistent with the criteria. The loans selected for the Provisional Portfolio are representative of the portfolio of residential loans meeting the selection criteria which the Seller holds immediately prior to the sale of the Portfolio. As at the Portfolio Reference Date, the Provisional Portfolio comprised of 2,919 loans with an aggregate Current Balance of £507,866,570.57.

The characteristics of the Portfolio will vary from those set out in the tables in this Prospectus as a result of, *inter alia*, (a) repayments and redemptions of loans, (b) the removal of any loans from the Portfolio on a randomly selected basis up to and including the Cut-Off Date, (c) the removal of any loans from

the Portfolio that do not comply with the Loan Warranties as at the Closing Date, and (d) the removal of loans that may trigger a repurchase obligation (i.e. in respect of Product Switches and Further Advances) shortly after the Closing Date.

The Seller has not provided any assurance that there will be no material change in the characteristics of the Portfolio between the Portfolio Reference Date and the Closing Date.

RISKS RELATING TO THE CREDIT STRUCTURE

Subordination

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

The priority of the Notes, the Class VRR Notes and the Certificates are further set out in *Cashflows – Application of Available Revenue Receipts Prior to the Service of an Enforcement Notice on the Issuer*, *Cashflows – Application of Available Redemption Receipts prior to the service of an Enforcement Notice on the Issuer* and *Cashflows – Distributions Following the Service of an Enforcement Notice on the Issuer*.

In addition to the above, payments on the Notes, the Class VRR Notes and the Certificates are subordinate to payments of certain fees, costs and expenses (and payments to the Swap Provider) payable to the other Secured Creditors (including, amongst others, the Note Trustee, the Security Trustee, the Citi Transaction Account Bank, the Elavon Account Bank, the Custodian, the Swap Collateral Account Bank, the Swap Provider (other than certain subordinated swap payments), the Collection Account Bank, the Servicer, the Standby Servicer, the Standby Servicer Facilitator, the Cash Manager, the Paying Agents, the Registrar and the Agent Bank) and certain third parties. For further information on the likely costs payable to such Secured Creditors, please see *Transaction Overview – Fees* below.

Deferral of Interest Payments on certain Classes of 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 in respect of any of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes after having paid or provided for items of higher priority in the Pre-Enforcement Revenue Priority of Payments, then the Issuer will be entitled under Note Condition 18 (*Subordination by Deferral*) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date or such earlier date as the relevant Class of Notes becomes due and repayable in full in accordance with the Note Conditions. Any such deferral in accordance with the Note Conditions will not constitute an Event of Default.

Subject to Note Condition 18 (*Subordination by Deferral*) and Note Condition 11 (*Events of Default*), failure to pay timely interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (the Class Z Notes do not bear interest) shall constitute an Event of Default under the Notes which may result in the Security Trustee enforcing the Security.

Interest cannot be deferred on the Class A Notes. Subject to Note Condition 11 (*Events of Default*), 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.

Revenue and Principal Deficiency Ledger

If, on any Interest Payment Date, as a result of shortfalls in Available Revenue Receipts, there would be a Revenue Deficit the Issuer shall apply Available Redemption Receipts (if any) in accordance with item (a) of the Pre-Enforcement Redemption Priority of Payments to cure such Revenue Deficit (such reapplied amounts, "**Principal Addition Amounts**"). Available Redemption Receipts (if any) may only be redirected as Principal Addition Amounts in respect of a Revenue Deficit.

Application of any Available Redemption Receipts as Principal Addition Amounts (in addition to the aggregate of (a) all realised losses on the Loans which are not recovered from the proceeds following the sale of the Property to which such Loan relates or any losses realised by the Issuer on the Loans as a result of the failure of the Collection Account Bank to remit funds to the Issuer and (b) any loss to the Issuer as a result of an exercise of any set-off by any Borrower in respect of its Loan (together, the "**Losses**")) will be recorded on the Principal Deficiency Ledger, as to the operation of which see the section *Credit Structure – Principal Deficiency Ledger* below).

It is expected that during the course of the life of the Notes and the Class VRR Notes, any principal deficiencies (should they arise) will be recouped from Available Revenue Receipts. Available Revenue Receipts will be applied, after meeting prior ranking obligations as set out under the Pre-Enforcement Revenue Priority of Payments, to credit the Principal Deficiency Ledger in the manner set out in the section *Credit Structure – Principal Deficiency Ledger* below:

- the Available Revenue Receipts and Available Redemption Receipts may not be sufficient, after making the payments to be made in priority thereto, to pay, in full or at all, interest due on the Notes and the Class VRR Notes; and
- there may be insufficient Available Revenue Receipts and Available Redemption Receipts to repay principal on the Notes and the Class VRR Notes on or prior to the Final Maturity Date.

RISKS RELATING TO MEETINGS OF, AND CONFLICTS BETWEEN, NOTEHOLDERS, CLASS VRR NOTEHOLDERS AND CERTIFICATEHOLDERS

Meetings of Noteholders, Class VRR Noteholders, Certificateholders, Modification and Waivers

The Note Conditions and the Class VRR Note Conditions and the Certificate Conditions contain provisions for calling meetings of Noteholders and the Class VRR Noteholders and the Certificateholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders and (subject to Class VRR Entrenched Rights) Class VRR Noteholders and Certificateholders (including Noteholders and Class VRR Noteholders and Certificateholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the requisite majority for such vote).

The Note Conditions and the Class VRR Note Conditions and the Certificate Conditions also provide that the Note Trustee may agree, without the consent of the Noteholders, Class VRR Noteholders, Certificateholders or the other Secured Creditors (other than any Secured Creditors which are party to the relevant Transaction Document) to make the amendments and modifications as more fully set out in the Note Conditions, Class VRR Note Conditions and Certificate Conditions. The Note Trustee may also, without the consent of the Noteholders or the Class VRR Noteholders or the Certificateholders, if it is of the opinion that such determination will not be materially prejudicial to the interests of the holders of the Most Senior Class, at any time authorise or waive any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to the Note Conditions, the Class VRR Note Conditions or the Certificate Conditions.

Further, the Note Trustee may also be obliged, in certain circumstances, to agree to amendments to the Note Conditions, Class VRR Note Conditions, Certificate Conditions and/or the Transaction

Documents to effect a Reference Rate Modification and a Swap Rate Modification and in certain other circumstances (see Note Condition 13.10 (*Additional Right of Modification*), Class VRR Note Condition 13.10 (*Additional Right of Modification*) and Certificate Condition 12.10 (*Additional Right of Modification*)) (each a **Proposed Amendment**), without the consent of the Noteholders, Class VRR Noteholders or Certificateholders (subject to the provisions relating to Basic Terms Modifications and Class VRR Entrenched Rights).

In relation to any such Proposed Amendments, the Issuer is required, amongst other things, to certify in writing to the Note Trustee that the Issuer has provided at least 30 calendar days' notice to the Noteholders of each Class and/or the Class VRR Noteholders and/or the Certificateholders of the proposed modification in accordance with Note Condition 16 (*Notice to Noteholders*), Class VRR Note Condition 16 (*Notice to Class VRR Noteholders*) and Certificate Condition 16 (*Notice to Certificateholders*) and by publication on Bloomberg on the Company News screen relating to the Notes, the Class VRR Notes and the Certificates. However, Noteholders, Class VRR Noteholders and the Certificateholders should be aware that, in relation to each Proposed Amendment, if Noteholders representing at least 10% of the aggregate Principal Amount Outstanding of the Most Senior Class then outstanding, and/or 10% of the number of Certificates then in issue have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes or Certificates may be held) within such notification period notifying the Issuer that such Noteholders and/or Certificateholders do not consent to the modification, the modification will be passed without Noteholder and/or Certificateholder consent.

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

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

Swap Provider Entrenched Rights

In respect of any modification, amendment or supplement to any of the Transaction Documents, the Note Conditions, the Class VRR Note Conditions or Certificate Conditions which would encroach on any Swap Provider Entrenched Rights, the prior written consent of the Swap Provider is also needed prior to such amendments being made.

Conflict between Noteholders

The Trust Deed and the Deed of Charge contain provisions requiring the Note Trustee and the Security 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 and the Security Trustee (except where expressly provided otherwise).

If, in the Note Trustee's or, as the case may be, the Security 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 or, as the case may be, the Security Trustee is required to have regard only to the interests of the holders

of the relevant affected Class of Notes ranking in priority to other relevant Classes of Notes in the Post-Enforcement Priority of Payments.

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

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

Conflict between Noteholders, Class VRR Noteholders, Certificateholders and other Secured Creditors

The Trust Deed and Deed of Charge contain provisions requiring the Note Trustee and the Security Trustee to have regard to the interests of all Classes of Noteholders, the Class VRR Noteholders, the Certificateholders and the Secured Creditors equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee, or as relevant, the Security Trustee (except where expressly provided otherwise).

If, in the Note Trustee's, or as relevant, the Security Trustee's opinion, however, there is or may be a conflict between the holders of different Classes of Notes, the Class VRR Noteholders, the Certificateholders and the Secured Creditors, then the Note Trustee, or as relevant, the Security Trustee is required to have regard only to the interests of the Noteholders only. If, in the Note Trustee's, or as relevant, the Security Trustee's opinion, however, there is or may be a conflict between the holders of different Classes of Notes and the Class VRR Noteholders, then the Note Trustee, or as relevant, the Security Trustee is required to have regard only to the interests of the Noteholders only, save where any Class VRR Entrenched Rights are affected (in which case the Note Trustee, or as relevant, the Security Trustee, will have regard to the interests of the Class VRR Noteholders as well and regard to their ability to exercise the Class VRR Veto in respect of such Class VRR Entrenched Rights).

In performing its duties as Note Trustee, or as relevant, the Security Trustee, subject to the Class VRR Entrenched Rights, the Note Trustee, or as relevant, the Security Trustee will not be required to take into account the interests of any Secured Creditor (other than the Noteholders, the Class VRR Noteholders or the Certificateholders) for as long as any of the Notes or the Class VRR Notes remain outstanding. If there are no Notes or Class VRR Notes outstanding the Note Trustee, or as relevant, the Security Trustee, in performing its duties as Note Trustee, or as relevant, Security Trustee, will take instructions from the Secured Creditors acting together.

If any of the Notes are held by or on behalf of the Seller, any holding company as defined in section 1159 of the Companies Act 2006 ("**Holding Company**") of the Seller or any other subsidiary as defined in section 1159 of the Companies Act 2006 ("**Subsidiary**") of either such Holding Company or the Seller (each such entity a "**Relevant Person**"), in each case as beneficial owner, those Notes will (unless and until ceasing to be so held) be deemed not to remain outstanding. However, if (i) all of the Notes of any Class (the "**Relevant Notes**") are held by or on behalf of or for the benefit of one or more persons and there is no other Class of Notes or Class VRR Notes ranking *pari passu* with, or junior to, the Relevant Class of Notes where one or more Relevant Persons are not the beneficial owners of all the Notes of such Class, or (ii) in respect of any of the Notes of any Class which are prepositioned with the Bank of England, the European Central Bank or any other central bank, for the purposes of using the Bank of England's discount window facility or any other similar central bank liquidity scheme (provided that evidence satisfactory to the Note Trustee has been provided by the Relevant Person to the Note Trustee, in the absence of which the Note Trustee shall be entitled to assume that the Notes have not been so

prepositioned), then in each case, the Notes held by or on behalf of or for the benefit of the Relevant Persons shall be deemed to remain outstanding. For the avoidance of doubt, all Class VRR Notes held by a Relevant Person will be considered outstanding in respect of the Class VRR Entrenched Rights.

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

Class VRR Note modifications and Class VRR Entrenched Rights

Any modification or waiver which affects Class VRR Entrenched Rights will require the consent of all the Class VRR Noteholders. There can be no assurance that the Class VRR Noteholders will provide consent to any such modification in a timely manner or at all. The Class VRR Noteholders may act solely in their own interests and they do not have any duties to any Noteholders or any other Secured Creditors.

Significant Investor(s)

It is expected that on the Closing Date, one or more third party investors will acquire a majority holding in the Notes and Certificates, giving it/them sufficient ability to pass or block Noteholder/Certificateholder resolutions. Therefore no assurance can be given that any subsequent Noteholder(s)/Certificateholder(s) will have influence to block or pass certain Noteholder/Certificateholder resolutions.

Atom Bank will, on the Closing Date, purchase all of the Class VRR Notes and some of the Class A Notes. Atom Bank will, on the Closing Date, receive (but will not purchase) all of the Certificates in partial satisfaction of the consideration due and payable by the Issuer for the Portfolio. Atom Bank will then sell the Certificates to a third party investor. A third party investor will, on the Closing Date, also purchase all of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes.

RISKS RELATING TO THIRD PARTIES

Credit risk

The Issuer is subject to the risk of default in payment by the Borrowers and the failure by the Servicer, on behalf of the Issuer, to realise or recover sufficient funds under the arrears and default procedures in respect of any Loan and its Related Security in order to discharge all amounts due and owing by the relevant Borrower(s) under such Loan, which may adversely affect payments on the Notes, Class VRR Notes and Certificates (to the extent any residual payments are due). This risk is mitigated to some extent by certain credit enhancement features which are described in the section entitled *Credit Structure*. However, no assurance can be made as to the effectiveness of such credit enhancement features, or that such credit enhancement features will protect the Noteholders and Class VRR Noteholders from all risk of loss. Should there be credit losses arising in respect of the Loans, this could have an adverse effect on the ability of the Issuer to make payments of interest and/or principal on the Notes and the Class VRR Notes.

The Issuer is also subject to the risk of default in payment by its counterparties such as the Citi Transaction Account Bank, the Elavon Account Bank, the Swap Provider, the Custodian and the Swap Collateral Account Bank. The Rating Agencies require these counterparties to satisfy certain criteria in order that they can continue to be a counterparty to the Issuer. However, no assurance can be made that the rating criteria for counterparties is effective in detecting rapid deterioration of their creditworthiness,

and that as a result, the mitigants outlined in *Change of counterparties* below, are effective to mitigate the credit risk of the Issuer in relation to its counterparties.

Liquidity of the Issuer

The Issuer is subject to the risk of insufficiency of funds on any Interest Payment Date as a result of payments being made late by Borrowers (if, for example, such payment is made after the end of the Collection Period immediately preceding the Interest Payment Date). This risk is addressed in respect of the Rated Notes by the provision of liquidity from alternative sources including the General Reserve Fund, and in respect of the Class A Notes and the Class B Notes by the provision of liquidity from alternative sources including the Liquidity Reserve Fund, and the use of Principal Addition Amounts, as more fully described in the section entitled *Credit Structure*. However, no assurance can be made as to the effectiveness of such liquidity support features, or that such features will protect the Noteholders, the Class VRR Noteholders and the Certificateholders from all risk of delayed payment and/or loss.

The Issuer is also subject to the risk of insufficiency of funds on any Interest Payment Date as a result of payments being made late, or availability of service by its counterparties, on which it relies to make such payments. This risk is addressed by contractual provisions in the respective agreements, and with required or potential steps by a counterparty, the Issuer or the Note Trustee or, as the case may be, the Security Trustee. However, no assurance can be made as to the effectiveness of such measures will protect the Noteholders, the Class VRR Noteholders and the Certificateholders from all risk of delayed payment and/or loss.

Issuer's Reliance on Third Parties

The Issuer is also a party to contracts with a number of other third parties who have agreed to perform services in relation to the Issuer and/or Notes, Class VRR Notes and 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 Banks have each agreed to provide the relevant Issuer Account to the Issuer pursuant to the relevant Bank Account Agreement, 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 Agreement, the Standby Servicer has agreed to provide standby services in relation to the Portfolio pursuant to the Standby Servicing Agreement, the Standby Servicer Facilitator has agreed to provide standby servicer facilitation services in relation to the Portfolio pursuant to the Servicing Agreement, the Cash Manager has agreed to provide cash management services pursuant to the Cash Management Agreement, and the Paying Agents, the Registrar and the Agent Bank have all agreed to provide services with respect to the Notes, Class VRR Notes and Certificates pursuant to the Agency Agreement. In the event that any of the above parties were to fail to perform their obligations under the respective agreements to which they are a party and/or are removed or if such a party resigns without a sufficiently experienced substitute or any substitute being appointed in their place promptly thereafter, collections on the Portfolio and/or payments to Noteholders, Class VRR Noteholders and Certificateholders may be disrupted and Noteholders, Class VRR Noteholders and Certificateholders may be adversely affected.

The Transaction Documents do not contain any restrictions on the ability of any third party providing services to the Issuer to change their business plans and strategies and access other business lines or markets after the Closing Date. Any changes of the business plans and strategies of a third party service provider could expose that third party to additional risks (including regulatory, operational and systems risk) which could have an adverse effect on the ability of the third party to provide services to the Issuer and consequently could have an adverse effect on the Issuer's ability to perform its obligations under the Notes, Class VRR Notes and Certificates. Any third party providing services to the Issuer may cease to be in business or otherwise choose to resign from their role as a result of changes to their business plans and strategies. No assurance can be made that the Issuer, even if using its best efforts, could find a replacement service provider promptly. As a result, no assurance can be given that any of the matters outlined above would not adversely affect the Issuer's ability to perform its obligations under the Notes,

Class VRR Notes and Certificates and consequently the market value or liquidity of the Notes, Class VRR Notes and Certificates, or the rating of the Rated Notes.

The Servicer

Atom Bank will be appointed by the Issuer as Servicer to service the Loans and their Related Security. If the Servicer breaches the terms of the Servicing Agreement, then (prior to the service of an Enforcement Notice and with the prior written consent of the Security Trustee) the Issuer or (after the service of an Enforcement Notice) the Security Trustee will be entitled to terminate the appointment of the Servicer in accordance with the terms of the Servicing Agreement and the Issuer and the Seller shall use their reasonable endeavours (with the assistance of the Standby Servicer Facilitator) to appoint a substitute servicer in its place whose appointment is approved by the Security Trustee. Such replacement is expected, in the first instance to be the Standby Servicer.

The aggregate liability of the Servicer in respect of any claim arising out of or in connection with the Servicing Agreement shall, except in respect of the Servicer's fraud, gross negligence or wilful default or that of its officers, directors or employees in the performance of its obligations under the Servicing Agreement, 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.

In the event that the Issuer suffers a loss in respect of the Portfolio, or becomes liable to a third party, in each case as a result of any claim arising out of or in connection with the performance (or non-performance) of the Servicer's duties and obligations under the Servicing Agreement, the Servicer will be liable to the Issuer for such acts or omissions pursuant to the terms of the Servicing Agreement. If the Servicer is unable to pay such amounts, this may result in less proceeds being available to meet the obligations of the Issuer in respect of the Notes, Class VRR Notes and Certificates.

Any change in Servicer could delay collection of payments on the Loans and ultimately could adversely affect the ability of the Issuer to make payments in full on the Notes and the Class VRR Notes and to make any payments on the Certificates.

If a Servicer Termination Event occurs and if the Standby Servicer cannot or is unable to act in its capacity as such or if its appointment is terminated, there can be no assurance that a substitute servicer with sufficient experience of servicing the Loans and their Related Security would be found who would be willing and able to service the Loans and their Related Security on the terms, or substantially similar terms, set out in the Servicing Agreement. Further, it may be that the terms on which a substitute servicer may be appointed are substantially different from those set out in the Servicing Agreement and the terms may be such that the Noteholders may be adversely affected. In addition, as described below, any substitute servicer will be required, *inter alia*, to be authorised under the Financial Services and Markets Act 2000 (the "FSMA") in order to service Loans and their Related Security that constitute Regulated Credit Agreements under the FSMA. The ability of a substitute servicer to fully perform the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a substitute servicer may affect payments on the Loans and hence the Issuer's ability to make payments when due on the Notes, Class VRR Notes and Certificates. Such risk is mitigated by the provisions of the Servicing Agreement pursuant to which the Standby Servicer Facilitator, in certain circumstances, will assist the Issuer in appointing a substitute servicer (although no assurance can be provided that a substitute Servicer will be identified).

In addition, Noteholders, Class VRR Noteholders and Certificateholders should be aware that the Servicer has no obligation itself to advance payments that Borrowers fail to make in a timely fashion.

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

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 Citi Transaction Account Bank, the Elavon Account Bank, the Swap Collateral Account Bank, the Custodian 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 by the FCA under the FSMA and requirements in relation to certain credit ratings ascribed to such party by the Rating Agencies (please see *Transaction Overview – Triggers Tables*). If the party concerned ceases to satisfy the applicable criteria, including the ratings criteria set out in the relevant Transaction Documents and as 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 ratings criteria. In these circumstances, the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the relevant Transaction Document and the cost to the Issuer may therefore increase. In addition, it may not be possible to find an entity with the ratings prescribed in the relevant Transaction Document who would be willing to act in the role. This may reduce amounts available to the Issuer to make payments of interest and principal on the Notes and the Class VRR Notes and to make payments on the Certificates and/or lead to a downgrade in the ratings of the Rated Notes.

In addition, should the applicable criteria cease to be satisfied, then the parties to the relevant Transaction Document may agree to amend or waive certain of the terms of such document, including the applicable criteria (although this will not apply to mandatory provisions of law), in order to avoid the need for a replacement entity to be appointed. The consent of Noteholders, Class VRR Noteholders and/or Certificateholders may not be required in relation to such amendments and/or waivers. Such amendments or waivers may increase the likelihood of the occurrence of some or all of the risks described in *Credit risk* with respect to counterparties, and reduce amounts available to the Issuer to make payments of interest and principal on the Notes and the Class VRR Notes and to make payments on the Certificates and/or may lead to a downgrade in the ratings assigned to the Rated Notes.

Change of Collection Account Bank

In the event that a New Collection Account is opened and the Collection Account Bank is replaced by Atom Bank as the Collection Account Bank in accordance with the terms of the Collection Account Bank Declaration of Trust, the transfer of Direct Debits could be disrupted during the transitional period. Collections in respect of the Loans may continue to be paid into the existing Collection Account. There may also be delays in transferring any misapplied Collections from the existing Collection Account into the New Collection Account. Any delay in transferring such misapplied Collections into the New Collection Account could ultimately adversely affect timeliness of payments of interest and principal on the Notes, Class VRR Notes and Certificates.

Furthermore, Atom Bank may replace the Collection Account Bank as collection account bank at a time when it does not have a corporate rating or a rating which would normally apply to the Collection Account Bank and, its appointment as Collection Account Bank would not, for so long as Atom Bank remains unrated, be capable of being terminated based on a ratings trigger. Amounts representing moneys received from Borrowers during banking hours on any particular day are required to be transferred by the Servicer on the next Business Day from the Collection Account into the Citi Transaction Account. The Servicer (on behalf of the Issuer) may from time to time instruct the Cash Manager to transfer some or all of the balance of the Citi Transaction Account into the Elavon Transaction Account. On each Interest Payment Date the balance, if any, standing to the credit of the Elavon Transaction Account will be swept, for value on the same day, from the Elavon Transaction Account and into the Citi Transaction Account.

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 (i) the Noteholders of not less than 25% in aggregate Principal Amount Outstanding of the Most Senior Class, for so long as there are any Notes outstanding, (ii) not less than 25% of the Certificateholders, for so long as there are no Notes outstanding, (iii) or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class outstanding, shall (subject, in each case, to being indemnified and/or prefunded and/or secured to its satisfaction), give an Enforcement Notice to the Issuer that all classes of the Notes and the Class VRR Notes are immediately due and repayable at their respective Principal Amount Outstanding, together with accrued interest thereon as provided in a trust deed between the Issuer, the Security Trustee and the Note Trustee (the "**Trust Deed**").

Each of the Note Trustee and the Security Trustee may, at any time, at their discretion and without notice, take such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Notes, the Class VRR Notes, the Certificates or the Trust Deed (including the Note Conditions and/or, as relevant, the Class VRR Note Conditions, and/or as relevant, the Certificate Conditions) or (in the case of the Security Trustee) the Deed of Charge or (in either case) the other Transaction Documents to which it is a party or in respect of which (in the case of the Security Trustee) it holds security. In respect of and at any time after the service of an Enforcement Notice, the Security Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce the Security. However, neither the Note Trustee nor the Security Trustee shall be bound to take any such proceedings or steps (including, but not limited to, the giving of an Enforcement Notice in accordance with Note Condition 11 (*Events of Default*), or Class VRR Note Condition 11 (*Events of Default*) or Certificate Condition 10 (*Event of Default*)) unless it should have been directed in writing to do so by (i) the Noteholders of not less than least 25% in aggregate Principal Amount Outstanding of the Most Senior Class, for so long as there are any Notes outstanding, or (ii) not less than 25% of the Certificateholders, for so long as there are no Notes outstanding, and it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

See further *Terms and Conditions of the Notes* – Note Condition 12 (*Enforcement*), *Terms and Conditions of the Class VRR Notes* – Class VRR Note Condition 12 (*Enforcement*) and *Terms and Conditions of the Certificates* – Certificate Condition 11 (*Enforcement*) below.

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

In relation to the covenant to be given by Atom Bank to the Issuer and the Security Trustee in the Deed of Charge in accordance with the Securitisation Regulation regarding the material net economic interest to be retained by Atom Bank in the securitisation and certain requirements as to providing investor information in connection therewith, neither the Note Trustee nor the Security Trustee will be under any obligation to monitor the compliance by Atom Bank (as the Designated Reporting Entity) with such covenant and will not be under any obligation to take any action in relation to non-compliance with such covenant (unless otherwise directed by the Secured Creditors (including the Noteholders and the Class VRR Noteholders) in accordance with the Transaction Documents).

Interest Rate Risk

The Issuer is subject to the risk of a mismatch between the rate of interest payable in respect of the Loans and the rate of interest payable 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 (and the corresponding payments under the Class VRR Notes). Some of the Loans in the Portfolio pay or will pay a fixed rate of interest for an initial period of time. However, the Issuer's liabilities with respect to interest under 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 are based on SONIA.

To provide a hedge against the possible variance between:

- (a) the fixed rates of interest payable on the Fixed Rate Loans in the Portfolio; and
- (b) the rate of interest under the 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 corresponding payments under the Class VRR Notes) being calculated by reference to SONIA,

the Issuer will enter into a swap transaction (the "**Swap Transaction**") with the Swap Provider under the Swap Agreement on the Closing Date in order to mitigate this risk (see *Credit Structure – Interest Rate Risk for the Notes and Class VRR Notes* below).

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. 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. 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 Loans in the Portfolio and SONIA.

Under the Swap Transaction, the Issuer pays a fixed amount which is equal to the notional amount of the Swap Transaction multiplied by a fixed rate and the relevant day count fraction. The fixed rate applicable to the amounts payable by the Issuer will be fixed, on or around the Closing Date, by reference to market swap rates and will not match 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 0% constant prepayment rate. However, the prepayment rate of the Fixed Rate Loans may be higher than the assumed constant prepayment rate. In such circumstances, there would be a mismatch between the notional amount of the Swap Transaction and the Current 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 notional amount of the Swap Transaction may be higher than the Current Balance of the Fixed Rate Loans, there may be circumstances in which the amount payable by the Issuer under the Swap Transaction exceeds the amount that the Issuer receives in respect of the Fixed Rate Loans in the Portfolio. This may result in 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 Loans other than in relation to the Fixed Rate Loans, and as a result there is no hedge in respect of the risk of any variances in the SVR charged on any Loans in the Portfolio and interest set by reference to SONIA (the "**Reference Rate**") on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (or the corresponding payments on the Class VRR Notes)

which in turn may result in insufficient funds being made available to the Issuer for the Issuer to meet its obligations to the Secured Creditors. As such, the Issuer is subject to the risk of a mismatch between the rate of interest payable in respect of such Loans and the rate of interest payable 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 (and the corresponding payments on the Class VRR Notes). However, after the occurrence of a Perfection Event, the SVR is subject to a minimum floor, the SVR Floor. See further the section of this Prospectus headed *Summary of the Key Transaction Documents – Servicing Agreement - Setting of Interest Rates on the Loans*.

Under the Note Conditions, in the event that the Rate of Interest on the Notes is less than zero, the Rate of Interest will be deemed to be zero. Therefore, if SONIA is negative and if this results in the Rate of Interest on the Notes being less than zero, then the Rate of Interest will be deemed to be zero. In this situation the Issuer will not pay interest to Noteholders and will, therefore, not make the relevant corresponding payments to the Class VRR Noteholders.

Under the terms of the Swap Agreement, if for any Swap Calculation Period SONIA is negative, the Issuer will be required to pay to the Swap Provider the absolute value of the relevant Swap Provider Swap Amount determined using the applicable negative SONIA rate (the "**Issuer Swap Additional Amount**"). Therefore, in this situation and in respect of the relevant Swap Calculation Period, the Issuer will be required to pay to the Swap Provider the scheduled Issuer Swap Amount (subject to the terms of the Swap Agreement) plus the Issuer Swap Additional Amount. In this situation, investors should be aware that the Issuer may, due to its limited source of funds, be unable to make payments which rank beneath payments to the Swap Provider under item (e) of the Pre-Enforcement Revenue Priority of Payments or under item (e) of the Post-Enforcement Priority of Payments.

Termination payments under the Swap Transaction

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 Swap 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 and the Class VRR Notes. As such, if any termination amount is payable by the Issuer 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 on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (and the corresponding payments on the Class VRR Notes), and principal on the Notes and the Class VRR 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 and the Class VRR Notes. This may lead to a shortfall in amounts available to pay interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (and the corresponding payments on the Class VRR Notes) and, following service of an Enforcement Notice on the Issuer (which has not been revoked), interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (and the corresponding payments on the Class VRR Notes), and principal on the Notes and the Class VRR Notes.

Upon termination of the Swap Agreement, the Servicer (on behalf of the Issuer) shall procure a replacement swap transaction. However, 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. 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, Class VRR Notes or Certificates and/or the market value or liquidity of the Notes, Class VRR Notes and Certificates, or the rating of the Rated Notes.

Ratings of the Rated Notes

For the avoidance of doubt and unless the context otherwise requires, any reference to "**ratings**" or "**rating**" in this Prospectus is to the ratings assigned by the Rating Agencies only.

The ratings assigned to the Rated Notes by both the Rating Agencies address, *inter alia* (a) the likelihood of full and timely payment to the holders of the Class A Notes of all interest payable on each Interest Payment Date and (b) the likelihood of ultimate payment to the Noteholders of principal and interest in relation to the Rated Notes on or prior to the Final Maturity Date.

The expected ratings of the Rated Notes to be assigned on the Closing Date are set out under *Ratings*. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency if, in its judgement, circumstances (including a reduction in the perceived creditworthiness of third parties, including a reduction in the credit rating of the Swap Provider, the Citi Transaction Account Bank, the Elavon Account Bank and/or the Swap Collateral Account Bank) in the future so warrant. See also *Change of counterparties* below.

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

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

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

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

A Rating Agency Confirmation that any action or inaction proposed to be taken by the Issuer or the Note Trustee or, as the case may be, the Security Trustee will not have an adverse effect on the then current ratings of the Rated Notes does not, for example, confirm that such action (i) is permitted by the terms of the Transaction Documents or (ii) is in the best interests of, or not prejudicial to, the Noteholders. While entitled to have regard to the fact that the Rating Agencies have confirmed in

writing that the then current ratings of the Rated Notes would not be adversely affected, the above does not impose or extend any actual or contingent liability on the Rating Agencies to the Secured Creditors (including the Noteholders), the Issuer, the Note Trustee, the Security Trustee or any other person or create any legal relationship between the Rating Agencies and the Secured Creditors (including the Noteholders), the Issuer, the Note Trustee, the Security Trustee or any other person whether by way of contract or otherwise. In addition the Note Trustee and/or the Security Trustee, as applicable, may, but is not required to, have regard to any Rating Agency Confirmation.

Any such Rating Agency Confirmation may or may not be given at the sole discretion of each Rating Agency. Certain Rating Agencies have indicated that they will no longer provide Rating Agency Confirmations as a matter of policy. To the extent that a Rating Agency Confirmation cannot be obtained, whether or not a proposed action will ultimately take place will be determined in accordance with the provisions of the relevant Transaction Documents and specifically the relevant modification and waiver provisions. It should be noted that, depending on the nature of the request, the timing of delivery of the request and of any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a Rating Agency Confirmation in the time available or at all, and the Rating Agency will not be responsible for the consequences thereof. A Rating Agency Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time and in the context of cumulative changes to the transaction of which the securities form part since the Closing Date. A Rating Agency Confirmation represents only a restatement of the opinions given as at the Closing Date and cannot be construed as advice for the benefit of any parties to the transaction.

Where the Transaction Documents allow the Note Trustee or the Security Trustee to seek a Rating Agency Confirmation and a written request for such Rating Agency Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer and (i) (A) one Rating Agency (such Rating Agency, a "**Non-Responsive Rating Agency**") indicates that it does not consider such Rating Agency Confirmation or response necessary in the circumstances or that it does not, as a matter of practice or policy, provide such Rating Agency Confirmation or response or (B) within 30 days of delivery of such request, no Rating Agency Confirmation or response is received and/or such request elicits no statement by such Rating Agency that such Rating Agency Confirmation or response could not be given; and (ii) one Rating Agency gives such Rating Agency Confirmation or response based on the same facts, then such condition to receive a Rating Agency Confirmation or response from each Rating Agency shall be modified so that there shall be no requirement for the Rating Agency Confirmation or response from the Non-Responsive Rating Agency if the Issuer provides to the Note Trustee and the Security Trustee a certificate signed by two directors certifying and confirming that each of the events in sub-paragraphs (i) (A) or (B) and (ii) has occurred, the Issuer having sent a written request to each Rating Agency. The Note Trustee and the Security Trustee shall be entitled to rely on such certificate without further enquiry or liability.

Where a Rating Agency Confirmation is a condition to any action or step under any Transaction Document and it is deemed to be modified as a result of a Non-Responsive Rating Agency not having responded to the relevant request from the Issuer within 30 days, there remains a risk that such Non-Responsive Rating Agency may subsequently downgrade, qualify or withdraw the then current ratings of the Rated Notes as a result of the action or step. Such a downgrade, qualification or withdrawal to the then current ratings of the Rated Notes may have an adverse effect on the value of the Rated Notes.

Unsolicited Ratings by rating agencies other than the Rating Agencies may adversely impact the value and/or liquidity of the Rated Notes

Other than the Rating Agencies, the Issuer has not hired any other nationally recognized statistical rating organization (a "**Non-Hired NRSRO**") to assign ratings on any of the Notes. However, under SEC rules, information provided to the Rating Agencies for the purpose of assigning or monitoring the ratings on the Rated Notes is required to be made available to any Non-Hired NRSRO in order to make it possible for such Non-Hired NRSROs to assign unsolicited ratings on one or more Classes

of Notes. An unsolicited rating could be assigned at any time, including prior to the Closing Date, and none of the Issuer, the Seller, the Arranger or the Lead Manager or any of their affiliates will have any obligation to inform you of any unsolicited ratings.

Rating agencies, including the Rating Agencies, have different methodologies, criteria, models and requirements. If any Non-Hired NRSRO assigns an unsolicited rating on one or more classes of the Rated Notes (or issues other commentary on one or more classes of the Rated Notes), there can be no assurance that such rating will not be lower than the ratings provided by the Rating Agencies (or that the commentary will not imply a lower rating), which could adversely affect the market value of the Rated Notes and/or limit the ability of investors to sell the Rated Notes. In addition, if the Issuer fails to make available to the Non-Hired NRSROs any information provided to the Rating Agencies for the purpose of assigning or monitoring the ratings on the Rated Notes, one or more of the Rating Agencies could withdraw their ratings on the Rated Notes, which could adversely affect the market value of the Rated Notes and/or limit an investor's ability to sell its holding of, or interest in, the Rated Notes.

Searches, Investigations and Warranties in Relation to the Loans

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

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

Insurance Policies

The Mortgage Conditions require borrowers to have buildings insurance in place for the relevant Property at all times. However, it will be difficult in practice for the Servicer and/or the Issuer to determine whether the relevant Borrower has valid insurance in place at any time, and the Borrowers may not pay the premiums due under the relevant buildings insurance policies. Neither the Servicer nor the Issuer has the benefit of any block insurance policy in relation to any Property. Accordingly if a Borrower has not affected or has otherwise failed to maintain buildings insurance and the Property is wholly or partially destroyed, a Borrower may have insufficient resources to effect repairs or rebuild the Property which in turn may reduce the value of the Related Security.

The Seller will also have, in the case of all remortgages subject to a fees-assisted re-mortgage conveyancing process, the benefit of title indemnity insurance relating to its title to the relevant

Properties, the benefit of which is assigned to the Issuer. In the case of such remortgages subject to a fees-assisted re-mortgage conveyancing process, the Seller distributes conveyancing work to a closed panel of law firms via Legal Marketing Services Limited to conduct a standard process for such remortgages. Having completed the specified process, conveyancers provide a Certificate of Title confirming that the fees-assisted re-mortgage conveyancing process has been completed and that the Seller will have a valid first legal charge or, in Scotland, standard security on completion.

CERTAIN INSOLVENCY RISKS

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 Swap Subordinated Amounts.

The Supreme Court of the United Kingdom has held that a flip clause as described above is valid under the laws of England and Wales. Contrary to this, however, in parallel proceedings the U.S. Bankruptcy Court has held that such a subordination provision is unenforceable under U.S. bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a U.S. bankruptcy of the counterparty. However, a subsequent U.S. Bankruptcy Court decision held that flip clauses are protected under the Bankruptcy Code and therefore enforceable on bankruptcy. This decision was approved on 14 March 2018 by the U.S. District Court. 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 Transaction Documents governed by the laws of England and Wales (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 Swap Subordinated Amounts). In particular, based on the decision of the U.S. Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under U.S. bankruptcy laws. Such laws may be relevant in certain circumstances with respect to the Swap Provider given that it has assets and/or operations in the U.S., notwithstanding that it is a non-U.S. established entity and/or with respect to any replacement counterparty, depending on certain matters in respect of that entity.

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

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 Swap 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 Rated Notes. If any rating assigned to the Rated Notes is lowered, the market value of the Rated Notes may reduce.

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, the Class VRR Notes and the Certificates (as to which, see *Summary of the Key Transaction Documents – Deed of Charge*). If certain insolvency proceedings (including administrations or liquidations) are commenced in respect of the Issuer, the ability to realise the Security may be delayed and/or the value of the Security impaired.

The Insolvency Act 1986 allows for the appointment of an administrative receiver in relation to certain transactions in the capital markets. Although there is as yet no case law on how these provisions will be interpreted, it should be applicable to the floating charge created by the Issuer and granted by way of security to the Security Trustee. However, as this is partly a question of fact, were it not to be possible to appoint an administrative receiver in respect of the Issuer, the Issuer would be subject to administration if it became insolvent. In such circumstances, the primary emphasis may be to rescue the Issuer as a going concern which may lead to the ability to realise the Security being delayed, the value of the Security being impaired and/or conflict with the interests of the Noteholders, Class VRR Noteholders and Certificateholders.

In addition, it should be noted that, to the extent that the assets of the Issuer are subject only to a floating charge (including any fixed charge recharacterised by the courts as a floating charge), in certain circumstances under the provisions of section 176A of the Insolvency Act 1986 (as noted further below), 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 claims of unsecured creditors. While certain of the covenants given by the Issuer in the Transaction Documents are intended to ensure it has no significant creditors other than the secured creditors under the Deed of Charge, it will be a matter of fact as to whether the Issuer has any other such creditors at any time. There can be no assurance that the Noteholders, Class VRR Noteholders or Certificateholders will not be adversely affected by any such reduction in floating charge realisations upon the enforcement of the Security.

While the transaction structure (through the use of limited recourse provisions and non-petition clauses) is designed to minimise the likelihood of the Issuer becoming insolvent, there can be no assurance that the Issuer will not become insolvent and/or the subject of insolvency proceedings and/or that the Noteholders, Class VRR Noteholders or Certificateholders would not be adversely affected by the application of insolvency laws (including English insolvency laws and, if applicable, Scottish insolvency laws).

Fixed charges may take effect under the laws of England and Wales as floating charges

The law in England and Wales relating to the characterisation of fixed charges is unsettled. The fixed charges purported to be granted by the Issuer (other than by way of assignment or assignation in security) may take effect under the laws of England and Wales as floating charges only, if, for example, it is determined that the Security Trustee does not exert sufficient control over the Charged Assets (although it should be noted that there is no equivalent concept of recharacterisation of fixed security as floating charges under Scots law). If the charges take effect as floating charges instead of fixed charges, then, as a matter of law, certain claims would have priority over the claims of the Security Trustee in respect of the floating charge assets.

The interest of the Secured Creditors in property and assets over which there is a floating charge will rank behind the expenses of any administration or liquidator and the claims of certain preferential creditors on enforcement of the Security. Section 250 of the Enterprise Act 2002 abolished Crown Preference in relation to all insolvencies, thus reducing the categories of preferential debts that are to be paid in priority to debts due to the holder of a floating charge, although the UK government has announced plans to reintroduce that Crown Preference for certain categories of tax in insolvency procedures commencing on or after 6 April 2020. In addition, section 176A of the Insolvency Act 1986 requires a prescribed part (up to a maximum amount of £600,000) of the floating charge realisations

available for distribution to be set aside to satisfy the claims of unsecured creditors. This means that the expenses of any administration, the claims of preferential creditors and the beneficiaries of the prescribed part will be paid out of the proceeds of enforcement of the floating charge ahead of amounts due to Noteholders and Class VRR 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.

Liquidation expenses

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

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

CERTAIN MARKET RISKS

Absence of secondary market

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

The secondary market for mortgage-backed securities similar to the Notes and Certificates has at times experienced limited liquidity resulting from reduced investor demand for such securities. 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.

Whilst central bank schemes such as, amongst others, the Bank of England's Sterling Monetary Framework or the European Central Bank's liquidity scheme provides an important source of liquidity in respect of eligible securities, further restrictions in respect of the relevant eligibility criteria for eligible collateral which applies and will apply in future are likely to adversely impact secondary market liquidity for mortgage-backed securities in general, regardless of whether the Notes or Certificates are eligible securities. Therefore, neither the Issuer nor the Seller gives any representation, warranty, confirmation or guarantee to any investor in the Notes or Certificates that the Notes or Certificates will,

either upon issue or at any time prior to redemption in full, satisfy all or any of the requirements for such central bank schemes. As to LCR eligibility, see the section of this Prospectus entitled *Risk Factors – Certain Regulatory Risks in Respect of the Notes, Class VRR Notes and Certificates - Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes, Class VRR Notes and Certificates*. Any potential investor in the Notes or Certificates should reach their own conclusions and seek their own advice with respect to whether or not the Notes or Certificates constitute eligible collateral for such central bank schemes. The Class VRR Notes will be retained by Atom Bank for so long as any Notes are outstanding, see the section entitled *Certain Regulatory Disclosures - EU Risk Retention Requirements*.

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

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

Borrowers seeking to avoid increased monthly payments (caused by, for example, the expiry of an initial fixed rate or low introductory rate, or a rise in the related mortgage interest rates) by refinancing their 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 properties to permit them to refinance. These events, alone or in combination, may contribute to higher delinquency rates, slower prepayment rates and higher losses on the Portfolio, which in turn may affect the ability of the Issuer to make payments of interest and/or principal on the Notes and the Class VRR Notes and the payment of any amounts under the Certificates.

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

Changes or uncertainty in respect of SONIA may affect the value and payment of interest under the relevant Classes of Notes and Class VRR Notes

Various interest rates and other indices which are deemed to be benchmarks, including SONIA, are the subject of recent national, international and other regulatory reforms and proposals for reform. Some of

these reforms are already effective while others are still to be implemented, including the EU Benchmarks Regulation (Regulation (EU) 2016/1011) (the "**Benchmarks Regulation**").

Under the Benchmarks Regulation, which came into force from 1 January 2018, in general, new requirements will apply with respect to the provision of a wide range of benchmarks (including SONIA), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the Benchmarks Regulation will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevent certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

These reforms 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, 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;
- (b) while an amendment may be made under Note Condition 13.10 (*Additional Right of Modification*) to change the SONIA rate on the relevant Classes of Notes to an alternative reference 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 relevant Classes of Notes and the corresponding payments on the Class VRR 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 Note Condition 13.10 (*Additional Right of Modification*) to change the SONIA rate on the relevant Classes of Notes (and therefore to change the corresponding payments on the Class VRR Notes) as described in paragraph (b) above, there can be no assurance that the Issuer and the Swap Provider would agree to modify the base floating rate used to determine payments under the Swap Agreement so that such rate corresponds to the rate used to determine interest payments under the relevant Classes of Notes and the corresponding payments on the Class VRR Notes, or that any such amendment made under Note Condition 13.10 (*Additional Right of Modification*) would allow the Swap Agreement to effectively mitigate interest rate and currency risks on the Notes. As a result, and in such circumstances, the Issuer's obligation under the SONIA-linked Notes may be unhedged.

Investors should note the various circumstances under which a Reference Rate Modification may be made, which are specified in Note Condition 13.10 (*Additional Right of Modification*). As noted above, these events broadly relate to SONIA's disruption or discontinuation, but also include, inter alia, any public statements by the SONIA administrator or its supervisor to that effect, and a Reference Rate Modification may also be made if the Issuer (or the Servicer on its behalf) reasonably expects any of these events to occur within six months of the proposed effective date of such Reference Rate Modification. A Reference Rate Modification may also be made if an alternative means of calculating a SONIA-based reference rate is introduced which becomes a standard means of calculating interest for similar transactions. Investors should also note the various options permitted as an Alternative Reference Rate as set out in Note Condition 13.10 (*Additional Right of Modification*), which include,

inter alia, a reference rate utilised in a publicly-listed new issue of sterling-denominated asset-backed floating rate notes where the originator of the relevant assets is Atom Bank or an affiliate (including any parent entity of Atom Bank, any subsidiary of any parent entity of Atom Bank and any subsidiary of Atom Bank) of Atom Bank or such other reference rate as the Issuer (or the Servicer on its behalf) reasonably determines. Investors should also note the negative consent requirements in relation to a Reference Rate Modification (as to which, see *Meetings of Noteholders, Class VRR Noteholders, Certificateholders, Modification and Waivers* below).

When implementing any Reference Rate Modification, the Note Trustee shall not consider the interests of the Noteholders, the Class VRR Noteholder, Certificateholders, 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 "**Reference Rate Modification Certificate**") or other evidence (including, but not limited to, a Ratings Confirmation) provided to them by the Issuer or Servicer, as the case may be, pursuant to Note Condition 13.10 (*Additional Right of Modification*) and shall not be liable to the Noteholders, Class VRR Noteholders, Certificateholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person.

More generally, any of the above matters (including an amendment to change the SONIA rate as described in paragraph (c) above) or any other significant change to the setting or existence of SONIA could affect the ability of the Issuer to meet its obligations under the Notes and the Class VRR Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes and the Class VRR Notes. Changes in the manner of administration of SONIA could result in adjustment to the Conditions, early redemption, delisting or other consequence in relation to the Notes and the Class VRR Notes. No assurance may be provided that relevant changes will not be made to SONIA or any other relevant reference rate and/or that such reference rates will continue to exist. Investors should consider these matters when making their investment decision with respect to the Notes and the Class VRR Notes.

General market volatility and post-UK referendum uncertainty

Prospective investors should note that, pursuant to a referendum held in June 2016, the UK has voted to leave the European Union and the UK Government invoked article 50 of the Lisbon Treaty relating to withdrawal on 29 March 2017 ("**Article 50**"). Under Article 50, the Treaty on the European Union and the Treaty on the Functioning of the European Union cease to apply in the relevant state from the date of entry into force of a withdrawal agreement ("**Article 50 Withdrawal Agreement**") or, failing that, two years after the notification of intention to withdraw, although this period may be extended in certain circumstances.

There are a number of areas of uncertainty in connection with the future of the UK and its relationship with the European Union and the negotiation of the UK's exit terms and related matters may take several years. Given this uncertainty and the range of possible outcomes, including the potential for a second independence referendum in Scotland, it is not currently possible to determine the impact that the referendum, the UK's departure from the European Union and/or any related matters may have on general economic conditions in the UK, including the performance of the UK housing market. It is also not possible to determine the impact that these matters will have on the business of the Issuer (including the performance of the Loans), any other party to the transaction documents and/or any Borrower in respect of the Loans, or on the regulatory position of any such entity or of the transactions contemplated by the Transaction Documents under EU regulation or more generally.

The Brexit vote has resulted in downgrades of the UK sovereign and the Bank of England by Moody's Investors Service Limited, S&P and by Fitch. Moody's Investors Service Limited, S&P and Fitch have all placed a negative outlook/rating watch on the UK sovereign rating and that of the Bank of England, suggesting a strong possibility of further negative rating action. Further downgrades may cause downgrades to counterparties on the transaction meaning that they cease to have the relevant required

ratings to fulfil their roles and need to be replaced. If rating action is widespread, it may become difficult or impossible to replace counterparties on the transaction with others who have the required ratings on similar terms or at all.

The Article 50 Withdrawal Agreement has not yet been ratified by the UK or the European Union. The parties have agreed to an extended time line which allows for ratification to take place any time prior to 31 January 2020. To the extent ratification does take place ahead of 31 January 2020, the UK would leave on the first date of the month following ratification. However, it remains uncertain whether the Article 50 Withdrawal Agreement, or any alternative agreement, will be finalised and ratified by the UK and EU ahead of the deadline. If that deadline of 31 January 2020 is not met, unless the negotiation period is further extended or the Article 50 notification revoked, the Treaty on the European Union and the Treaty on the Functioning of the EU will cease to apply to the UK and the UK will lose access to the EU single market. An election has been called in the UK for 12 December 2019. The result of such election, the nature and policies of the resulting government, including with respect to Brexit, and any corresponding impact on the Issuer, Notes and Certificates are difficult to predict.

Due to the ongoing political uncertainty as regards the terms of the UK's withdrawal from the European Union and the structure of the future relationship, it is not possible to determine the precise impact on general economic conditions in the UK, including the performance of the UK housing market. It is also not possible to determine the precise impact that these matters will have on the business of the Issuer (including the performance of the underlying loans), any other party to the transaction documents and/or any borrower in respect of the underlying loans, or on the regulatory position of any such entity or of the transactions contemplated by the transaction documents under European Union regulation or more generally.

In addition, the main Westminster political parties have devolved to the Scottish Parliament additional legislative powers previously reserved to the UK Parliament under the Scotland Act 2016 which came into force on 23 March 2016 and which 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. Whilst the majority of the provisions are not expected to have an adverse impact on the Scottish economy or on mortgage origination in Scotland, increased powers for the Scottish Parliament to control income tax (and which have already been exercised) could mean that Borrowers in Scotland are subject to a different rate of income tax from Borrowers in the same income bracket in England, Wales and Northern Ireland, which may affect some Scottish Borrowers' ability to pay amounts when due on Loans, and which, in turn, may adversely affect payments by the Issuer on the Notes, Class VRR Notes and Certificates.

The Brexit vote and a potential eventual exit of the UK from the European Union, has resulted in an increased potential for a second independence referendum in Scotland. It is not currently possible to determine the impact of such a potential referendum. However, potential investors should note that an independent Scotland may wish to choose its own currency, different from Sterling. Such a scenario would increase the risks that assets, liabilities, incomes and expenditures, or other obligations currently denominated in Sterling, may be re-denominated by a sovereign Scotland into another currency. Such a scenario may cause the risks outlined in *Credit risk* and *Declining property values* to materialise.

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, Class VRR Notes or Certificates and/or the market value or liquidity of the Notes, Class VRR Notes and Certificates and/or the ratings of the Rated Notes.

CERTAIN REGULATORY RISKS IN RESPECT OF THE NOTES, CLASS VRR NOTES AND CERTIFICATES

Change of Law

The structure of the transaction and, *inter alia*, the issue of the Notes, Class VRR Notes and Certificates and the ratings which are to be assigned to the Rated Notes are based on the law, regulation, accounting and administrative practice in effect as at the date of this Prospectus as it affects the parties to the transaction and the Portfolio, 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) and practice or tax treatment after the date of this Prospectus nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuer to make payments under the Notes, Class VRR Notes and Certificates. In addition, it should be noted that regulatory requirements (including any applicable retention, due diligence or disclosure obligations) may be recast or amended and there can be no assurance that any such changes will not adversely affect the compliance position of a transaction described in this Prospectus or of any party under any applicable law or regulation.

Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes, Class VRR Notes and Certificates

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory position for certain investors in securitisation exposures and/or on the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes, Class VRR Notes and Certificates are responsible for analysing their own regulatory position and none of the Issuer, the Lead Manager, the Arranger or the Seller make any representation to any prospective investor or purchaser of the Notes, Class VRR Notes or Certificates regarding the regulatory treatment of their investment on the Closing Date or at any time in the future.

In particular, investors should note that the Basel Committee on Banking Supervision ("**BCBS**") has approved a series of significant changes to the Basel regulatory capital and liquidity framework (such changes being referred to by the BCBS as "**Basel III**"), including revisions to the securitisation framework which may result in increased regulatory capital requirements in respect of certain positions. Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio backstop for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio ("**LCR**") and the Net Stable Funding Ratio. BCBS member countries agreed to implement the initial phase of the Basel III reforms from 1 January 2013 and the second phase from 1 January 2022, subject to transitional and phase-in arrangements for certain requirements up to January 2027. The timelines for European implementation has been set out in the CRD V / CRR II package published in the EU's Official Journal on 7 June 2019, however the final details of implementation remain uncertain until all technical standards are published in final form by the EBA. Further national variation to the minimum standards is possible within discretion granted to competent authorities. As implementation of any changes to the Basel framework (including those made via Basel III) requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities, may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe.

The STS securitisation designation (in relation to which see the risk factor entitled *Securitisation Regulation*) impacts on the potential ability of the Notes to achieve better or more flexible regulatory treatment under various EU regimes that were amended (or will be amended in due course) to take into

account the STS framework (such as Type 1 securitisation under Solvency II, as amended; regulatory capital treatment under the securitisation framework of the Capital Requirements Regulation, as amended by the CRR Amendment Regulation; Type 2B securitisation under the Commission Delegated Regulation (EU) 2018/1620 (the "**LCR Regulation**"), as amended and the forthcoming changes (which are yet to be finalised) to the EMIR regime that will address certain exemptions for STS securitisation swaps, as to which investors are referred to the risk factor entitled "*European Market Infrastructure Regulation*").

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes, Class VRR Notes or Certificates. The matters described above and any other changes to the regulation or regulatory treatment of the Notes, Class VRR Notes or Certificates for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes, Class VRR Notes or Certificates in the secondary market.

Legal uncertainty relating to Article 50

A significant proportion of English and Scots law currently derives from or is designed to operate in concert with European Union law. This is especially true of English and Scots law relating to financial markets, financial services, prudential and conduct regulation of financial institutions, bank recovery and resolution, payment services and systems, settlement finality, market infrastructure and mortgage and consumer credit regulation. The European Union (Withdrawal) Act 2018 (the "**Withdrawal Act**") aims to incorporate EU law into UK law the moment before the UK ceases to be a member of the EU, with the intention of limiting immediate legal change. The Withdrawal Act grants the UK Government wide powers to make secondary legislation in order to, among other things, implement any withdrawal agreement and to adapt those laws that would otherwise not function sensibly once the UK has left the EU, the whole with minimal parliamentary scrutiny. The secondary legislation made under those powers would be able to do anything that could be done by an act of Parliament. Over time, however – and depending on the timing and terms of the UK's exit from the EU – changes (including possible significant changes) to English and Scots law in areas relevant to the transaction and the parties to the Transaction Documents may be necessary. The Issuer cannot predict what any such changes will be and how they may affect the Issuer's ability to make payments of principal and interest under the Notes and the Class VRR Notes and payments under the Certificates.

Regulatory uncertainty relating to Article 50

There is significant uncertainty about how financial institutions from the remaining EU ("**EU27**") with assets (including branches) in the UK will be regulated and vice versa. At present, EU single market regulation allows regulated financial institutions (including credit institutions, investment firms, alternative investment fund managers, insurance and reinsurance undertakings) to benefit from a passporting system for regulatory authorisations required to conduct their businesses, as well as facilitating mutual rights of access to important elements of market infrastructure such as payment and settlement systems. EU law is also the framework for mutual recognition of bank recovery and resolution regimes. Once the UK ceases to be a Member State of the EU, the current passporting arrangements will cease to be effective, as will the current mutual rights of access to market infrastructure and current arrangements for mutual recognition of bank recovery and resolution regimes. The ability of regulated financial institutions to continue to do business between the UK and the EU27 after the UK ceases to be a Member State of the EU would therefore be subject to separate arrangements between the UK and the EU27. Although the UK Government has said that it "*will be aiming for the freest possible trade in financial services between the UK and EU Member States*" in a white paper setting out its Brexit negotiation objectives, there can be no assurance that there will be any such arrangements concluded and, if they are concluded, when and on what terms. Such uncertainty could

adversely impact the ability of third parties (including parties to the Transaction Documents) who are regulated financial institutions to provide services to the Issuer and other Transaction Parties.

Risks relating to the Banking Act 2009

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

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

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

If an instrument or order were to be made under the provisions of the Banking Act currently in force in respect of a relevant entity as described above, such action may (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 (such as the Scottish Declaration of Trust), (ii) contractual arrangements between relevant entities and other parties to be removed, modified or created where considered necessary to enable a transferee in the context of a property or share transfer to operate the transferred business effectively and (iii) in connection with the modification of an unsecured liability through use of the bail-in tool, the discharge of a relevant entity from further performance of its obligations under a contract. In addition, subject to certain conditions, powers would apply to require a relevant instrument or order (and related events) to be disregarded in determining whether certain widely defined default events have occurred (which events may include trigger events included in the Transaction Documents in respect of the relevant entity, including termination events and trigger events in respect of perfection of legal title to the Loans). As a result, the making of an instrument or order in respect of a relevant entity as described above may affect the ability of the Issuer to meet its obligations in respect of the Notes, the Class VRR Notes and the Certificates.

As noted above, the stabilisation tools may be used in respect of certain banking group companies provided certain conditions are met. If the Issuer was regarded to be a banking group company and no exclusion applied, then it would be possible in certain scenarios for the relevant authority to exercise one or more relevant stabilisation tools (including the property transfer powers and/or the bail-in

powers) in respect of it, which could result in reduced amounts being available to make payments in respect of the Notes, the Class VRR Notes and the Certificates and/or in the modification, cancellation or conversion of any unsecured portion of the liability of the Issuer under the Notes, the Class VRR Notes and the Certificates at the relevant time. In this regard, it should be noted that the UK authorities have provided an exclusion for certain securitisation companies, which exclusion is expected to extend to the Issuer, although aspects of the relevant provisions are not entirely clear.

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

Lastly, as a result of the EU Bank Recovery and Resolution Directive 2014/59/EU (the "**BRRD**") providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms and any relevant national implementing measures, it is possible that an institution with its head office in an EU state other than the UK and/or certain group companies could be subject to certain resolution actions in that other state. Moreover, certain amendments may be made to the BRRD as a result of proposals published by the European Commission on 23 November 2016 (known as BRRD II), including to extend the bail-in power. 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 the Noteholders, Class VRR Noteholders or Certificateholders will not be adversely affected as a result.

Securitisation Regulation

The Securitisation Regulation applies to the Notes, the Class VRR Notes and the Certificates, as does Regulation (EU) 2017/2401 (the "**CRR Amendment Regulation**"), which amends certain provisions of Regulation (EU) No 575/2013 as it relates to securitisation. Amongst other things, the Securitisation Regulation and the CRR Amendment Regulation together include provisions intended to implement the revised securitisation framework developed by BCBS (with adjustments) and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors.

In relation to due diligence requirements, the Securitisation Regulation requires that, prior to holding a securitisation position, EU institutional investors are required to verify the matters required by Article 5(1) of the Securitisation Regulation and to conduct a due diligence assessment in accordance with Article 5(2).

In relation to risk retention, the Securitisation Regulation amends the manner in which the retention requirements apply by imposing a direct obligation of compliance with the risk retention requirements on EU originators, sponsors or original lenders.

However, while the Securitisation Regulation came into force on 1 January 2019, not all of the proposed technical guidance in relation to certain provisions of the Securitisation Regulation have, as at the Closing Date been finalised. Notably, technical guidance in relation to the manner in which reporting should be carried out in relation to a securitisation is yet to be finalised, as is guidance in relation to certain elements of compliance with the simple, transparent and standardised securitisation regime (as to which please see further "*Simple, Transparent and Standardised Securitisations*" below). The timing for finalisation of these pieces of guidance by the relevant authorities remains unclear. As such, there is a degree of uncertainty around the manner in which compliance with certain elements of the new regulations will be achieved.

With regards to the transparency requirements set out in Article 7 of the Securitisation Regulation, the relevant regulatory and implementing technical standards, including the standardised templates to be developed by ESMA which set out the form in which the relevant reporting entity is required to comply with certain of the periodic reporting requirements (the "**ESMA Disclosure Templates**"), the European Commission adopted texts of Article 7 technical standards were published in October 2019, representing the near-final position on the applicable reporting templates, but these are yet to be approved by the European Parliament and the Council of the European Union and it is expected that these technical standards will be finalised and enter into force in the first quarter of 2020. Until the final position on the outstanding technical standards and related guidance is known, there can be no assurance that the information in this Prospectus or to be made available to investors in accordance with Article 7 of the Securitisation Regulation will be adequate for any prospective institutional investors to comply with their due diligence obligations under the Securitisation Regulation.

Furthermore, in a statement issued on 30 November 2018, the Joint Committee of the European Supervisory Authorities notes the operational difficulties of compliance with the Securitisation Regulation disclosure obligation during the transitional period under the CRA3 for some entities and indicated that national competent authorities should generally apply their supervisory powers in their day-to-day supervision and enforcement of applicable legislation on a proportionate and risk-based manner.

In relation to the due diligence requirements for institutional investors that are set out in Article 5 of the Securitisation Regulation, any prospective investor to which these requirements apply should make themselves aware of such requirements and should ensure that the requirements which need to be satisfied prior to holding a securitisation position have been complied with prior to an investment in the Notes, the Class VRR Notes or the Certificates by such investor. In addition any such investor should ensure that it will be able to comply with the ongoing requirements of Article 5 in relation to an investment in the Notes, the Class VRR Notes and the Certificates. None of the Issuer, Atom Bank (in any capacity), the Lead Manager nor the Arranger provides any assurance that the information provided in this Prospectus, or any other information that will be provided to investors in relation to the Notes, the Class VRR Notes or the Certificates (including without limitation any investor report or loan-level data that is published in relation to the Notes, the Class VRR Notes or the Certificates) is sufficient for the satisfaction by any investor of the requirements in Article 5 of the Securitisation Regulation as they apply to that investor. However, the Designated Reporting Entity has confirmed it will comply with Article 7 of the Securitisation Regulation (as to which, see the section of this Prospectus headed "*Certain Regulatory Disclosure – Transparency and reporting under the Securitisation Regulation*"). Investors should note that the requirements of Article 5 of the Securitisation Regulation apply in addition to any other applicable regulatory requirements applying to such investor in relation to an investment in the Notes, the Class VRR Notes or the Certificates.

Until the regulatory technical standard to be adopted by the European Commission pursuant to Article 7(3) of the Securitisation Regulation (the "**Disclosure RTS**") is approved by the European Parliament and the Council of the European Union, for the purposes of its obligations set out in points (a) and (e) of the first subparagraph of Article 7(1) of the Securitisation Regulation, the Designated Reporting Entity will be required to make the information referred to in Annexes I to VIII of Delegated Regulation (EU) 2015/3 available in accordance with Article 7(2) of the Securitisation Regulations. There can be no assurance that the information to be provided by the Designated Reporting Entity will be adequate for any potential investors to comply with their obligations pursuant to Article 5 of the Securitisation Regulation. As at the date of this Prospectus, while the Disclosure RTS have been adopted by the European Commission in October 2019, these are yet to be approved by the European Parliament and the Council of the European Union and it is expected that these technical standards will be finalised and enter into force in the first quarter of 2020. Prospective investors should consult their own advisers as to the regulatory obligations imposed on them pursuant to the Securitisation Regulation in respect of the Notes, Class VRR Notes and/or Certificates and as the consequences for and effect on them of and changes to the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any prospective investor or otherwise.

Simple, Transparent and Standardised Securitisations

The Securitisation Regulation makes provision for a securitisation transaction to be designated a simple, transparent and standardised transaction (an "**STS Securitisation**") and provides that such securitisations should be subject to more favourable regulatory treatment, including reduced risk weightings for credit institution and investment firm investors, and separately, that certain aspects of previous legislation have been repealed and replaced with a single EU-wide securitisation regulation. Notably, the risk weights attached to securitisation exposures for credit institutions and investment firms will in general increase substantially under the new securitisation framework implemented under the Securitisation Regulations and these new risk weights will apply from 1 January 2019 or 1 January 2020 depending on the features of the particular securitisation exposure. In order to obtain this designation, a transaction is required to comply with the requirements set out in Articles 20, 21 and 22 of the Securitisation Regulation (the "**STS Criteria**") and one of the originator or sponsor in relation to such transaction is required to file an STS Notification to ESMA confirming the compliance of the relevant transaction with the STS Criteria.

The Notes, Class VRR Notes and Certificates are intended to be designated as an STS Securitisation, but there is no certainty that such designation will be achieved.

Prospective investors are themselves responsible for monitoring and assessing changes to the EU risk retention rules and their regulatory capital requirements.

It is important to note that the involvement of PCS as an authorised verification agent is not mandatory and the responsibility for compliance with the Securitisation Regulation remains with the relevant institutional investors, originators and issuers, as applicable in each case. An STS Verification will not absolve such entities from making their own assessment and assessments with respect to the Securitisation Regulation, and an STS Assessment cannot be relied on to determine compliance with the foregoing regulations in the absence of such assessments by the relevant entities. Furthermore, an STS Verification is not an opinion on the creditworthiness of the relevant Notes, Class VRR Notes or Certificates 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, Class VRR Notes or Certificates for any investor and/or a recommendation to buy, sell or hold Notes, Class VRR Notes or Certificates. Institutional investors that are subject to the due diligence requirements of the Securitisation Regulation need to make their own independent assessment and may not solely rely on an STS Verification, the STS Notification or other disclosed information.

European Market Infrastructure Regulation

Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and the trade repositories ("**EMIR**") came into force on 16 August 2012. EMIR, as amended by Regulation (EU) No 2019/834 ("**EMIR Refit 2.1**"), and the requirements under it impose certain obligations on parties to over the counter ("**OTC**") derivative contracts including (i) a mandatory clearing obligation for certain classes of OTC derivatives contracts (the "**Clearing Obligation**"), (ii) a margin posting obligation for OTC derivatives contracts not subject to clearing (the "**Collateral Obligation**"), (iii) other risk-mitigation techniques for OTC derivatives contracts not cleared by a central counterparty, and (iv) certain reporting and record-keeping requirements.

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

On the basis that the Issuer currently has the counterparty status of NFC-, neither the Clearing Obligation nor the Collateral Obligation should apply to it. If the Issuer's counterparty status as an NFC- changes then certain OTC derivatives contracts that are entered into by the Issuer may become subject to the Clearing Obligation or the Collateral Obligation. In this regard, it should be noted that it is not clear that the Swap Agreement would be a relevant type of OTC derivative contract that would be subject to the Clearing Obligation under the implementing measures made to date.

Notwithstanding the qualifications on application described above, the position of the Swap Agreement under each of the Clearing Obligation and Collateral Obligation is not entirely clear and may be affected by further measures still to be made, regulatory guidance and/or by any inability to rely on an exemption for any reason. In this regard, we note that the European authorities recently adopted a new regulation related to securitisation which applied from 1 January 2019 and which includes amendments to EMIR. The amendments contain an exemption from each of the obligations referred to above for certain OTC derivative contracts entered into by a securitisation special purpose entity in connection with certain securitisations and make provision for the development of technical standards setting out additional detail to determine precisely which positions should be exempt.

Until the final new technical standards referred to above are in force, no assurance can be given that the Swap Transaction will meet the applicable exemption criteria provided therein. Notwithstanding the STS designation and the ability, as a result, to rely on the exemptions from clearing and collateral exchange obligations under the EMIR regime, the expectation is that the Issuer should not be required to comply with the EMIR collateral exchange obligations and clearing requirements for the reasons outlined above (being its NFC- status) in any event. The STS designation and the related forthcoming exemptions from collateral exchange obligations and clearing requirements are only likely to become relevant should the status under the EMIR of the Issuer change from NFC- to NFC+ or FC and, if applicable, should Swap Transaction be regarded as a type that is subject to the Clearing Obligation.

No assurances can be given that any such changes made to EMIR would not cause the status of the Issuer to change to NFC+ and lead to some or all of the potentially adverse consequences outlined below.

If the classification of the Issuer changes and the Swap Agreement is regarded to be in-scope, then the Swap Agreement may become subject to the Clearing Obligation or (more likely) to the Collateral Obligation. Prospective investors should note that there is some uncertainty with respect to the ability of the Issuer to comply with these obligations if applicable, which may (i) lead to regulatory sanctions, (ii) adversely affect the ability of the Issuer to continue to be party to the Swap Agreement (possibly resulting in a restructuring or termination of the swap) 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 EMIR while it is party to any interest rate swaps, including any additional provisions or technical standards which may come into force after the Closing Date, and this may necessitate amendments to the Transaction Documents. Subject to receipt by the Note Trustee of a certificate from (i) the Issuer signed by two directors or (ii) the Servicer on behalf of the Issuer, in each case, certifying to the Note Trustee and the Security Trustee that the amendments requested by the Issuer are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under EMIR, the Note Trustee with the written consent of the Secured Creditors which are a party to the relevant Transaction Documents shall, without the consent or sanction of the Noteholders, Class VRR Noteholders, Certificateholders or any of the other Secured Creditors, agree to any modification to the Transaction Documents, the Note Conditions, Class VRR Note Conditions or the Certificate Conditions that are requested in writing by the Issuer (acting in its own discretion or at the direction of any transaction party) in order to enable the Issuer to comply with any requirements which apply to it under EMIR. The Note Conditions, Class VRR Note Conditions and Certificate Conditions require this to be done irrespective of whether such modifications are (i) materially

prejudicial to the interests of the Noteholders of any Class of Notes, Class VRR Noteholders, Certificateholders or any other Secured Creditor or (ii) in respect of a Basic Terms Modification. Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification if it would have the effect of exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or increasing the obligations or duties, or decreasing the protections of the Note Trustee and/or the Security Trustee in the Transaction Documents and/or the Note Conditions and/or the Class VRR Note Conditions and/or the Certificate Conditions.

CRA Regulation

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances while the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances).

Credit ratings included or referred to in this Prospectus have been or, as applicable, may be issued by Fitch and S&P, each of which, as at the date of this Prospectus, is a credit rating agency established in the European Community and registered under the CRA Regulation. It should be noted that the list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

The Issuer Has Not Registered as an Investment Company Pursuant to the Investment Company Act

In December 2013, the banking regulators and other agencies principally responsible for banking and financial market regulation in the United States implemented the final rules comprising the so-called Volcker Rule under the Dodd-Frank Act, which in general prohibit "banking entities" (as defined therein) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring certain hedge funds, private equity funds (broadly defined to include any entity that would be an investment company under the Investment Company Act but for the exemptions provided in Section 3(c)(1) or Section 3(c)(7) thereof) and certain similar funds and (iii) entering into certain relationships with such funds. The final rules became effective on April 1, 2014, subject to varying conformance periods for legacy positions that, with some limited exceptions, expired on July 21, 2017. The Issuer has not registered with the SEC as an investment company pursuant to the Investment Company Act, in reliance on an exclusion or exemption provided by Section 3(c)(5)(C) of the Investment Company Act, although other exemptions, exclusions or exceptions may be available. The Issuer has been structured so as not to constitute a "covered fund" for purposes of Section 619 of the Dodd-Frank Act. The general effects of the final rules implementing the Volcker Rule remain uncertain. Any prospective investor in the Notes, the Class VRR Notes or the Certificates, including a U.S. or foreign bank or an affiliate or subsidiary thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule and regulatory implementation.

If the SEC or a court of competent jurisdiction were to find that the Issuer is required, but failed to register as an investment company under the Investment Company Act, possible consequences include, but are not limited to, the following: (i) an application by the SEC to a district court to enjoin the violation and (ii) any contract to which the Issuer is party that is made in violation of the Investment Company Act or whose performance involves such violation being unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more

equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. Should the Issuer be subjected to any or all of the foregoing, the Issuer, Noteholders, Class VRR Noteholders and Certificateholders could be materially and adversely affected.

The Consequences of an Unintended Failure to Comply with the U.S. Risk Retention Rules

The U.S. Risk Retention Rules governing credit risk retention by the transaction "securitizer" and/or "originator" with respect to residential mortgage securitization transactions became effective on December 24, 2015. See "*U.S. Risk Retention Requirements*" in this Prospectus for a discussion of the U.S. Risk Retention Rules and the requirements thereunder with respect to the offering of the Notes, the Class VRR Notes and the Certificates. While this transaction is intended to comply with the U.S. Risk Retention Rules, an unintended failure to comply with the U.S. Risk Retention Rules may arise.

For instance, a lender may provide secured financing of the Class VRR Notes retained by the Seller. Such financing will be full recourse to the Seller and otherwise in accordance with the U.S. Risk Retention Rules. In the event there is an event of default under such secured financing, the retained Class VRR Notes may be subject to foreclosure and the Seller may therefore cease to comply with the U.S. Risk Retention Rules.

At this time, it is unclear what effect an unintended failure to comply with the U.S. Risk Retention Rules would have on the market value or liquidity of the Notes, the Class VRR Notes and the Certificates.

Financial Services Compensation Scheme

The Notes are not guaranteed by the UK Government under the asset-backed securities guarantee scheme. Also, any investment in the Notes, Class VRR Notes or Certificates does not have the status of a protected claim under the UK Financial Services Compensation Scheme and accordingly, neither the Notes, Class VRR Notes nor Certificates will confer any entitlement to compensation under that scheme.

Legal considerations may restrict certain investments

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

CERTAIN TAX CONSIDERATIONS

Withholding tax under the Notes

In the event that any withholding or deduction for or on account of any tax is imposed on payments in respect of the Notes, neither the Issuer nor any other person is obliged to gross up or otherwise compensate the Noteholders for such withholding or deduction. However, in such circumstances, the Issuer will, in accordance with Note Condition 8.4 (*Redemption of the Notes, Class VRR Notes and Certificates in Full*), and 7.3 (*Redemption of the Notes, Class VRR Notes and Certificates for Taxation or Other Reasons*), be required (subject to certain conditions) to appoint a Paying Agent in another jurisdiction or use its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another jurisdiction approved in writing by the Note Trustee, as principal debtor under the Notes and the Trust Deed.

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 account of United Kingdom income tax will be required on payments of interest of the Notes. However, there can be no assurance that the law will not change during the life of the Notes

Holders of the Notes should consult their own tax advisers about the tax consequences under their circumstances of purchasing, holding and selling the Notes under the laws of the United Kingdom, its political subdivisions and any other jurisdiction in which the holders of the Notes may be subject to tax.

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

UK Taxation treatment of the Issuer

The Issuer has been advised that it should fall within the permanent regime for the taxation of securitisation companies (as introduced by the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (as amended) (the "**Securitisation Tax Regulations**")), and, as such, should be taxed only on the amount of its retained profit (as that term is defined in the Securitisation Tax Regulations), for so long as it satisfies the conditions of the Securitisation Tax Regulations. However, if the Issuer does not satisfy the conditions of the Securitisation Regulations (or subsequently ceases to satisfy those conditions), then the Issuer may be subject to tax liabilities not contemplated in the cash flows 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, the Class VRR Notes and the Certificates and may result in investors receiving less interest and/or principal than expected.

The Class E Notes, and to a lesser extent a more senior Class of Notes may be treated as equity for U. S. federal income tax purposes

As is discussed herein, and subject to the assumptions, representations and covenants discussed therein, Dentons US, LLP, counsel to the Issuer, will deliver an opinion to the effect that the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, to the extent they are issued and outstanding for United States federal income tax purposes on the Closing Date, will be characterized as indebtedness for United States federal income tax purposes. However, no ruling has been sought as to the proper classification of the Class A Notes, Class B Notes, Class C Notes, Class D Notes and the Class E Notes for U.S. federal income tax purposes, and the tax consequences of an investment in such Notes is are uncertain. The U.S. Internal Revenue Service (the "**IRS**") may take the position that Class E Notes, and to a lesser extent a more senior Class of Notes, represent equity interests in the Issuer for U.S. federal income tax purposes. The Issuer will be a passive foreign investment company and may also be a controlled foreign corporation. As a result, if Class E Notes, and to a lesser extent a more senior Class of Notes, are treated as equity, U.S. Holders (as defined in the section *Certain U.S. Federal Income Tax Considerations*) of such Notes could be required to recognize income for tax purposes in excess of cash actually distributed to them ("**phantom income**") in a variety of circumstances and could be subject to certain other potentially adverse consequences. Each holder should consult its own tax adviser regarding the tax consequences should the Class E Notes, or to a lesser extent a more senior Class of Notes be recharacterized as equity for U.S. federal income tax purposes, including the fact that qualified electing fund information will not be made available to U.S. Holders.

The Issuer is expected to be treated as a passive foreign investment company for U.S. federal income tax purposes.

The Issuer is expected to be a passive foreign investment company for U.S. federal income tax purposes, which means that a U.S. Holder of an interest in the Issuer treated as equity for U.S. federal income tax purposes may be subject to materially adverse tax consequences unless certain elections are made. As discussed in *Certain U.S. Federal Income Tax Considerations* U.S. Holders will not be able to make a qualified electing fund election with respect to an investment in the Issuer in the event that such U.S.

Holder is treated as holding equity in the Issuer. In addition, depending on the overall ownership of the equity of the Issuer, a U.S. Holder of more than 10% of the equity of the Issuer may be treated as a U.S. shareholder in a controlled foreign corporation and required to recognize currently its proportionate share of the subpart F income or "global intangible low tax income" of the Issuer whether or not distributed to such U.S. Holder. A U.S. Holder that is required to include subpart F income or "GILTI" income in the event that the Issuer is treated as a controlled foreign corporation, may recognize income in amounts significantly greater than the payments received from the Issuer. Taxable income may exceed cash payments when, for example, the Issuer uses earnings to repay principal on the Notes or accrues income on the debt obligations owned by the Issuer prior to the receipt of cash or the Issuer discharges its debt at a discount. Each U.S. Holder should consult its own tax adviser concerning the potential effect of the controlled foreign corporation and passive foreign investment company rules.

RISKS RELATING TO DENOMINATIONS AND BOOK-ENTRY INTERESTS

Registered Definitive Notes and denominations in integral multiples

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

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

Book-Entry Interests

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

A nominee for the common safekeeper for Euroclear and Clearstream, Luxembourg (the "**Common Safekeeper**") will be considered the registered holder of the Notes and the Class VRR Notes. A nominee for the common depository for Euroclear and Clearstream, Luxembourg (the "**Common Depository**") will be considered the registered holder of the Certificates as shown in the records of Euroclear or Clearstream, Luxembourg. The Common Safekeeper will be the sole legal holder of the Regulation S Global Notes, the Regulation S Class VRR Global Note and the Rule 144A Global Notes under the Trust Deed while the Regulation S Notes are represented by the Regulation S Global Notes and while the Regulation S Class VRR Notes are represented by the Regulation S Class VRR Global Note and while the Rule 144A Notes are represented by the Rule 144A Global Notes. The Common Depository will be the sole legal holder of the Regulation S Global Certificates and the Rule 144A Global Certificates under the Trust Deed while the Regulation S Certificates are represented by the Regulation S Global Certificates and while the Rule 144A Certificates are represented by the Rule 144A Global Certificates. Accordingly, each person owning a Book-Entry Interest must rely on the relevant procedures of Euroclear and Clearstream, Luxembourg and, if such person is not a participant in such entities, on the procedures of the participant through which such person owns its interest, to exercise

any right of a Noteholder, or as relevant a Class VRR Noteholder, or as relevant a Certificateholder 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 Notes will be made by the Principal Paying Agent to a nominee of the Common Safekeeper in the case of the Regulation S Global Notes, the Regulation S Class VRR Global Note and the Rule 144A Global Notes, or as relevant. Except as noted in the previous paragraph, payments of amounts due in respect of the Global Certificates will be made by the Principal Paying Agent to a nominee of the Common Depository in the case of the Global Certificates. Upon receipt of any payment from the relevant 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 or the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, the Book-Entry Interests or for maintaining, supervising or reviewing any records relating to such Book-Entry Interests.

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

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

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

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

Eurosystem Eligibility

The Notes and the Class VRR Notes are intended to be held in a new safekeeping structure (**NSS**) and in a manner which would allow Eurosystem eligibility and will be deposited with one of the international central securities depositories (**ICSDs**) as common safekeeper. However, the deposit of the Notes and the Class VRR Notes with one of the ICSDs as common safekeeper upon issuance or otherwise does not necessarily mean that the Notes or the Class VRR 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. Accordingly, none of the Issuer, the Seller, the Arranger, the Lead Manager, the Security Trustee or the Note Trustee gives any representation, warranty, confirmation or guarantee to any investor in the Notes or the Class VRR Notes that either the Notes or the Class VRR Notes will, either upon issue, or at any or at all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral. Any potential investor in the Notes or the Class VRR Notes should make its own conclusions and seek its own advice with respect to whether or not the Notes or the Class VRR Notes constitute Eurosystem eligible collateral.

The Certificates are not intended to be held in a new safekeeping structure or in a manner which would allow Eurosystem eligibility and will be deposited with one of the ICSDs as common depository.

CERTAIN REGULATORY CONSIDERATIONS IN RESPECT OF THE PORTFOLIO

Regulated Mortgage Contracts

In the UK, residential mortgage lending is a regulated activity under the FSMA and is regulated by the FCA. Entering into, arranging or advising in respect of, and administering, Regulated Mortgage Contracts, and agreeing to do any of those activities, are (subject to certain exemptions) regulated activities under the FSMA and the FSMA (Regulated Activities) Order 2001 (as amended) (the "RAO") requiring authorisation and permission from the FCA.

A mortgage contract will constitute a Regulated Mortgage Contract if the mortgage contract meets the following conditions at the time it is entered into (when read in conjunction with and subject to certain relevant exclusions such as the relevant buy-to-let exclusion): (a) the lender provides credit to an individual or to trustees (the 'borrower'); (b) the obligation of the borrower to repay is secured by a mortgage on land in the EEA; and (c) at least 40% of that land is used, or is intended to be used, in the case of credit provided to an individual, as or in connection with a dwelling; or (in the case of credit provided to a trustee who is not an individual), as or in connection with a dwelling by an individual who is a beneficiary of the trust, or by a related person (broadly the person's spouse, near relative or a person with whom the borrower has a relationship which is characteristic of a spouse).

The Seller is required to hold, and holds, authorisation and permission to enter into and administer Regulated Mortgage Contracts. Subject to any exclusion, brokers are required to hold authorisation and permission to arrange and, where applicable, to advise in respect of Regulated Mortgage Contracts.

If requirements as to the authorisation of lenders and brokers involved in the origination of a Regulated Mortgage Contract are not complied with, a Regulated Mortgage Contract will be unenforceable against the borrower except with the approval of a court and the unauthorised person may commit a criminal offence. An unauthorised person who carries on the regulated 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 Issuer is not and does not propose to be an authorised person under the FSMA with respect to Regulated Mortgage Contracts and related activities. The Issuer does not require authorisation in order to acquire legal or beneficial title to the Seller's right under a Regulated Mortgage Contract, or to provide funding to the Seller. The Issuer does not carry on the regulated activity of administering Regulated Mortgage Contracts by having them administered pursuant to an administration agreement by an entity having the required FCA authorisation and permission because of the exclusion in article 62 of the RAO. If such administration agreement terminates, however, the Issuer will have a period of not more than one month in which to arrange for mortgage administration to be carried out by a replacement administrator having the required FCA authorisation and permission. In addition, no variation may be made to the Loans and no further advance or product switch has been or will be made in relation to a loan, where this would result in the Issuer arranging, administering or entering into a Regulated Mortgage Contract, or agreeing to carry on any of these activities, if the Issuer would be required to be authorised under the FSMA to do so. Pursuant to the Servicing Agreement, the Servicer administers the Regulated Mortgage Contracts and the Servicer has the requisite FSMA authorisation and permission to enable it to undertake such activities.

In March 2019, the FCA issued the Mortgages Market Study Final Report (the MMS Final Report) and published a consultation paper (the Consultation) setting out detailed proposals to remove regulatory barriers to changing mortgages for "mortgage prisoners". The Consultation closed in June 2019 and the FCA have stated on their website that they intend to publish rules in a Policy Statement in late 2019. The term "mortgage prisoners" has been defined by the FCA to mean mortgage customers who would benefit from changing their mortgage product (either with their existing lender or with a new lender) (Switching) but are unable to do so despite being up to date with their current mortgage payments. The FCA has confirmed that the findings from the MMS Final Report are aimed at the first charge residential

mortgage market in particular and that it did not focus on second charge, buy-to-let, commercial mortgages or home reversion plans. The FCA have however stated that insights gained from the MMS Final Report are likely to be relevant to other markets within the FCA's regulatory scope.

The FCA previously recognised that the affordability rules applicable to new lenders (being whether the consumer can afford to service the mortgage, accounting for income and expenditure and includes consideration of future changes, taking account of likely future interest rates and the extent to which the customer is borrowing in to retirement) was an obstacle to new lenders being able to facilitate Switching. The Consultation sets out proposals as to how to modify these rules so that a borrower Switching who is up to date with their mortgage payments and is not taking on additional borrowing (other than to fund any product or arrangement fee) can pass the affordability test if the new product is cheaper than the existing product. The FCA is also consulting pursuant to the Consultation on imposing on mortgage administrators and servicers who act for unregulated lenders an obligation to notify all relevant borrowers of that unregulated lender serviced by that administrator or servicer of the fact that the borrower may be able to switch to a cheaper product following the change in rules. These notices would only apply to residential borrowers (excluding lifetime mortgages) who were on a reversion rate and who were up to date with payments for the previous 12 months. The proposed modification of the rules should make it easier for a borrower who is a mortgage prisoner to switch to a new lender and this could increase redemption rates where there are a significant number of mortgage prisoners held by a lender.

The regime under the FSMA regulating financial promotions restricts the content and manner of the promotion of agreements relating to qualifying credit and by whom such promotions can be issued or approved. In this respect, the FSMA regime not only covers financial promotions of Regulated Mortgage Contracts but also promotions of certain other types of secured credit agreements under which the lender is a person (such as the Seller) who carries on the regulated activity of entering into a Regulated Mortgage Contract. Failure to comply with the financial promotion regime (as regards who can issue or approve financial promotions) is a criminal offence and will render the Regulated Mortgage Contract or other secured credit agreement in question unenforceable against the borrower except with the approval of a court. Failure by the Seller to comply with the financial promotion regime may render the Loans unenforceable and may adversely affect the Issuer's ability to make payments on the Notes, Class VRR Notes and Certificates.

The FCA's Mortgages and Home Finance: Conduct of Business sourcebook ("**MCOB**"), which sets out the FCA's conduct of business rules for Regulated Mortgage Contracts. These rules cover, *inter alia*, certain pre-origination matters such as financial promotion and pre-application illustrations, pre-contract and start-of-contract and post-contract disclosure, contract changes, charges and arrears and repossessions. Further rules for prudential and authorisation requirements for mortgage firms, and for extending the appointed representatives regime to mortgages are also in effect.

Failure to comply with the provisions of MCOB will not necessarily render a Regulated Mortgage Contract unenforceable. However a borrower who is a private person may, under section 138D of FSMA, be entitled to claim damages for loss suffered as a result of any contravention by an authorised person of a rule made under the FSMA, and may set off the amount of the claim against the amount owing by the borrower under a loan or any other loan that the borrower has taken with that authorised person. Any such set-off in relation to loans in the portfolio may adversely affect the Issuer's ability to make payments on the Notes, Class VRR Notes and Certificates.

Changes to mortgage regulation and to the regulatory structure in the United Kingdom may adversely affect payments on the Notes, Class VRR Notes and Certificates

In December 2011, the FCA's predecessor (the FSA) published a consultation paper that consolidated proposals arising out of its wide-ranging mortgage market review, which began in 2005 with the launch of two studies of the effectiveness of the mortgage conduct regime introduced in October 2004 and which was launched in October 2009 to consider strengthening rules and guidance on, *inter alia*,

affordability assessments, product regulation, arrears charges and responsible lending. The FSA's aim was to ensure the continued provision of mortgage credit for the majority of borrowers who could afford the financial commitment of a mortgage, while preventing a re-emergence of poor lending practices as the supply of mortgage credit in the market was recovering. In October 2012, the FSA published a feedback statement and final rules that generally came into force on 26 April 2014 with transitional arrangements where, among other things, the borrower had not taken on additional borrowing. These rules have, for example, imposed more stringent requirements on lenders to assess the affordability of a loan made to a borrower and to verify the income of a borrower.

The FCA started to track firms' progress towards implementation of the mortgage market review from the second quarter of 2013 and: (a) published a report following a thematic review concerning the quality and suitability of mortgage advice provided by firms; and (b) began a further thematic review on responsible lending in April 2015, on which it reported in May 2016. This is in addition to regulatory reforms being made as a result of the implementation of directive 2014/17/EU of the European Parliament and the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property (the "**Mortgage Credit Directive**") from 21 March 2016 (see *Mortgage Credit Directive*" below).

Following the FCA's feedback statement (FS16/3) relating to areas of the mortgage sector that might raise competition concerns meriting further investigation, the FCA published the terms of reference (MS16/2) for its mortgages market study in December 2016, which is focussed on first charge residential mortgages. The FCA published its Mortgages Market Study Final Report on 26 March 2019 (MS16/2.3). Overall, the FCA found that competition in the mortgage market is working well, but it has identified a number of ways in which the market could work better for some people, including the ability for consumers who are up-to-date with payments and not seeking to borrow more to switch products. It also proposed new lending rules on how lenders assess whether or not a customer can afford to switch to a new loan. Under proposed new rules which will be published in Q4 of 2019 mortgage lenders must not enter into a new regulated mortgage contract with an eligible consumer unless they can demonstrate that the new mortgage is more affordable than their present one. Mortgage lenders which make use of the modified affordability assessment will be required to disclose to consumers the basis on which their affordability has been assessed and provide some additional disclosures about potential risks.

To the extent that the new rules do apply to any of the Loans in the future, failure to comply with rules may entitle a Borrower to claim damages for loss suffered or set-off the amount of the claim against the amount owing under the Loan. Any such claim or set-off may reduce the amounts available to meet the payments due in respect of the Notes, Class VRR Notes and Certificates.

Under the Financial Services Act 2012: (a) the carrying on of servicing activities in certain circumstances by a person exercising the rights of the lender without FCA permission to do so renders the credit agreement unenforceable, except with FCA approval; and (b) the FCA has the power to make rules to render unenforceable contracts made in contravention of its rules on cost and duration of credit agreements or in contravention of its product intervention rules.

Any further changes to MCOB arising from the FCA's mortgage market review, or to MCOB or the FSMA arising from HM Treasury's proposals to change mortgage regulation or changes in the regulatory structure or the Financial Services Act 2012, may adversely affect the Loans, the Seller, the Issuer, the Servicer and their respective businesses and operations.

Mortgage Credit Directive

The Mortgage Credit Directive was published in the Official Journal of the European Union on 28 February 2014, and entered into force on 21 March 2014. The Mortgage Credit Directive requires (among other things): standard information in advertising; standard pre-contractual information; adequate explanations to the borrower on the proposed credit agreement and any ancillary service;

calculation of the annual percentage rate of charge in accordance with a prescribed formula; assessment of creditworthiness of the borrower; and a right of the borrower to make early repayment of the credit agreement. The Mortgage Credit Directive also imposes prudential and supervisory requirements for credit intermediaries and non-bank lenders.

On 25 March 2015, the Mortgage Credit Directive Order 2015/910 (the "**Mortgage Credit Directive Order**") was passed in order to make the necessary legislative changes to implement the Mortgage Credit Directive. Whilst certain provisions of the Mortgage Credit Directive Order came into force before 21 March 2016, the Mortgage Credit Directive Order took effect for most purposes on 21 March 2016. On 27 March 2015 the FCA published its Policy Statement PS15/9, which contained the final text of the sections of its handbook that are to give effect to the Mortgage Credit Directive. This handbook material contained extensive changes to MCOB. These changes became mandatory from 21 March 2016. On 5 June 2015 the FCA published its Policy Statement PS15/11, which contained further amendments to its handbook in order to give effect to the Mortgage Credit Directive. On 31 July 2015 the FCA published a further Policy Statement (PS15/20), which set out further amendments to its handbook to implement the Mortgage Credit Directive, including amendments to MCOB and rules in the Consumer Credit sourcebook ("**CONC**") to set out the types of agreement that are regulated by each.

Any future changes to MCOB that are necessitated by the mortgage market review, the mortgages market study, the Mortgage Credit Directive and the Mortgage Credit Directive Order, may adversely affect the Loans, the Seller, the Issuer and/or the Servicer and their respective businesses and operations.

The UK's approach to implementation has been to minimise the impact of the Mortgage Credit Directive on the UK mortgage market by building on the existing UK regulatory regime (rather than copy out the directive into UK legislation).

Unfair relationships

The unfair relationship test applies to all existing and new credit agreements, except Regulated Mortgage Contracts under the FSMA. Therefore, as all Loans are Regulated Mortgage Contracts, the unfair relationship test will not apply.

Distance Marketing

In the United Kingdom, the Financial Services (Distance Marketing) Regulations 2004 apply to, among other things, credit agreements entered into on or after 31 October 2004 by a consumer within the meaning of these regulations by means of distance communication (i.e. without any substantive simultaneous physical presence of the originator and the borrower). Certain credit agreements may be cancellable under these regulations if the borrower does not receive the prescribed information at the prescribed time. Where the credit agreement is cancellable under these regulations, the borrower may send notice of cancellation at any time before the end of the 14th day after the day on which the cancellable agreement is made, where all the prescribed information has been received or, if later, the borrower receives the last of the prescribed information.

If the borrower cancels the credit agreement under these regulations, then:

- the borrower is liable to repay the principal, and any other sums paid by the originator to the borrower under or in relation to the cancelled agreement, within 30 days beginning with the day of the borrower sending the notice of cancellation or, if later, the originator receiving notice of cancellation;
- the borrower is liable to pay interest, or any early repayment charge or other charge for credit under the cancelled agreement, only if the borrower received certain prescribed information at the prescribed time and if other conditions are met; and

- any security provided in relation to the contract is to be treated as never having had effect.

If a significant portion of the Loans are characterised as being cancellable under these regulations, then there could be an adverse effect on the Issuer's receipts in respect of the Loans, affecting the Issuer's ability to make payments in full on the Notes, Class VRR Notes and Certificates in accordance with the relevant Priorities of Payments.

Consumer Rights Act 2015

The main provisions of the Consumer Rights Act 2015 (the "**CRA**") came into force on 1 October 2015 and apply to agreements entered into after that date. The CRA significantly reforms and consolidates consumer law in the UK. The CRA involves the creation of a single regime out of the Unfair Contract Terms Act 1977 (which essentially deals with attempts to limit liability for breach of contract) and the Unfair Terms in Consumer Contracts Regulations 1999 and the Unfair Terms in the Consumer Contracts Regulations 1994 (the "**UTCCR**"). The CRA has revoked the UTCCR in respect of contracts made on or after 1 October 2015 and introduced a new regime for dealing with unfair contractual terms.

Under Part 2 of the CRA an unfair term of a consumer contract (a contract between a trader and a consumer) is not binding on a consumer (an individual acting for purposes that are wholly or mainly outside that individual's trade, business, craft or profession). Additionally, an unfair notice is not binding on a consumer, although a consumer may rely on the term or notice if the consumer chooses to do so. A term will be unfair where, contrary to the requirement of good faith, it causes significant imbalance in the parties' rights and obligations under the contract to the detriment of the consumer. In determining whether a term is fair it is necessary to: (i) take into account the nature of the subject matter of the contract; (ii) refer to all the circumstances existing when the term was agreed; and (iii) refer to all of the other terms of the contract or any other contract on which it depends.

Schedule 2 of the CRA contains an indicative and non-exhaustive grey list of terms of consumer contracts that may be regarded as unfair. Notably, paragraph 11 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.

A term of a consumer contract which is not on the grey list may not be assessed for fairness to the extent that (i) it specifies the main subject matter of the contract; and/or (ii) the assessment is of the appropriateness of the price payable under the contract by comparison with the goods, digital content or services supplied under it, provided it is transparent and prominent.

Where a term of a consumer contract is unfair it will not bind the consumer. However, the remainder of the contract, will, so far as practicable, continue to have effect in every other respect. Where a term in a consumer contract is susceptible of multiple different meanings, the meaning most favourable to the consumer will prevail. It is the duty of the court to consider the fairness of any given term. This can be done even where neither of the parties to proceedings have explicitly raised the issue of fairness.

On 17 May 2018, the FCA launched a consultation on new guidance: "Fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015" (GC18/2), outlining factors firms should consider under the CRA when drafting and reviewing variation terms in their consumer contracts. This follows developments in case law, including at the Court of Justice of the EU. The draft guidance relates to all financial services consumer contracts entered into since 1 July 1995. The finalised guidance was published on 19 December 2018. The FCA has stated that the guidance should be read with the material already in the unfair contract terms library on the FCA website and applies to FCA authorised persons and their appointed representative in relation to any consumer contracts they issue

which contain variation terms. The provisions in the CRA governing unfair contractual terms came into force on 1 October 2015. The Unfair Contract Terms Regulatory Guide (UNFCOG in the FCA handbook) explains the FCA's policy on how it uses its formal powers under the CRA and the Competition and Markets Authority (the "CMA") published guidance on the unfair terms provisions in the CRA on 31 July 2015 (the "**CMA Guidance**"). The CMA indicated in the CMA Guidance that the fairness and transparency provisions of the CRA are regarded to be effectively the same as those of the UTCCR. The document further notes that the extent of continuity in unfair terms legislation means that existing case law generally, and that of the Court of Justice of the European Union particularly, is for the most part as relevant to the Act as it was the UTCCRs. In general, there is little reported case law on the UTCCR and/or the CRA and the interpretation of each is open to some doubt. The extremely broad and general wording of the CRA makes any assessment of the fairness of terms largely subjective and makes it difficult to predict whether or not a term would be held by a court to be unfair. It is therefore possible that any Loans which have been made to Borrowers covered by the CRA may contain unfair terms which may result in the possible unenforceability of the terms of the underlying loans. If any term of the Loans 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 and Class VRR Notes and payments in respect of the Certificates. No assurance can be given that any changes in legislation, guidance or case law on unfair terms will not have a material adverse effect on the Seller, the Issuer and/or the Servicer and their respective businesses and operations. There can be no assurance that any such changes (including changes in regulators' responsibilities) will not affect the Loans.

The guidance issued by the FSA (and as of 1 April 2013, the FCA), the OFT and the CMA has changed over time and it is possible that it may change in the future. For example, in March 2015 the FCA withdrew some unfair contract terms material from its website, and further material was withdrawn in May 2016. Guidance withdrawn by the FCA relating to unfair contract terms should not be relied on as it may no longer reflect the FCA's view on unfair terms.

No assurance can be given that any such changes in guidance on the UTCCR and the CRA, or reform of the UTCCR and the CRA, will not have a material adverse effect on the Seller, the Issuer, the Servicer or its businesses and operations.

Financial Ombudsman Service

Under the FSMA, the Financial Ombudsman Service (the "**Ombudsman**"), an independent adjudicator, is required to make decisions on, among other things, complaints relating to activities and transactions under its jurisdiction on the basis of what, in the Ombudsman's opinion, would be fair and reasonable in all circumstances of the case, taking into account, among other things, law and guidance, rather than strictly on the basis of compliance with law.

Complaints properly brought before the Ombudsman for consideration must be decided on a case-by-case basis, with reference to the particular facts of any individual case. Each case would first be adjudicated by an adjudicator. Either party to the case may appeal against the adjudication. In the event of an appeal, the case proceeds to a final decision by the Ombudsman. As the Ombudsman is required to make decisions on the basis of, among other things, the principles of fairness, and may order a monetary award to a complaining borrower, it is not possible to predict how any future decision of the Ombudsman would affect the ability of the Issuer to make payments to Noteholders, Class VRR Noteholders and Certificateholders.

Consumer Protection from Unfair Trading Regulations 2008

On 11 May 2005, the European Parliament and the Council adopted a Directive (2005/29/EC) regarding unfair business-to-consumer commercial practices (the "**Unfair Practices Directive**"). Generally, this directive applies full harmonisation, which means that member states of the EU ("**Member States**") may not impose more stringent provisions in the fields to which full harmonisation applies. By way of

exception, the Unfair Practices Directive permits Member States to impose more stringent provisions in the fields of financial services and immovable property, such as mortgage loans.

The Unfair Practices Directive is implemented into UK law by the Consumer Protection from Unfair Trading Regulations 2008 (the "CPUTR"), which came into force on 26 May 2008. The CPUTR affect all contracts entered into with persons who are natural persons and acting for purposes outside their respective business. Although the CPUTRs are not concerned solely with financial services, they do apply to the residential mortgage market.

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 do not provide consumers with a private act of redress (save in the circumstances set out in the paragraph below). Instead, consumers must rely on existing private law remedies based on the law of misrepresentation and duress.

Consumers can make a claim in the civil courts against traders who commit the following prohibited practices: (a) misleading actions (as described in regulation 5 of CPUTR); and (b) aggressive practices (as described in regulation 7 of CPUTR).

In March 2013, the European Commission published a report on the application of the Unfair Practices Directive. The Commission does not propose amending the Unfair Practices Directive but has indicated that intensified national enforcement and reinforced cooperation in cross-border enforcement are needed. Going forward the Commission will consider how it can play a more active role in enforcement and will continue to perform in-depth reviews of how the directive works in practice.

No assurance can be given that the requirements of the CPUTRs will not have a material adverse effect on the Seller, the Issuer, the Servicer or its businesses and operations.

Mortgage repossession

The Mortgage Repossessions (Protection of Tenants etc.) Act 2010 came into force on 1 October 2010. This Act gives courts in England and Wales the same power to postpone and suspend repossession for up to two months on application by an unauthorised tenant (i.e. a tenant in possession without the lender's consent) as generally exists on application by an authorised tenant. The lender has to serve notice at the property before enforcing a possession order.

Part I of the Home Owner and Debtor Protection (Scotland) Act 2010 came into force on 30 September 2010 and imposes additional requirements on heritable creditors (the Scottish equivalent of a mortgagee) in relation to the enforcement of standard securities over residential property in Scotland. Under Part I of the Act, the heritable creditor, which may be the Seller or, in the event of it taking legal title to the Scottish Loans and their Related Security, the Issuer, has to obtain a court order to exercise its power of sale (in addition to initiating the enforcement process by the service of a two month calling up notice), unless the borrower and any other occupiers have surrendered the property voluntarily. In applying for the court order, the heritable creditor also has to demonstrate that it has taken various preliminary steps to attempt to resolve the borrower's position, and comply with further procedural requirements.

The protocol in these Acts and the MCOB requirements for mortgage possession cases may have adverse effects in markets experiencing above average levels of possession claims. Delays in the initiation of responsive action in respect of the Loans may result in lower recoveries and a lower repayment rate on the Notes, Class VRR Notes and Certificates.

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 residential property that was recorded in the General Register of Sasines would usually only require 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 Seller 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**")).

The relevant provisions of the 2012 Act relating to the recording of standard securities came into force on 1 April 2016. As the transaction contemplated by the Transaction Documents involves the sale of a static pool of mortgages and standard securities, these changes should not have any immediate effect in relation to the Scottish Mortgages contained in the Portfolio at the Closing Date. The General Register of Sasines is now 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 the impact on registration of a 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 residential properties in Scotland which remain recorded in the General Register of Sasines continues to decline (the Registers of Scotland estimate that, in April 2016 around 60% of property titles in Scotland were registered in the Land Register of Scotland), it is likely that, in relation to the current Portfolio, where, as at the Portfolio Reference Date, 8.94% (by Current Balance) of the Properties are located in Scotland, only a minority of the Scottish Mortgages will be recorded in the General Register of Sasines.

Potential effects of any additional regulatory changes

No assurance can be given that additional regulatory changes by or guidance from the CMA, the FCA, the PRA, the Ombudsman or any other regulatory authority will not arise with regard to the mortgage market in the United Kingdom generally, the Seller's particular sector in that market or specifically in relation the Seller. Any such action or developments or compliance costs may have a material adverse effect on the Loans, the Seller, the Issuer, the Servicer and their respective businesses and operations. This may adversely affect the Issuer's ability to make payments in full on the Notes and Class VRR Notes and payments in respect of the Certificates.

CONFLICTS OF INTEREST

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

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

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

Prospective investors should be aware that:

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

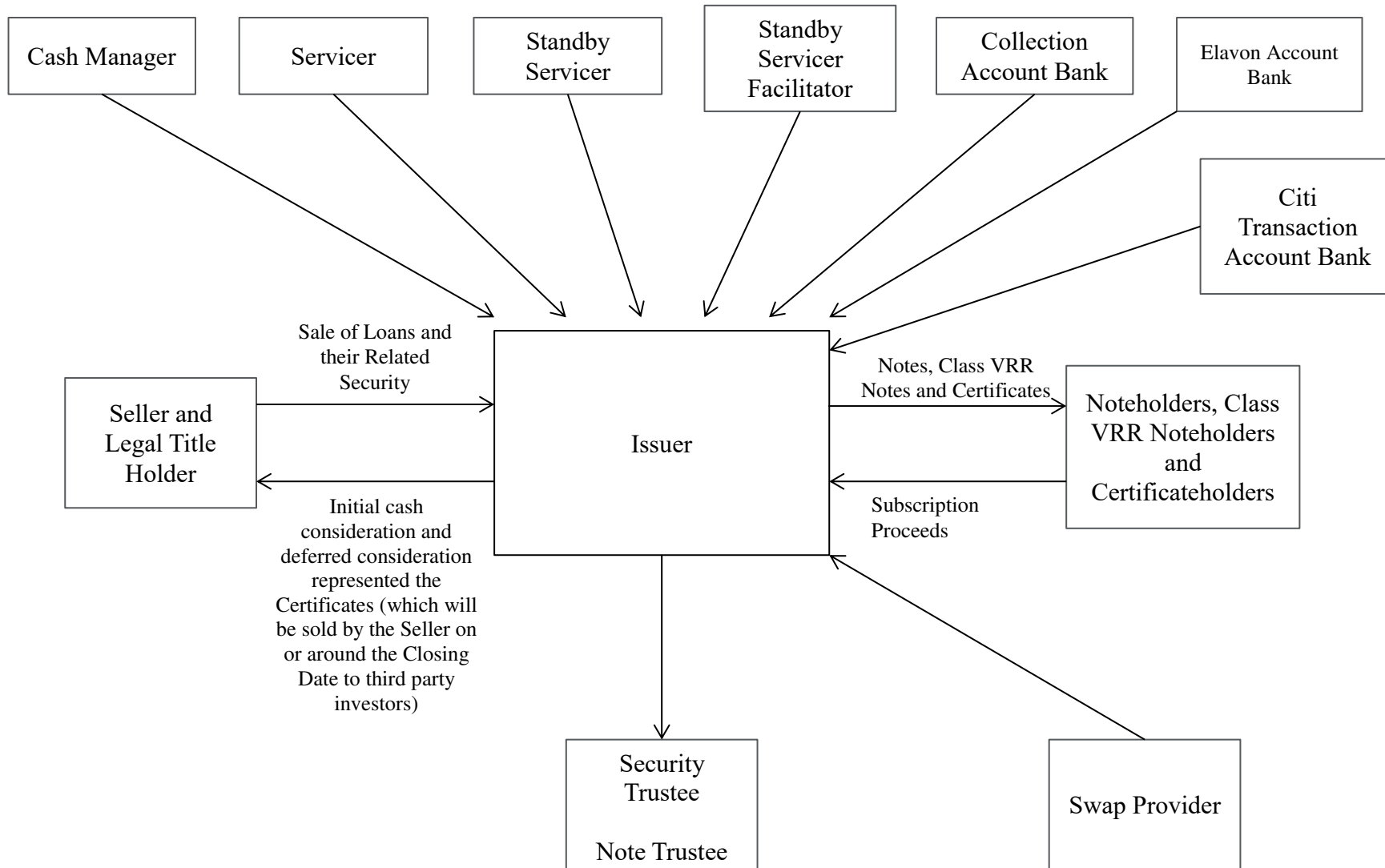
be construed as implying that such Lead Manager Related Person is not in possession of such Relevant Information; and

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

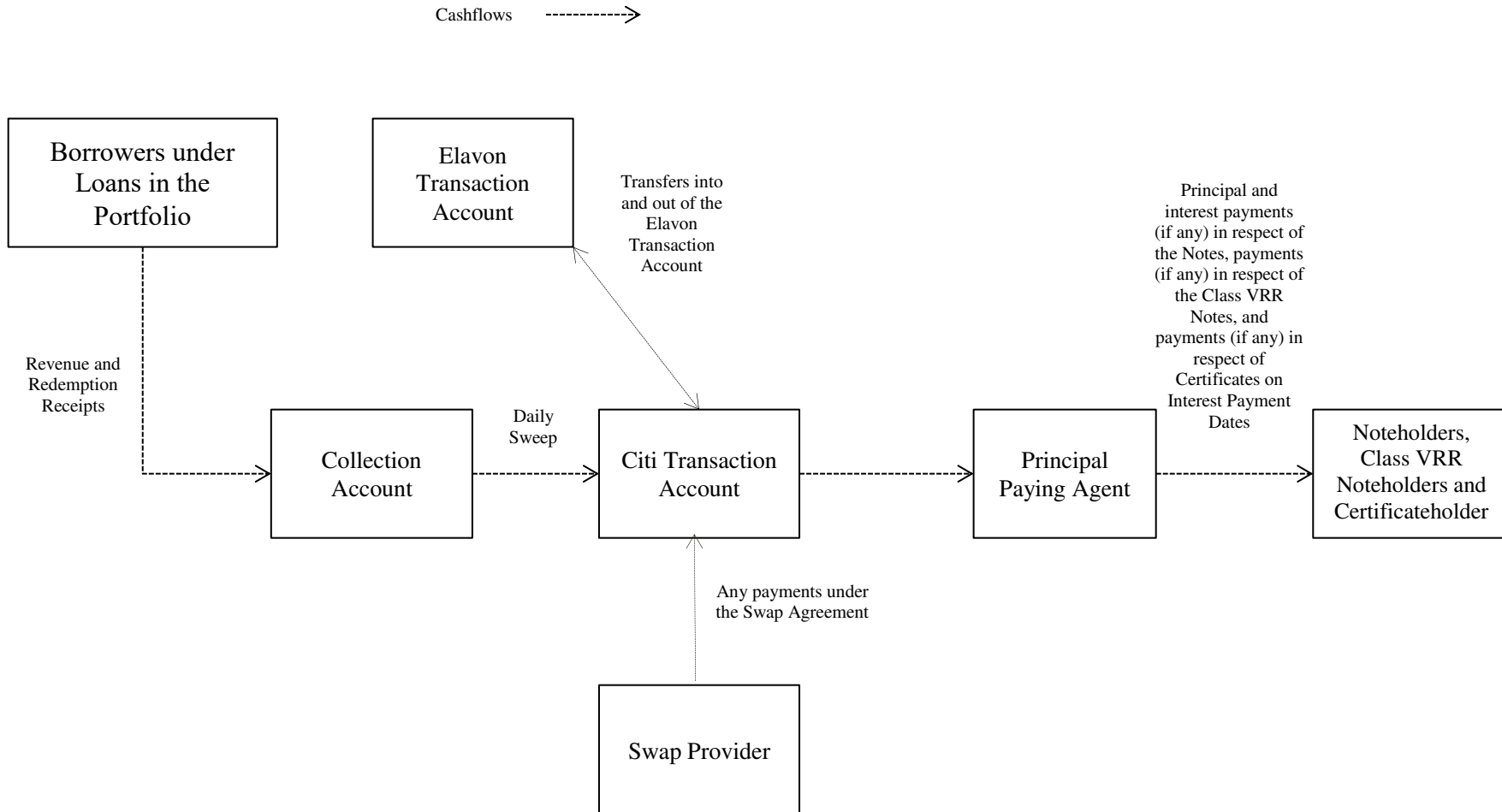
These interests may conflict with the interests of a Noteholder or Certificateholder and such Noteholder and/or Certificateholder may suffer loss as a result. To the maximum extent permitted by applicable law, a Lead Manager Related Person is not restricted from entering into, performing or enforcing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

STRUCTURE DIAGRAMS

DIAGRAMMATIC OVERVIEW OF THE TRANSACTION



DIAGRAMMATIC OVERVIEW OF ONGOING CASH FLOWS



OWNERSHIP STRUCTURE DIAGRAM OF THE ISSUER

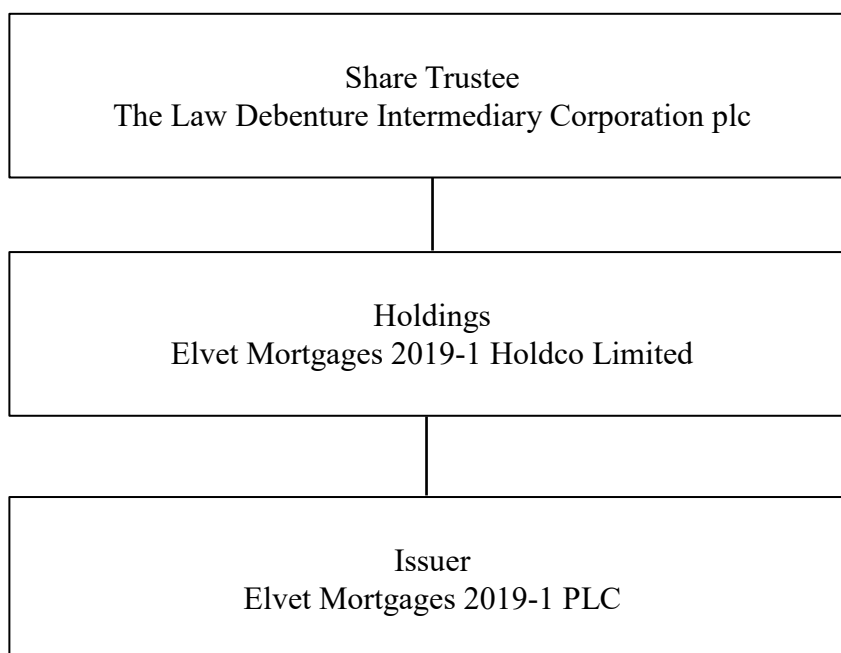


Figure 3 illustrates the ownership structure of the special purpose companies that are parties to the Transaction Documents, as follows:

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

TRANSACTION OVERVIEW – 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, the Class VRR Notes and the Certificates 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" | Elvet Mortgages 2019-1 PLC | 5th Floor, 100 Wood Street, London, EC2V 7EX | See the section entitled <i>The Issuer</i> for further information. |
| "Holdings" | Elvet Mortgages 2019-1 Holdco Limited | 5th Floor, 100 Wood Street, London, EC2V 7EX | See the section entitled <i>Holdings</i> for further information. |
| "Servicer" | Atom Bank Plc | Rivergreen Centre, Aykley Heads, Durham, DH1 5TS | Servicing Agreement by the Issuer. See the section entitled <i>Summary of the Key Transaction Documents – Servicing Agreement</i> and <i>The Seller and the Servicer</i> for further information. |
| "Seller" | Atom Bank Plc | Rivergreen Centre, Aykley Heads, Durham, DH1 5TS | See the section entitled <i>Summary of the Key Transaction Documents – Mortgage Sale Agreement</i> for further information. |
| "Cash Manager" | Citibank, N.A., London Branch | Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB | Cash Management Agreement by the Issuer. See the sections entitled <i>Summary of the Key Transaction Documents – Cash Management Agreement</i> and <i>The Cash Manager, Principal Paying Agent, Agent Bank, Registrar and Citi Transaction Account Bank</i> for further information |

| Party | Name | Address | Document under which appointed/Further Information |
|--|--|--|--|
| "Swap Provider" | Lloyds Bank Corporate Markets plc | 25 Gresham Street, London, EC2V 7HN | Swap Agreement by the Issuer. See the sections entitled <i>Credit Structure – Interest Rate Risk for the Notes and Class VRR Notes – Swap Agreement</i> and <i>The Swap Provider</i> for further information. |
| "Citi Transaction Account Bank" | Citibank, N.A., London Branch | Citigroup Centre Canada Square Canary Wharf London E14 5LB | The Citi Bank Account Agreement by the Issuer. See the sections entitled <i>Summary of the Key Transaction Documents – The Citi Bank Account Agreement</i> and <i>The Cash Manager, Principal Paying Agent, Agent Bank, Registrar and Citi Transaction Account Bank</i> for further information. |
| "Elavon Account Bank" | Elavon Financial Services DAC, UK Branch | 5th Floor, 125 Old Broad Street, London EC2N 1AR | The Elavon Bank Account Agreement by the Issuer. See the sections entitled <i>Summary of the Key Transaction Documents – The Elavon Bank Account Agreement</i> and <i>The Elavon Account Bank, the Custodian and the Swap Collateral Account Bank</i> for further information. |
| "Swap Collateral Account Bank" | Elavon Financial Services DAC, UK Branch | 5th Floor, 125 Old Broad Street, London EC2N 1AR | The Swap Collateral Account Agreement by the Issuer. See the sections entitled <i>Cashflows – Swap Collateral</i> and <i>The Elavon Account Bank, the Custodian and the Swap Collateral Account Bank</i> for further information. |
| "Custodian" | Elavon Financial Services DAC, UK Branch | 5th Floor, 125 Old Broad Street, London EC2N 1AR | The Securities Custody Agreement by the Issuer. See the sections entitled <i>Summary of the Key Transaction Documents – Securities Custody Agreement</i> and <i>The Elavon Account Bank, the Custodian and the Swap Collateral Account Bank</i> for further information. |
| "Collection Account Bank" | National Westminster Bank plc | 135 Bishopsgate, London, EC2M 3UR | See the section entitled <i>Summary of the Key Transaction Documents – The Collection Account Declaration of Trust Accession Undertaking</i> and <i>The Collection Account Bank</i> for further information. |
| "Standby Servicer" | Link Mortgage Services Limited | Crown House, Crown Street, Ipswich IP1 3HS | Standby Servicing Agreement by the Issuer. See the section entitled <i>Summary of the Key Transaction Documents – Standby Servicing Agreement</i> for further information. |

| Party | Name | Address | Document under which appointed/Further Information |
|--|--|--|---|
| "Standby Servicer Facilitator" | Law Debenture Corporate Services Limited | 5th Floor, 100 Wood Street, London, EC2V 7EX | Standby Servicing Agreement by the Issuer. See the section entitled <i>Summary of the Key Transaction Documents</i> – Standby Servicing Agreement for further information. |
| "Security Trustee" | Citicorp Trustee Company Limited | Citigroup Centre Canada Square Canary Wharf London E14 5LB | Deed of Charge by the Issuer. See the sections entitled <i>Terms and Conditions of the Notes, Terms and Conditions of the Class VRR Notes, Terms and Conditions of the Certificates</i> and <i>The Note Trustee and the Security Trustee</i> for further information. |
| "Note Trustee" | Citicorp Trustee Company Limited | Citigroup Centre Canada Square Canary Wharf London E14 5LB | Trust Deed by the Issuer. See the sections entitled <i>Terms and Conditions of the Notes, Terms and Conditions of the Class VRR Notes</i> and <i>The Note Trustee and the Security Trustee</i> for further information. |
| "Principal Paying Agent" and Agent Bank | Citibank, N.A., London Branch | Citigroup Centre Canada Square Canary Wharf London E14 5LB | Agency Agreement by the Issuer. See the sections entitled <i>Terms and Conditions of the Notes, Terms and Conditions of the Class VRR Notes</i> and <i>The Cash Manager, Principal Paying Agent, Agent Bank, Registrar and Citi Transaction Account Bank</i> for further information. |
| "Registrar" | Citibank, N.A., London Branch | Citigroup Centre Canada Square Canary Wharf London E14 5LB | In respect of the Notes, the Class VRR Notes, the Certificates and the Agency Agreement, by the Issuer. See the sections entitled <i>Terms and Conditions of the Notes, Terms and Conditions of the Class VRR Notes</i> and <i>The Cash Manager, Principal Paying Agent, Agent Bank, Registrar and Citi Transaction Account Bank</i> for further information. |
| "Corporate Services Provider" | Law Debenture Corporate Services Limited | 5th Floor, 100 Wood Street, London, EC2V 7EX | Corporate Services Agreement by the Issuer and Holdings. See the section entitled <i>The Corporate Services Provider</i> for further information. |

| Party | Name | Address | Document under which appointed/Further Information |
|------------------------|--|--|--|
| "Share Trustee" | The Law Debenture Intermediary Corporation plc | 5th Floor, 100 Wood Street, London, EC2V 7EX | Share Trust Deed by the Share Trustee. |
| "Arranger" | Citigroup Global Markets Limited | Citigroup Centre Canada Square Canary Wharf London E14 5LB | Subscription Agreement. See the section entitled <i>Subscription and Sale</i> for further information. |
| Lead Manager" | Citigroup Global Markets Limited | Citigroup Centre Canada Square Canary Wharf London E14 5LB | Subscription Agreement. See the section entitled <i>Subscription and Sale</i> for further information. |

TRANSACTION OVERVIEW – PORTFOLIO AND SERVICING

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

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

The English Loans and their Related Security are governed by the laws of England and Wales and the Scottish Loans and their Related Security are governed by Scots law.

The Loans have been originated by the Seller. On and from (and including) the Closing Date, the Seller will hold the legal title on bare trust for the Issuer (which, in respect of Scottish Loans and their Related Security shall be pursuant to the Scottish Declaration of Trust).

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

The sale by the Seller to the Issuer of each Scottish Loan and its Related Security in the Portfolio will be given effect by a Scottish Declaration of Trust by the Seller in favour of the Issuer granted on the Closing Date.

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

Prior to the occurrence of a Perfection Event as set out below, notice of the sale of the Loans and their Related Security comprising the Portfolio will not be given to the relevant individual or individuals specified as borrowers in respect of a Loan or the individual or individuals from time to time assuming an obligation to repay (under a guarantee or otherwise) such Loan or any part of it (collectively, the "**Borrowers**" and each a "**Borrower**") and the Issuer will not apply to the Land Registry 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 Loan and its Related Security in the Portfolio will be held by the Seller on bare trust for the Issuer (including, in respect

of a Scottish Loan, under the trust declared and created by the Scottish Declaration of Trust). Following a Perfection Event and notice of the transfer of the Loans and their Related Security to the Issuer being sent to the relevant Borrowers, legal title to the Loans and their Related Security (subject to appropriate registration or recording at the Land Registry or the Registers of Scotland (as appropriate)) will pass to the Issuer.

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

| | | | |
|---|--------------------------|------------|-------------|
| Type of Borrower | Prime | | |
| Type of mortgage | Repayment | | |
| Help to Buy Loans | No | | |
| Right-to-Buy Loans | No | | |
| Buy-To-Let Loans | No | | |
| Interest-only Loans | No | | |
| Equity Release Loans | No | | |
| Owner-occupied properties (as % of Current Balance) | 100% | | |
| Fast Track (other than remortgages subject to a fees assisted re-mortgage conveyancing process) | No | | |
| Self-Certified | No | | |
| Number of loans in the Provisional Portfolio | 2,919 | | |
| | Average/Weighted Average | Minimum | Maximum |
| Current Balance | £ 173,986.49 | £19,849.85 | £864,547.54 |
| Current LTV | 72.14% | 4.97% | 94.60% |

| | | | |
|----------------|-------|------|-------|
| Remaining Term | 24.54 | 2.26 | 39.60 |
| (years) | | | |

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

- (a) the original principal amount advanced to the relevant Borrower secured or intended to be secured by the related Mortgage and which has not been paid, repaid or prepaid by the relevant Borrower; and
- (b) any interest, disbursement, legal expense, fee, charge, rent, service charge, premium or payment which has not been paid by the relevant Borrower and which has been properly capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent and added to the amounts secured or intended to be secured by the related Mortgage; and
- (c) any other amount (including, for the avoidance of doubt Arrears of Interest but excluding Accrued Interest) which is due or accrued (whether or not due) and which has not been paid by the relevant Borrower and has not been capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent but which is secured or intended to be secured by the related Mortgage other than any administrative fee that is paid by the Borrower for the benefit of any third party and/or retained by the Servicer in accordance with the terms of the Servicing Agreement,

(unless specified otherwise) on the basis of the position as at 23:59:59 hours on the evening of such date (which for the avoidance of doubt is exclusive of any interest rate accrual amount relating to the previous month or otherwise that should have been applied on such day and is exclusive of any other payments or postings on such date) and any reference to the Current Balance of a loan contained in the Provisional Portfolio shall be construed as if it were a Loan contained in the Portfolio.

Consideration:

The consideration from the Issuer to the Seller in respect of the sale of the Portfolio shall be: (a) the Initial Consideration, which is due and payable on the Closing Date and (b) ongoing payment by the Issuer of Residual Payments (if any) under the Certificates issued, on the Closing Date, to the Seller representing its right to receive deferred consideration.

"Initial Consideration" means an amount equal to £473,537,095.33.

"Residual Payments" means any payments made at item (f)(xix) of the Pre-Enforcement Revenue Priority of Payments, or (as relevant) item (f)(xi) of the Post-Enforcement Priority of Payments.

The Seller shall transfer to the Issuer within two Business Days of the Closing Date an amount equal to all Collections received on the Loans and their Related Security comprised in the Portfolio from (but excluding) the Cut-Off Date to (but including) the Closing Date.

Representations and Warranties: The Seller will make certain Loan Warranties regarding the Loans and Related Security to the Issuer and the Security Trustee in relation to the Loans and their Related Security comprised in the Portfolio on the Closing Date. For the avoidance of doubt, the Loan Warranties are not given in relation to the Provisional Portfolio.

In addition to representations and warranties in respect of the legal nature of the Loans and their Related Security, there are also Loan Warranties as set out in the section entitled *Summary of the Key Transaction Documents – Mortgage Sale Agreement – Representations and Warranties*.

Repurchase of the Loans and Related Security: Subject to the section of this Prospectus entitled *Summary of the Key Transaction Documents – Mortgage Sale Agreement - Repurchase by the Seller*, the Seller is liable for the repurchase of the relevant Loans and their Related Security upon a material breach of Loan Warranties (which the Seller fails to remedy within the agreed grace period, being 30 Business Days from and including the date upon which the Issuer gives notice to the Seller of such breach).

The Seller will repurchase, in accordance with the Mortgage Sale Agreement, all Loans and their Related Security in respect of which there has been a Further Advance or Product Switch in the month following the month in which such Further Advance or Product Switch took place. The Seller will make Further Advances in accordance with the standards of a Prudent Mortgage Lender and Product Switches in accordance with the standards of a Reasonable, Prudent Residential Mortgage Servicer. Further Advances and Product Switches will be made only in the ordinary course of the Seller's mortgage origination and servicing business.

The Seller has no discretionary rights of repurchase in relation to any Loans or their Related Security and the Seller has no right or obligation to substitute or sell any of the Loans or their Related Security included in the Portfolio.

Consideration for repurchase: The consideration payable by the Seller (in the case of a material breach of Loan Warranties, a Product Switch or Further Advance) in respect of the repurchase of an Affected Loan and its Related Security shall be equal to the Current Balance (including Accrued Interest) as at 23:59:59 hours on the date immediately prior to the date of any such repurchase, of such Loan (disregarding for the purposes of any such calculation the extent to which such Current Balance (including Accrued Interest), of such Loan has been reduced as a result of the exercise of any set-off right which the relevant Borrower has against the Seller), plus the Issuer's costs and expenses (if any) associated with the transfer of such Loan and its Related Security to the Seller. See the section entitled *Summary of the Key Transaction Documents - Repurchase by the Seller – Repurchase price* for further information.

Perfection Events: Prior to the completion of the transfer of legal title of the Loans and their Related Security to the Issuer following the occurrence of a Perfection Event, legal title of the Loans and their Related Security will remain with the Seller and the Issuer will hold only the equitable title or, in relation to any Scottish Loans and their Related Security, the beneficial interest

in those Loans and their Related Security pursuant to the Scottish Declaration of Trust and will therefore be subject to certain risks as set out in the risk factor entitled *Seller to initially retain legal title to the Loans and risks relating to set-off* in the section entitled *Risk Factors*.

Pursuant to the Mortgage Sale Agreement, prior to the completion of the transfer of legal title of the Loans and their Related Security to the Issuer, the Seller will hold the legal title to the Loans and their Related Security in the Portfolio (but excluding any Loan and its Related Security which has been repurchased by the Seller) on bare trust for the Issuer (which, in respect of Scottish Loans and their Related Security, shall be pursuant to the Scottish Declaration of Trust).

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

Servicing of the Portfolio: The Servicer agrees to service the Loans to be sold to the Issuer and their Related Security on behalf of the Issuer. Following the service of an Enforcement Notice, the Servicer shall act at the direction of the Security Trustee. The appointment of the Servicer may be terminated by the Issuer or the Security Trustee if any Servicer Termination Event occurs and is continuing (see *Servicer Termination Events* in the *Transaction Overview – Triggers Tables - Non-Rating Triggers Table*).

The Servicer may also resign upon giving not less than three months' written notice to the Issuer, the Security Trustee and the Standby Servicer Facilitator provided that, *inter alia*, a replacement servicer is appointed by the Issuer (subject to the prior written consent of the Security Trustee). See the section entitled *Summary of the Key Transaction Documents – Servicing Agreement* below.

Refinancing Option Holder may exercise the Refinancing Option: The Issuer will, pursuant to the Certificate Conditions, grant to the Refinancing Option Holder(s) the option (the "**Refinancing Option**") to require the Issuer, on the Refinancing Date, to:

- a) redeem (in whole and not in part) the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z Notes and the Class VRR Notes, and to redeem and cancel the Certificates; and
- b) issue new class A notes, class B notes, class C notes, class D notes, class E notes, class F notes, class Z notes, class VRR notes and certificates.

See the section entitled *Early Redemption of the Notes, Class VRR Notes and Certificates* below.

Portfolio Call Option The Issuer will, pursuant to the Certificate Conditions, grant to the Portfolio Option Holder(s) the option (the "**Portfolio Call Option**") to require the Issuer, on the Portfolio Call Option Completion Date, to sell beneficial title to the Portfolio Call Option Loans to the Portfolio Option Holder(s) (or to a third party purchaser/or purchasers nominated by the Portfolio Option Holder(s)) and to redeem the Notes, Class VRR Notes

and cancel and redeem the Certificates. See the section entitled *Early Redemption of the Notes, Class VRR Notes and Certificates* below.

Purchase of Notes

The Transaction Documents do not require the Seller to purchase the Notes under any circumstances. The Seller covenants in the Mortgage Sale Agreement that if it purchases any Notes or acquires any other position in the securitisation constituted by the Transaction Documents such purchase will be made at arm's length.

TRANSACTION OVERVIEW – SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES, THE CLASS VRR NOTES AND THE CERTIFICATES

*Please refer to the sections entitled **Terms and Conditions of the Notes**, **Terms and Conditions of the Notes**, **Terms and Conditions of the Class VRR Notes** and **Terms and Conditions of the Certificates** for further detail in respect of the terms of the Notes.*

FULL CAPITAL STRUCTURE OF THE NOTES, CLASS VRR NOTES AND CERTIFICATES

| | <u>Class A Notes</u> | <u>Class B Notes</u> | <u>Class C Notes</u> | <u>Class D Notes</u> | <u>Class E Notes</u> | <u>Class F Notes</u> | <u>Class Z Notes</u> | <u>Certificates</u> | <u>Class VRR Notes</u> |
|--------------------------------------|---|---|--|--|--|--|--|--|--|
| Principal Amount and Currency | £390,010,000 | £26,383,000 | £18,353,000 | £8,029,000 | £5,735,000 | £4,588,000 | £5,736,000 | N/A, residual instruments with no principal amount | £24,150,000 |
| Credit enhancement features | See the section entitled <i>Credit Enhancement</i> on page (ii) above. | See the section entitled <i>Credit Enhancement</i> on page (ii) above. | See the section entitled <i>Credit Enhancement</i> on page (ii) above. | See the section entitled <i>Credit Enhancement</i> on page (ii) above. | See the section entitled <i>Credit Enhancement</i> on page (ii) above. | See the section entitled <i>Credit Enhancement</i> on page (ii) above. | See the section entitled <i>Credit Enhancement</i> on page (ii) above. | Not applicable | See the section entitled <i>Credit Enhancement</i> on page (ii) above. |
| Liquidity support features | Available Redemption Receipts applied as Principal Addition Amounts to provide for any Revenue Deficit and the amounts credited to the Liquidity Reserve Fund and the General Reserve Fund. | Available Redemption Receipts applied as Principal Addition Amounts to provide for any Revenue Deficit and the amounts credited to the Liquidity Reserve Fund and the General Reserve Fund. | Available Redemption Receipts applied as Principal Addition Amounts to provide for any Revenue Deficit (subject to the relevant PDL Condition) and the amounts credited to the General Reserve Fund. | Available Redemption Receipts applied as Principal Addition Amounts to provide for any Revenue Deficit (subject to the relevant PDL Condition) and the amounts credited to the General Reserve Fund. | Available Redemption Receipts applied as Principal Addition Amounts to provide for any Revenue Deficit (subject to the relevant PDL Condition) and the amounts credited to the General Reserve Fund. | Available Redemption Receipts applied as Principal Addition Amounts to provide for any Revenue Deficit (subject to the relevant PDL Condition) and the amounts credited to the General Reserve Fund. | Available Redemption Receipts applied as Principal Addition Amounts to provide for any Revenue Deficit (subject to the relevant PDL Condition) and the amounts credited to the General Reserve Fund. | None | None |
| Issue Price | 100.00% | 99.5375% | 100.00% | 100.00% | 100.00% | 100.00% | 65.8496% | Not applicable | 99.5430% |

| | <u>Class A Notes</u> | <u>Class B Notes</u> | <u>Class C Notes</u> | <u>Class D Notes</u> | <u>Class E Notes</u> | <u>Class F Notes</u> | <u>Class Z Notes</u> | <u>Certificates</u> | <u>Class VRR Notes</u> |
|--|--|--|--|--|--|--|---|---|---|
| Reference Rate | Compounded Daily SONIA + Margin or Step-up Margin, as applicable | Compounded Daily SONIA + Margin or Step-up Margin, as applicable | Compounded Daily SONIA + Margin or Step-up Margin, as applicable | Compounded Daily SONIA + Margin or Step-up Margin, as applicable | Compounded Daily SONIA + Margin or Step-up Margin, as applicable | Compounded Daily SONIA + Margin or Step-up Margin, as applicable | Not applicable | Not applicable | Not applicable |
| Margin (payable up to and including the Step-Up Date) | 0.88% per annum | 1.50% per annum | 2.00% per annum | 2.50% per annum | 3.25% per annum | 4.25% per annum | Not applicable | Not applicable. | Not applicable |
| Step-Up Margin (payable after the Step-Up Date) | 1.76% per annum | 2.50% per annum | 3.00% per annum | 3.50% per annum | 4.25% per annum | 5.25% per annum | Not applicable | Not applicable | Not applicable |
| Interest Accrual Method: | Actual/365 | Actual/365 | Actual/365 | Actual/365 | Actual/365 | Actual/365 | Not applicable | Not applicable | Not applicable |
| Interest Payment Dates | 22nd day of February, May, August and November in each year | 22nd day of February, May, August and November in each year | 22nd day of February, May, August and November in each year | 22nd day of February, May, August and November in each year | 22nd day of February, May, August and November in each year | 22nd day of February, May, August and November in each year | 22nd day of February, May, August and November in each year | 22nd day of February, May, August and November in each year | 22nd day of February, May, August and November in each year |
| First Interest payment Date | The Interest Payment Date falling in Feb 2020 | The Interest Payment Date falling in Feb 2020 | The Interest Payment Date falling in Feb 2020 | The Interest Payment Date falling in Feb 2020 | The Interest Payment Date falling in Feb 2020 | The Interest Payment Date falling in Feb 2020 | The Interest Payment Date falling in Feb 2020 | The Interest Payment Date falling in Feb 2020 | The Interest Payment Date falling in Feb 2020 |
| Final Maturity Date | The Interest Payment Date falling in November 2061 | The Interest Payment Date falling in November 2061 | The Interest Payment Date falling in November 2061 | The Interest Payment Date falling in November 2061 | The Interest Payment Date falling in November 2061 | The Interest Payment Date falling in November 2061 | The Interest Payment Date falling in November 2061 | The Interest Payment Date falling in November 2061 | The Interest Payment Date falling in November 2061 |

| | <u>Class A Notes</u> | <u>Class B Notes</u> | <u>Class C Notes</u> | <u>Class D Notes</u> | <u>Class E Notes</u> | <u>Class F Notes</u> | <u>Class Z Notes</u> | <u>Certificates</u> | <u>Class VRR Notes</u> |
|---|--|--|--|--|--|--|--------------------------------------|-------------------------------|--------------------------------------|
| Step-Up Date | The Interest Payment Date falling in November 2024 | The Interest Payment Date falling in November 2024 | The Interest Payment Date falling in November 2024 | The Interest Payment Date falling in November 2024 | The Interest Payment Date falling in November 2024 | The Interest Payment Date falling in November 2024 | Not applicable | Not applicable | Not applicable |
| Business Day Convention | Following | Following | Following | Following | Following | Following | Following | Following | Following |
| Application for Exchange Listing | Ireland | Ireland | Ireland | Ireland | Ireland | Ireland | Ireland | None | Ireland |
| Form of the Notes and Certificates | Registered Global Note | Registered Global Note | Registered Global Note | Registered Global Note | Registered Global Note | Registered Global Note | Registered Global Note | Registered Global Certificate | Registered Global Note |
| Regulation S/Rule 144A | Regulation S/Rule 144 A | Regulation S/Rule 144 A | Regulation S/Rule 144 A | Regulation S/Rule 144 A | Regulation S/Rule 144 A | Regulation S/Rule 144 A | Regulation S/Rule 144 A | Regulation S/Rule 144A | Regulation S |
| Regulation S ISIN | XS2080551513 | XS2080551604 | XS2080551786 | XS2080551869 | XS2080552081 | XS2080551943 | XS2080552164 | XS2080773844 | XS2080552248 |
| Rule 144A ISIN | XS2080552321 | XS2080552594 | XS2080552677 | XS2080552750 | XS2080552834 | XS2080552917 | XS2080553055 | XS2080773760 | Not applicable |
| Regulation S Common Code | 208055151 | 208055160 | 208055178 | 208055186 | 208055208 | 208055194 | 208055216 | 208077384 | 208055224 |
| Rule 144A Common Code | 208055232 | 208055259 | 208055267 | 208055275 | 208055283 | 208055291 | 208055305 | 208077376 | Not applicable |
| Regulation S CFI | DAVNFR | DAVNFR | DAVNFR | DAVNFR | DAVNFR | DAVNFR | DAVNFR | DEXRX | DAVNFR |
| Rule 144A CFI | DAVNFR | DAVNFR | DAVNFR | DAVNFR | DAVNFR | DAVNFR | DAVNFR | DEXRX | Not applicable |
| Regulation S FISN | ELVET MORTGAGES/ VARASST BKD 2061112 | ELVET MORTGAGES/ VARASST BKD 2061112 | ELVET MORTGAGES/ VARASST BKD 2061112 | ELVET MORTGAGES/ VARASST BKD 2061112 | ELVET MORTGAGES/ VARASST BKD 2061112 | ELVET MORTGAGES/ VARASST BKD 2061112 | ELVET MORTGAGES/ VARASST BKD 2061112 | ELVET MORTGAGES/ UT 2061112 | ELVET MORTGAGES/ VARASST BKD 2061112 |

| | <u>Class A Notes</u> | <u>Class B Notes</u> | <u>Class C Notes</u> | <u>Class D Notes</u> | <u>Class E Notes</u> | <u>Class F Notes</u> | <u>Class Z Notes</u> | <u>Certificates</u> | <u>Class VRR Notes</u> |
|---|---|---|---|---|---|---|---|--|---|
| Rule 144A FISN | ELVET MORTGAGES/ VARASST BKD 2061112 | ELVET MORTGAGES/ VARASST BKD 2061112 | ELVET MORTGAGES/ VARASST BKD 2061112 | ELVET MORTGAGES/ VARASST BKD 2061112 | ELVET MORTGAGES/ VARASST BKD 2061112 | ELVET MORTGAGES/ VARASST BKD 2061112 | ELVET MORTGAGES/ VARASST BKD 2061112 | ELVET MORTGAGES/ VARASST UT 20611122 | Not applicable |
| Clearance/Settlement | Euroclear/Clear stream, Luxembourg | Euroclear/Clear stream, Luxembourg | Euroclear/Clear stream, Luxembourg | Euroclear/Clear stream, Luxembourg | Euroclear/Clear stream, Luxembourg | Euroclear/Clear stream, Luxembourg | Euroclear/Clear stream, Luxembourg | Euroclear/Clear stream, Luxembourg | Euroclear/Clear stream, Luxembourg |
| Expected Ratings (Fitch/S&P) | AAA / AAA | AAA / AA | A+ / A | A- / BBB | BBB- / BBB- | B- / BB | Not Rated | Not Rated | Not Rated |
| Minimum Denomination | £100,000 and integral multiples of £1,000 in excess thereof | £100,000 and integral multiples of £1,000 in excess thereof | £100,000 and integral multiples of £1,000 in excess thereof | £100,000 and integral multiples of £1,000 in excess thereof | £100,000 and integral multiples of £1,000 in excess thereof | £100,000 and integral multiples of £1,000 in excess thereof | £100,000 and integral multiples of £1,000 in excess thereof | Not applicable | £100,000 and integral multiples of £1,000 in excess thereof |
| Governing law | English | 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 EU and is registered under Regulation (EU) No 1060/2009.

TRANSACTION OVERVIEW – OVERVIEW OF THE CHARACTERISTICS OF THE NOTES, CLASS VRR NOTES AND 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 November 2061 (the "**Class A Notes**");
- Class B Mortgage Backed Floating Rate Notes due November 2061 (the "**Class B Notes**");
- Class C Mortgage Backed Floating Rate Notes due November 2061 (the "**Class C Notes**");
- Class D Mortgage Backed Floating Rate Notes due November 2061 (the "**Class D Notes**");
- Class E Mortgage Backed Floating Rate Notes due November 2061 (the "**Class E Notes**");
- Class F Mortgage Backed Floating Rate Notes due November 2061 (the "**Class F Notes**"); and
- Class Z Mortgage Backed Notes due November 2061 (the "**Class Z Notes**"),

the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes together with the Class Z Notes are the "**Notes**" and the holders thereof, the "**Noteholders**".

The Regulation S Notes of each Class and the Regulation S Certificates sold outside the United States to Non-U.S. Persons in reliance on Regulation S will, on issue, be represented by beneficial interests in one or more Regulation S Global Notes or, as relevant, Regulation S Global Certificates in fully registered form.

The Rule 144A Notes of each Class and the Rule 144A Certificates sold in reliance on Rule 144A to persons who are QIBs will, on issue, be represented by beneficial interests in one or more Rule 144A Global Notes or, as relevant, Rule 144A Global Certificates in fully registered form.

The Global Notes will be registered in the name of the nominee for the Common Safekeeper for both Euroclear and Clearstream, Luxembourg. See further the section *Description of the Global Notes* below.

On the Closing Date, the Issuer will also issue the Class VRR Mortgage Backed Notes due November 2061 (the "**Class VRR Notes**") which comprises a vertical interest entitled to payments which rank alongside each corresponding Class of Notes and the Certificates, in accordance with the applicable Priority of Payments. The holders of the Class VRR Notes are the "**Class VRR Noteholders**".

The Regulation S Class VRR Notes sold outside the United States to Non-U.S. Persons in reliance on Regulation S will, on issue, be represented by beneficial interests in one or more Regulation S Class VRR Global Notes in fully registered form.

On the Closing Date, the Issuer will also issue the Certificates under the Trust Deed. The Certificates will be represented by one or more Global Certificates.

Risk Retention and the Class VRR Notes

For the purposes of, among other things, satisfying the U.S. Risk Retention Rules and the EU risk retention requirements under the Securitisation Regulation, the Issuer will, pursuant to the Trust Deed, issue on the Closing Date the Class VRR Notes. The owner of the Class VRR Notes on the Closing Date will be Atom Bank. As at the Closing Date, the principal amount of the Class VRR Notes will be equal to £24,150,000, being equal to 5 per cent. of the aggregate principal amount of the Notes, and the Certificates (the initial principal amount of which is zero) multiplied by (100/95). The Class VRR Notes will entitle the Class VRR Noteholders to the VRR Proportion of the principal and interest amounts paid to Noteholders under the Notes and the VRR Proportion of any amounts payable on the Certificates.

This Prospectus therefore contains information relating to the Class VRR Notes to enable prospective Noteholders to understand the liabilities of the Issuer to the Class VRR Noteholders.

Sequential Order:

The Class A Notes rank *pro rata* and *pari passu* without preference or priority amongst themselves in relation to payment of interest and principal out of the Relevant Note Share at all times.

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

The Class C Notes rank *pro rata* and *pari passu* without preference or priority amongst themselves in relation to payment of interest and principal out of the Relevant Note Share 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 amongst themselves in relation to payment of interest and principal out of the Relevant Note Share 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 amongst themselves in relation to payment of interest and principal out of the Relevant Note Share 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 amongst themselves in relation to payment of interest and principal out of the Relevant Note Share 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 Z Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of amounts due in respect thereof out of the Relevant Note Share at all times, but subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

The Certificates rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of amounts due in respect thereof at all times out of amounts remaining after the payment of items higher in the Pre-Enforcement Revenue Priority of Payments or, as relevant, the Post-Enforcement Priority of Payments, but subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes under the Pre-Enforcement Revenue Priority of Payments and the Post-Enforcement Priority of Payments.

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

The Class VRR Notes comprise a vertical tranche entitled to payments which rank alongside each corresponding Class of Notes and the Certificates in accordance with the applicable Priority of Payments.

"Relevant Note Share" means: (a) prior to the service of an Enforcement Notice; (i) in respect of interest, the Pre-Enforcement Revenue Note Share; (ii) in respect of principal, the Pre-Enforcement Redemption Note Share; and (b) following the service of an Enforcement Notice, the Post-Enforcement Note Share.

"Pre-Enforcement Revenue Note Share" means 95% of the Net Available Revenue Receipts.

"Net Available Revenue Receipts" means the Available Revenue Receipts after application of the Pre-Enforcement Revenue Senior Expenses.

"Pre-Enforcement Revenue Senior Expenses" means items (a) to (e) of the Pre-Enforcement Revenue Priority of Payments.

"Pre-Enforcement Revenue VRR Share" means 5% of the Net Available Revenue Receipts.

"Pre-Enforcement Redemption Note Share" means 95% of the Net Available Redemption Receipts.

"Net Available Redemption Receipts" means the Available Redemption Receipts after deducting item (a) of the Pre-Enforcement Redemption Priority of Payments.

"Pre-Enforcement Redemption VRR Share" means 5% of the Net Available Redemption Receipts.

"Post-Enforcement Note Share" means 95% of the Net Post-Enforcement Available Receipts.

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 Class VRR Notes.

Security:

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

Pursuant to the Deed of Charge on the Closing Date, the Notes, the Class VRR Notes and the Certificates will be secured by, among other things, the following security (the "**Security**"):

- (a) a charge by way of first fixed charge (subject to the subsisting rights of redemption of the relevant Borrowers) of Issuer's Benefit in the Loans (other than the Scottish Loans) and their Related Security comprised in the Portfolio;
- (b) a charge by way of first fixed charge of all indebtedness comprising an obligation or liability to pay money secured by each registered charge of which it is registered as proprietor at the Land Registry;
- (c) a charge by way of first fixed charge of the Benefit of each Authorised Investment;
- (d) a charge by way of first fixed charge of the Issuer's Benefit in each of the Elavon Transaction Account, the Citi Transaction Account, each Swap Collateral Account and any bank or other accounts (including any Securities Custody Account) in which the Issuer may at any time have or acquire any Benefit and (to the extent of its interest) all balances now or in the future standing to the credit of or accrued or accruing on such accounts;
- (e) an assignment by way of first fixed security of the Issuer's Benefit in the Insurance Policy;
- (f) an assignment by way of first fixed security of the Issuer's Benefit under each Transaction Document except (i) for any Transaction Document which is governed by Scots law and (ii) that the assignment by way of security of the Benefit of the Issuer under the Swap Agreement shall be subject to any rights of set-off or netting provided for thereunder;
- (g) an assignment by way of first fixed security (and to the extent not assigned by way of first fixed charge) (but subject to the right of

reassignment) of the Issuer's Benefit under the Collection Account Trust;

- (h) an assignation in security of the Issuer's beneficial interest in the Scottish Loans and their Related Security (comprising the Issuer's beneficial interest under the trust declared by the Seller over such Scottish Loans and their Related Security for the benefit of the Issuer pursuant to the Scottish Declaration of Trust); and
- (i) 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 referred to above as aforesaid).

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

Interest Provisions: Please refer to the *Full Capital Structure of the Notes, Class VRR Notes and Certificates* table above and as fully set out in Note Condition 6 (*Interest*).

Class VRR Note Payments Please refer to the *Full Capital Structure of the Notes, Class VRR Notes and Certificates* table above and as fully set out in Class VRR Note Condition 6 (*Class VRR Note Payments*).

Deferral: Interest due and payable on the Class A Notes (and therefore the corresponding payments in respect of the Class VRR Notes) is not permitted to be deferred. Interest due and payable on the Notes (other than the Class A Notes) may be deferred in accordance with Note Condition 18 (*Subordination by Deferral*).

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

Redemption: The Notes, the Class VRR Notes and the Certificates are subject to the following redemption events amongst others contained in Note Condition 8 (*Redemption*), Class VRR Note Condition 8 (*Redemption*) and Certificate Condition 7 (*Redemption*):

- mandatory redemption in whole on the Interest Payment Date falling in November 2061 (the "**Final Maturity Date**"), as fully set out in Note Condition 8.1 (*Redemption at Maturity*) and Class VRR Note Condition 8.1 (*Redemption at Maturity*) and Certificate Condition 7.1 (*Redemption at Maturity*);
- mandatory redemption in part on any Interest Payment Date commencing on the first Interest Payment Date but prior to the service of an Enforcement Notice subject to the availability of Available Redemption Receipts (to the extent not applied to cover any Revenue 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 Z Notes until they are repaid in full,

payments in respect of the Class VRR Notes will be applied *pro rata* and *pari passu* with payments on the Notes, and the Certificates will receive, *pro rata* and *pari passu*, any residual payments thereafter;

- in the event the option set out in the Certificate Condition 7.2(a) (*Redemption of the Notes, Class VRR Notes and Certificates in Full*) is exercised, mandatory redemption of the Notes, the Class VRR Notes and the cancellation and redemption of the Certificates in whole (but not in part) on the Interest Payment Date falling in November 2024 or any other Interest Payment Date thereafter (the "**Refinancing Date**") with the proceeds of the refinancing (together with any amounts then standing to the credit of the relevant Issuer Accounts and any other funds available to the Issuer), as fully set out in Note Condition 8.3(a) (*Refinancing Option*), Class VRR Note Condition 8.3(a) (*Refinancing Option*) and Certificate Condition 7.2(a) (*Refinancing Option*).
- in the event the option set out in the Certificate Condition 7.2(b) (*Redemption of the Notes, Class VRR Notes and Certificates in Full*) is exercised, mandatory redemption of the Notes, the Class VRR Notes and the cancellation and redemption of the Certificates in whole (but not in part) on the Interest Payment Date falling in November 2024 or any other Interest Payment Date thereafter (the "**Portfolio Call Option Completion Date**") with the Portfolio Call Option Purchase Price, as fully set out in Note Condition 8.3(b) (*Portfolio Call Option*), Class VRR Note Condition 8.3(b) (*Portfolio Call Option*) and Certificate Condition 7.2(b) (*Portfolio Call Option*).

Any Note and any Class VRR Note redeemed pursuant to the above redemption provisions will be redeemed at an amount equal to its Principal Amount Outstanding together with accrued (and unpaid)

interest on its Principal Amount Outstanding up to (but excluding) the date of redemption. The Certificates represent an entitlement to excess Available Revenue Receipts and excess Available Redemption Receipts (to the extent that such amounts are available) and will therefore, on the Refinancing Date, be cancelled and the Certificateholders will receive an amount equal to that which they would have received had the Refinancing Date been an ordinary Interest Payment Date. On the Portfolio Call Option Completion Date or the Interest Payment Date on which the Certificates are cancelled and redeemed under Certificate Condition 7.2(c), the Certificateholders will receive an amount equal to that which they would have received had the relevant Interest Payment Date been an ordinary Interest Payment Date, together with any premium (if one is due in accordance with the operation of the definitions of Portfolio Call Option Purchase Price or 10 Per Cent. Clean-up Call Purchase Price, as to which see Certificate Condition 7.2).

Expected Average Lives of the Notes and the Class VRR Notes:

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

Event of Default:

As fully set out in Note Condition 11 (*Events of Default*), Class VRR Note Condition 11 (*Event of Default*) and Certificate Condition 10 (*Events of Default*), which includes, among other events, (where relevant, subject to the applicable grace period):

- in the case of the Notes, non-payment of interest and/or principal due in respect of the Notes and such non-payment continues for a period of five Business Days in the case of interest and five Business Days in the case of principal, provided that deferral of interest in accordance with Note Condition 18 (*Subordination by Deferral*) shall not be an Event of Default; or
- in the case of the Class VRR Notes, non-payment of any amount due in respect of the Class VRR Notes, and such non-payment continues for a period of five Business Days (and, for the avoidance of doubt, non-payment of any amount in respect of the Class VRR Notes which corresponds to an amount which is permitted to be deferred in accordance with Note Condition 18 (*Subordination by Deferral*) shall not be an Event of Default); or
- non-payment of any amounts due in respect of the Certificates, and such non-payment continues for a period of five Business Days; or
- failure by the Issuer to perform or observe any of its other obligations under the Note Conditions, Class VRR Note Conditions, Certificate Conditions or any Transaction Document to which it is a party which in the opinion of the Note Trustee is materially prejudicial to the interests of the holders of the Most Senior Class and the failure continues for a period of 15 days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the failure to be

incapable of remedy, then no continuation or notice as is aforementioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or

- any representation or warranty made by the Issuer under any Transaction Document is incorrect in any material respect when made which in the opinion of the Note Trustee is materially prejudicial to the interests of the holders of the Most Senior Class and the matters giving rise to such misrepresentation are not remedied within a period of 15 days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the matters giving rise to such misrepresentation to be incapable of remedy, then no continuation or notice as is hereinafter mentioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or
- 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 Most Senior Class of Noteholders; or
- 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 holders of the Most Senior Class, 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 Issuer is deemed unable to pay its debts within the meaning of Sections 123(1) or (2) of the Insolvency Act (or any equivalent or analogous legislative provision, as applicable to such person) or (iii) the Issuer is adjudicated or found bankrupt or insolvent; or
- 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 days; or
- 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).

Following service of an Enforcement Notice: Following the service of an Enforcement Notice to the Issuer, all Classes of the Notes and all of the Class VRR Notes then outstanding shall thereby immediately become due and repayable at their respective Principal Amount Outstanding, together with accrued (and unpaid) interest and the Certificateholders will be entitled to Residual Payments, if any.

Limited Recourse and Non-Petition: The Notes, the Class VRR Notes and the Certificates are limited recourse obligations of the Issuer, and, if not repaid in full, amounts outstanding are subject to a final write-off, which is described in more detail in Note Condition 12.4 (*Limited Recourse*). In accordance with Note Condition 12.3 (*Limitations on Enforcement*), no Noteholder, Class VRR Note Condition 12.3 (*Limitations on Enforcement*), no Class VRR Noteholder and Certificate Condition 11.3 (*Limitations on Enforcement*), no Certificateholder 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.

Certain ERISA considerations for investors The Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes ("**ERISA Eligible Notes**") will be eligible for purchase by employee benefit plans subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") and other plans subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**") or any entity deemed to hold plan assets of any of the foregoing (together with such employee benefit plans and other plans, collectively referred to as "**Benefit Plan Investors**") and by governmental, church or non-US plans that are subject to any state, local or other federal law of the United States or non-U.S. law that is substantially similar to Title I of ERISA or Section 4975 of the Code ("**Similar Law**"), subject to consideration of the issues described in this Prospectus under *Certain ERISA Considerations*. Each purchaser of any such notes (and all subsequent transferees thereof) will be deemed to have represented and warranted that (i) either (A) it is not and is not acting on behalf of, and for so long as it holds any such ERISA Eligible Note or interest therein will not be, and will not be acting on behalf of, a Benefit Plan Investor; or (B) its purchase, holding and disposition of such notes will not constitute or result in a non-exempt prohibited transaction under ERISA or the Code (or in the case of any governmental, church or non-U.S. plan, violate any Similar Law) and such purchaser or transferee acknowledges and agrees that the ERISA Eligible Note (or interest therein) is not eligible for acquisition by Benefit Plan Investors unless at the time that such Note is acquired by a Benefit Plan Investor it is rated at least "BBB-" or its equivalent by a nationally recognized statistical rating organization and it is treated as indebtedness for applicable local law purposes without substantial equity features and such purchaser or transferee agrees to so treat such Notes and (ii) it will not transfer such Notes (or any interest therein) to an acquiror acquiring such Notes (or any interest therein) unless the acquiror makes the representations, warranties and agreements described in clause (i). In addition, any fiduciary of a

Benefit Plan Investor subject to the fiduciary responsibility provisions of ERISA or a plan subject to Similar Law should consult with their counsel to determine whether an investment in the notes satisfies the prudence, investment diversification and other applicable requirements of those provisions.

The Class F Notes, Class Z Notes and the Class VRR Notes ("**ERISA Restricted Notes**") will not be eligible for purchase by Benefit Plan Investors. A governmental, church or non-U.S. plan that is subject to Similar Law that purchases or acquires an ERISA Restricted Note (or any interest therein) will be deemed to have represented that its acquisition, holding and disposition of such ERISA Restricted Note will not constitute or result in a non-exempt violation of Similar Law. See the Certain ERISA Considerations section in this Prospectus for further information.

Governing Law:

The laws of England and Wales (other than any terms of the Transaction Documents which are particular to Scots law which will be construed in accordance with Scots law).

**TRANSACTION OVERVIEW – RIGHTS OF NOTEHOLDERS, CLASS VRR
NOTEHOLDERS, CERTIFICATEHOLDERS AND RELATIONSHIP WITH OTHER
SECURED CREDITORS**

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

Convening meetings: Noteholders holding not less than 10% of the Principal Amount Outstanding of the Notes of a particular Class then outstanding are entitled to convene a Noteholders' meeting of that particular Class.

So long as no Event of Default has occurred and is continuing, none of the Noteholders or the Class VRR Noteholders (as applicable) 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, for so long as there are any Notes outstanding Noteholders may, if they hold not less than 25% of the Principal Amount Outstanding of the Most Senior Class, or for so long as there are no Notes outstanding, not less than 25% of the Certificateholders, or if an Extraordinary Resolution of the holders of the Most Senior Class is passed, direct the Note Trustee to give an Enforcement Notice to the Issuer that all Classes of the Notes and all of the Class VRR Notes then outstanding shall thereby immediately become due and repayable at their respective Principal Amount Outstanding, together with accrued (and unpaid) interest. The Certificateholders will be entitled to Residual Payments, if any. The Note Trustee shall not be bound to take any such action unless first indemnified and/or prefunded and/or secured to its satisfaction.

The Class VRR Noteholders will not have the ability to direct the Note Trustee in relation to the enforcement of the Security.

| Noteholder Meeting provisions: | Initial meeting | Adjourned meeting |
|---------------------------------------|--|--|
| Notice period: | No less than 21 clear days and not more than 42 clear days | No less than 10 clear days and not more than 42 clear days |
| Location | A venue in the United Kingdom as notified to Noteholders. | A venue in the United Kingdom as notified to Noteholders. |
| Quorum: | Subject to more detailed provisions of the Trust Deed, the quorum at any | Subject to more detailed provisions of the Trust Deed, the quorum at any |

initial meeting convened to vote on:

meeting re-convened to vote on:

(1) an Ordinary Resolution shall be one or more persons present and holding or representing in aggregate not less than one quarter of the (A) Principal Amount Outstanding of the relevant Class or Classes of Notes, then outstanding; and (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument);

(1) an Ordinary Resolution shall be one or more persons present and holding or representing in aggregate not less than 10 per cent. of the (A) Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding and (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument);

(2) an Extraordinary Resolution (other than a Basic Terms Modification or a Class VRR Entrenched Right) shall be one or more persons present and holding or representing in the aggregate not less than 50 per cent. of the (A) Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding; and (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument); and

(2) an Extraordinary Resolution (other than a Basic Terms Modification or a Class VRR Entrenched Right) shall be one or more persons present and holding or representing in the aggregate not less than 25 per cent. of the (A) Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding and (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument); and

(3) a Basic Terms Modification shall be one or more persons present and holding or representing in the aggregate not less than three-quarters of the (A) Principal Amount Outstanding of such Class or Classes of Notes then outstanding; and

(3) a Basic Terms Modification shall be one or more persons present and holding or representing in the aggregate not less than 50 per cent. of the (A) Principal Amount Outstanding of such Class or Classes of Notes then outstanding and (B)

(B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument).

the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument).

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

Required majority for Ordinary Resolution: See Note Condition 13.16 (*Ordinary Resolution*).

Required majority for Extraordinary Resolution: See Note Condition 13.17 (*Extraordinary Resolution*).

Required majority for a written resolution: In the case of a resolution in writing that is to have the same effect as an Extraordinary Resolution: not less than 75 per cent. of the (A) Principal Amount Outstanding of the relevant Class of Notes then outstanding; and (B) the portion of the Class VRR Notes, then outstanding, that corresponds to the relevant Class of Notes.

Matters requiring Extraordinary Resolution of the Noteholders and/or Class VRR Noteholders:

The following matters require an Extraordinary Resolution of the Noteholders or, as applicable, the Class VRR Noteholders, 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, the Class VRR Notes or the Certificates other than in accordance with Note Condition 8.4 (*Redemption of the Notes, Class VRR Notes and Certificates for Taxation or Other Reasons*), or Note Condition 13.22 (*Issuer Substitution Condition*), or Class VRR Note Condition 8.4 (*Redemption of the Notes, Class*

VRR Notes and Certificates for Taxation or Other Reasons), or Class VRR Note Condition 13.22 (*Issuer Substitution Condition*);

- to approve any proposal by the Issuer, the Note Trustee or the Security Trustee for any modification, abrogation, variation or compromise of any provisions of the Trust Deed, the Note Conditions, the Class VRR Note Conditions or any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes or, as applicable, the Class VRR Notes;
- 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 Class VRR Noteholder, other than those modifications which are sanctioned by the Note Trustee without the consent or sanction of the Noteholders or the Class VRR Noteholders in accordance with the terms of the Trust Deed;
- 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 Rated Notes or if it is not clear to the Security Trustee whether the rating for the Rated Notes will be maintained as the rating before the termination of the Servicer;
- (in relation to the Noteholders only) 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 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 any liability in respect of any act or omission for which it may become responsible under the Trust Deed, the Notes or the Class VRR Notes;
- to appoint any persons as a committee to represent the interests of the Noteholders or the Class VRR Noteholders and to confer upon such committee any powers which the Noteholders or the Class VRR Noteholders could themselves exercise by Extraordinary Resolution;
- other than in relation to a Refinancing, to sanction any scheme or proposal for the exchange, sale, conversion or cancellation of the Notes or the Class VRR Notes 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;

- to waive any breach or authorise any proposed breach by the Issuer or (if relevant) any other Transaction Party of its obligations under or in respect of the Trust Deed, the Notes, the Class VRR Notes or the other Transaction Documents or any act or omission which might otherwise constitute an Event of Default under the Notes or the Class VRR Notes; 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.

Class VRR Entrenched Rights: Notwithstanding any other provision of the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver which affects any Class VRR Entrenched Rights, unless all Class VRR Noteholders have consented to such modification or waiver in writing.

The following shall constitute the entrenched rights of the Class VRR Noteholders (the "**Class VRR Entrenched Rights**):

- (a) the entitlement to 5% of the Net Available Revenue Receipts, Net Available Redemption Receipts and Net Post-Enforcement Available Receipts as applicable;
- (b) any modification or waiver which affects the rights of the Class VRR Noteholders which, if made, would be adverse to the Class VRR Notes where a corresponding modification or waiver was not simultaneously made to or in respect of the other Classes of Notes on an equivalent basis;
- (c) a determination by all Class VRR Noteholders that a modification or waiver of the rights of the Class VRR Noteholders would have the effect of either:
 - (i) adversely affecting the capital treatment of the Class VRR Noteholders' interest in the Portfolio or the Class VRR Notes (including, without limitation, under article 244 of the CRR (as amended from time to time including by the CRR Amendment Regulation) (taking into account any regulatory guidance and/or statements issued by relevant competent authorities), any replacement or successor provision(s) to the CRR (as amended from time to time including by the CRR Amendment Regulation) or any similar regulations or laws (taking into account any regulatory guidance and/or statements issued by relevant competent authorities) which enter into force after the Closing Date and which regulate the capital treatment of the Class VRR Noteholders' interest in the Portfolio or the Class VRR Notes), such determination to be based on an opinion of a reputable accountancy firm chosen by the Class VRR Noteholders and, if required by the CRR (as

amended from time to time including by the CRR Amendment Regulation) or any similar regulations or laws (taking into account any regulatory guidance and/or statements issued by relevant competent authorities) which enter into force after the Closing Date and which regulate the capital treatment of the Class VRR Noteholders' interest in the Portfolio or the Class VRR Notes, an opinion of a reputable law firm (such opinions to be provided within 90 days of the Class VRR Noteholders being provided with final drafts of all documents effecting or related to such waiver or modification);

- (ii) resulting in the Class VRR Noteholders being in breach of their obligations under any of the U.S. Risk Retention Rules (or any amended or replacement rules), or Article 6 of the Securitisation Regulation, such determination to be based on an opinion of a reputable law firm chosen by the Class VRR Noteholders (such opinion to be provided within 90 days of the Class VRR Noteholders being provided with final drafts of all documents effecting or related to such waiver or modification); or
- (iii) adversely affecting the position of the Class VRR Noteholders in relation to de-recognition of the Portfolio under IFRS 9 or deconsolidation and de-recognition of the Issuer under IFRS 10 (or any other rules which the Class VRR Noteholders rely on to achieve deconsolidation and de-recognition), such determination to be based on an opinion of a reputable accountancy firm chosen by the Class VRR Noteholders (such opinion to be provided within 90 days of the Class VRR Noteholders being provided with final drafts of all documents effecting or related to such waiver or modification),

and where the Issuer confirms (by certifying to the Note Trustee in writing) the day on which the Class VRR Noteholders were provided with final drafts of all documents effecting or related to such waiver or modification, and any opinion referred to in this item (c) is not provided to the Note Trustee within the required timeframes, then the Class VRR Noteholders will be deemed to have determined that the waiver or modification will not have any of the effects described in paragraphs (i) to (iii) above;

- (d) any alteration to the Refinancing Date, the date from which the rights of any Certificateholder under the Refinancing Option may be exercised, or any other changes that would result in the Notes or the Class VRR Notes being refinanced prior to the Refinancing Date;
- (e) any alteration that would have the effect of enabling the early redemption of the Notes or Class VRR Notes or Certificates other than in accordance with the Note Conditions, the Class VRR Note Conditions or Certificate Conditions as at the Closing Date, (provided that the early redemption of the Notes (and related

amendments to the Class VRR Notes) and issuance of new notes for the sole purpose of refinancing the Notes (and related amendments, including changing interest rates, rating agencies and reserves) shall not be a Class VRR Entrenched Right under this paragraph (e) provided further that the aggregate Principal Amount Outstanding of the new, replacement notes and class VRR notes is the same as the aggregate Principal Amount Outstanding of the Notes and the Class VRR Notes that have been redeemed and that no entitlement to or in respect of the Loans or Related Security is sold or otherwise disposed of by the Issuer pursuant to such re-tranching and refinancing);

- (f) any alteration that would have the effect of increasing or decreasing the principal amount of Class VRR Notes; or
- (g) a modification to this definition of Class VRR Entrenched Rights,

save that a change in any Rate of Interest, in accordance with the Note Conditions, shall not be a Class VRR Entrenched Right.

Certificateholder Meeting provisions:

| | Initial meeting | Adjourned meeting |
|-----------------------|--|--|
| Notice period: | No less than 21 clear days and not more than 42 clear days | No less than 10 clear days and not more than 42 clear days |
| Location | A venue in the United Kingdom as notified to Certificateholders. | A venue in the United Kingdom as notified to Certificateholders. |
| Quorum: | <p>Subject to more detailed provisions of the Trust Deed, the quorum at any initial meeting convened to vote on:</p> <p>(1) an Ordinary Resolution, shall be one or more persons present and holding or representing in aggregate not less than one quarter of the total number of (A) Certificates then outstanding; and (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR</p> | <p>Subject to more detailed provisions of the Trust Deed, the quorum at any meeting re-convened to vote on:</p> <p>(1) an Ordinary Resolution shall be one or more persons present and holding or representing in aggregate not less than 10 per cent. of the total number of: (A) Certificates then outstanding; and (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR</p> |

Note Condition 1, and/or Certificate Condition 1;

Note Condition 1, and/or Certificate Condition 1;

(2) an Extraordinary Resolution (other than a Basic Terms Modification or a Class VRR Entrenched Right) shall be one or more persons present and holding or representing in the aggregate not less than 50 per cent. of the total number of: (A) Certificates then outstanding; and (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1; and

(2) an Extraordinary Resolution (other than a Basic Terms Modification or a Class VRR Entrenched Right) shall be one or more persons present and holding or representing in the aggregate not less than 25 per cent. of the total number of (A) Certificates then outstanding; and (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1; and

(3) a Basic Terms Modification shall be one or more persons present and holding or representing in the aggregate not less than three-quarters of the total number of: (A) Certificates then outstanding; and (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1.

(3) a Basic Terms Modification shall be one or more persons present and holding or representing in the aggregate not less than 50 per cent. of the total number of (A) Certificates then outstanding; and (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1.

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

the day on which the meeting to be adjourned is held) or the day on which such meeting is held.

Required majority for Ordinary Resolution: See Certificate Condition 12.16 (*Ordinary Resolution*).

Required majority for Extraordinary Resolution: See Certificate Condition 12.17 (*Extraordinary Resolution*).

Required majority for a written resolution: In the case of a resolution in writing that is to have the same effect as an Extraordinary Resolution: not less than 75 per cent. of the number of Certificates then outstanding.

Matters requiring Extraordinary Resolution of the Certificateholders:

The following matters require 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 Certificates other than in accordance with Certificate Condition 7.3 (*Redemption of the Notes, Class VRR Notes and Certificates for Taxation or Other Reasons*) or Certificate Condition 12.22 (*Issuer Substitution Condition*);
- to approve any proposal by the Issuer, the Note Trustee or the Security Trustee for any modification, abrogation, variation or compromise of any provisions of the Trust Deed, the Certificate Conditions or any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Certificates;
- 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 Certificateholder, other than those modifications which are sanctioned by the Note Trustee without the consent or sanction of the Certificateholders in accordance with the terms of the Trust Deed;
- 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

Rated Notes or if it is not clear to the Security Trustee whether the rating for the Rated Notes will be maintained as the rating before the termination of the Servicer;

- to remove the Note Trustee and/or the Security Trustee;
- to approve the appointment of a new Note Trustee and/or Security Trustee;
- to authorise the Note Trustee, 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 any liability in respect of any act or omission for which it may become responsible under the Trust Deed or the Certificates;
- to appoint any persons as a committee to represent the interests of the Certificateholders and to confer upon such committee any powers which the Certificateholders could themselves exercise by Extraordinary Resolution;
- other than in relation to a Refinancing, to sanction any scheme or proposal for the exchange, sale, conversion or cancellation of the Certificates for or partly or wholly in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company or partly or wholly in consideration of cash;
- to waive any breach or authorise any proposed breach by the Issuer or (if relevant) any other Transaction Party of its obligations under or in respect of the Trust Deed, the Certificates or the other Transaction Documents or any act or omission which might otherwise constitute an Event of Default under the Certificates; 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
Noteholders and
Class VRR
Noteholders:**

In relation to each Class of Notes, Class VRR Notes and Certificates no Extraordinary Resolution:

- (i) involving a Basic Terms Modification that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes (to the extent that there are outstanding Notes in each such other classes) the Class VRR Notes (to the extent that there are outstanding Class VRR Notes) and the Certificateholders; or
- (ii) involving a Class VRR Entrenched Right shall be effective unless the consent of the holders of all Class VRR Notes

(to the extent that there are outstanding Class VRR Notes) is obtained;

Except in the case of a meeting relating to a Basic Terms Modification or a Class VRR Entrenched Right, any resolution passed at a meeting of the holders of the Most Senior Class duly convened and held as aforesaid shall also be binding upon the holders of all the other Classes of Notes, the holders of the Class VRR Notes and the Certificateholders.

A written resolution shall take effect as if it were an Extraordinary Resolution.

Relationship between Noteholders, Class VRR Noteholders, Certificateholders and other Secured Creditors:

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

So long as the Notes or the Class VRR Notes are outstanding, the Note Trustee (or, as relevant, the Security Trustee) will have regard to the interests of each Class of Noteholders and the Class VRR Noteholders, but if in the Note Trustee's (or, as relevant, following enforcement the Security Trustee's) sole opinion there is a conflict between the interests of any Classes of Notes and/or the Class VRR 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 Priority of Payments and shall not have regard to the interests of the holders of such subordinated Classes of Notes or the Class VRR Notes, and the holders of such subordinated Classes of Notes or the Class VRR Notes shall have no claim against the Note Trustee for so doing, subject to the rights in relation to Basic Terms Modifications or the Class VRR Entrenched Rights.

So long as any Notes are outstanding and there is a conflict between the interests of the Noteholders, the Class VRR Noteholders and/or the other Secured Creditors, the Security Trustee will take into account the interests of the Noteholders only in the exercise of its discretion.

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

Relevant Person and "outstanding" in relation to Notes, Class VRR Notes and Certificates

See Note Condition 1 (*General*), Class VRR Note Condition 1 (*General*) and Certificate Conditions 1 (*General*).

Provision of Information under the Securitisation Regulation:

For the purposes of Article 7(2) of the Securitisation Regulation, Atom Bank (as originator) (the "**Designated Reporting Entity**"), has been designated as the entity responsible for complying with Article 7 of the Securitisation Regulation together with any guidance published in relation thereto by the European Securities and Markets Authority, including any regulatory and/or implementing technical standards ("**EU Disclosure Requirements**") and will either fulfil such requirements itself or procure that such requirements are complied with on its behalf. From the Closing Date, the Designated Reporting Entity will, among other things:

- (a) procure that the Cash Manager (or SR Reporting Provider) prepares, and the Cash Manager (or SR Reporting Provider) will prepare, (to the satisfaction of the Designated Reporting Entity) a quarterly investor report one Business Day after each Interest Payment Date (a "**Reporting Date**") in relation to the immediately preceding Collection Period containing information required by Article 7(1)(e) of the Securitisation Regulation including, but not limited to the ratings of the Rated Notes (based on information provided by the Servicer), amounts paid by the Issuer pursuant to the relevant Priority of Payments on the most recent Interest Payment Date, required counterparty information (based on information provided by the Servicer), and Atom Bank's continued holding of the Class VRR Notes (as confirmed by Atom Bank to the Cash Manager (or SR Reporting Provider)), in each case to be provided in relation to the Portfolio, the Notes, the Class VRR Notes and the Certificates (the "**Investor Report**"); and
- (b) procure that the Servicer prepares a quarterly report on each Reporting Date containing certain loan-by-loan information in relation to the Portfolio as required by Article 7(1)(a) of the Securitisation Regulation in respect of the relevant Collection Period (the "**Loan-Level Report**" and together with the Investor Report, the "**Securitisation Regulation Investor Reports**").

Atom Bank will be responsible for compliance with Article 7 of the Securitisation Regulation for the purposes of Article 22(5) of the Securitisation Regulation.

The Designated Reporting Entity will publish (or procure the publication of) the Securitisation Regulation Investor Reports (simultaneously with each other) on <https://www.euroabs.com> (or any alternative website which conforms to the requirements set out in Article 7(2) of the Securitisation Regulation) (the "**Reporting Website**"). Following the appointment by the Designated Reporting Entity of a securitisation repository registered under Article 10 of the Securitisation Regulation (the "**SR Repository**"), the Designated Reporting Entity shall be responsible for procuring that each Securitisation Regulation Investor Report is made available through such SR Repository in accordance with the requirements of Article 7 of the Securitisation Regulation.

The defined terms used in the Securitisation Regulation Investor Reports shall, by reference, incorporate the defined terms set out generally in the Prospectus and more specifically in the Incorporated Terms Memorandum.

Bank of England Reporting

The Seller (as originator) will procure that the Cash Manager prepares and publishes (on behalf of the Seller) a monthly report (a "**Bank of England Investor 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.

Each Bank of England Investor Report will, no later than the date falling 30 days after the end of the calendar month to which the relevant Bank of England Investor Report relates, be published by the Cash Manager on (i) the Cash Manager's website at <https://www.sf.citidirect.com>, and (ii)

uploaded by the Servicer on the website of EuroABS at <https://www.euroabs.com>.

The Servicer will prepare a monthly loan level data report (a "**Bank of England Loan Level Data Report**") and together with the Bank of England Investor Report, the "**Bank of England Monthly Reports**") 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.

Each Bank of England Loan Level Data Report will, no later than the date falling 30 days after the end of the calendar month to which the relevant Bank of England Loan Level Data Report relates, be published by the Servicer on the website of EuroABS at <https://www.euroabs.com>.

The defined terms used in each of the Bank of England Monthly Reports shall, by reference, incorporate the defined terms set out generally in this Prospectus and more specifically in the Incorporated Terms Memorandum.

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 and except in the case of any Rule 144A Global Notes sold into the U.S., 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 Note 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) While the Notes are represented by Global Notes, notices to Noteholders will be valid if published as described above, or, at the option of the Issuer, if submitted to Euroclear and/or Clearstream, Luxembourg for communication by them to Noteholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg, as aforesaid shall be deemed to have been given on the day of such delivery.
- (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 notice of such other method is given to Noteholders in such manner as the Note Trustee shall require.

**Communication with
Class VRR
Noteholders:**

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

- (a) Subject to paragraph (d) below, any notice to Class VRR 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 Class VRR Noteholders (in each case a "**Relevant Class VRR 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 Class VRR Notes in definitive form, notices to Class VRR 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 Class VRR Notes are represented by a Global Note, notices to Noteholders will be valid if published as described above, or, at the option of the Issuer, if submitted to Euroclear and/or Clearstream, Luxembourg for communication by them to Class VRR 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 Class VRR Notes are admitted to trading on, and listed on the official list of, Euronext Dublin all notices to the Class VRR 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 Class VRR Notes are then listed, quoted and/or traded and provided that notice of such other method is given to Class VRR Noteholders in such manner as the Note Trustee shall require.

Communication with Certificateholders:

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

- (a) Except in relation to any Certificates sold into the U.S., any notice to Certificateholders 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 Class VRR Noteholders (in each case a "**Relevant Certificate 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 Certificates in definitive form, notices to Certificateholders 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 Certificates are represented by a Global Certificate, notices to Certificateholders will be valid if published as described above, or, at the option of the Issuer, if submitted to Euroclear and/or Clearstream, Luxembourg for communication by them to Certificateholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg, as aforesaid shall be deemed to have been given on the day of such delivery.

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Certificateholders or category of them if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing.

Right of Modification without Noteholder Consent etc.

Pursuant to and in accordance with the provisions of Note Condition 13.10 (*Additional Right of Modification*), Class VRR Note Condition 13.10 (*Additional Right of Modification*) and Certificate Condition 12.10 (*Additional Right of Modification*), the Note Trustee shall be obliged, without any consent or sanction of the Noteholders, the Class VRR

Noteholders, the Certificateholders or any other Secured Creditor to agree with the Issuer, and/or direct the Security Trustee to agree with the Issuer, in making any modification (other than in respect of a Basic Terms Modification and, in the case of the Class VRR Noteholders, the Class VRR Entrenched Rights) to the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document for the purposes of:

- complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time;
- complying with any obligation which applies to it under the CRR, the AIFMR, the Solvency II Delegated Act or the Securitisation Regulation after the Closing Date, including as a result of the adoption of additional regulatory technical standards in relation to the Securitisation Regulation or any other risk retention legislation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- enabling the Notes, the Class VRR Notes and the Certificates to comply with the requirements of the Securitisation Regulation, including relating to (i) the treatment of the Notes and Class VRR Notes as a simple, transparent and standardised securitisation, and (ii) any related regulatory technical standards authorised under the Securitisation Regulation;
- for the purpose of complying with any changes in the requirements of (i) Section 15G of the Securities Exchange Act of 1934, as amended, as added by section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, after the Closing Date, (ii) the CRR Amendment Regulation, or (iii) any other risk retention legislation or regulations or official guidance in relation thereto;
- enabling the Notes and Class VRR Notes to be (or to remain) listed on Euronext Dublin;
- enabling the Issuer or any of the other Transaction Parties to comply with FATCA;
- for the purposes of making any changes which are necessary to facilitate a Refinancing;
- changing the reference rate in respect of the Notes from SONIA to an alternative reference rate (including where such reference rate may remain linked to SONIA but may be calculated in a different manner) (any such reference rate, an "**Alternative Reference Rate**") and make such other amendments to any of the Transaction Documents as are necessary or advisable in the reasonable judgement of the Issuer to facilitate such change or which are required as a consequence of adopting an Alternative Reference Rate (a "**Reference Rate Modification**"); or

- changing the reference rate that then applies in respect of the Swap Agreement to an alternative reference rate as is necessary or advisable in the commercially reasonable judgement of the Issuer (or the Servicer on its behalf) and the Swap Provider solely as a consequence of a Reference Rate Modification and solely for the purpose of aligning the reference rate of the Swap Agreement to the reference rate of the Notes following such Reference Rate Modification (a "**Swap Rate Modification**").

Swap Provider
Entrenched Rights

In respect of any modification, amendment or supplement to any of the Transaction Documents, the Note Conditions, the Class VRR Note Conditions or Certificate Conditions which would encroach on any Swap Provider Entrenched Rights, the prior written consent of the Swap Provider is also needed prior to such amendments being made.

TRANSACTION OVERVIEW – CREDIT STRUCTURE AND CASHFLOW

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

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

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

- (a) all Revenue Receipts or, if in a Determination Period, any Calculated Revenue Receipts, in each case excluding any Reconciliation Amounts to be applied as Available Redemption Receipts on that Interest Payment Date, received by the Issuer (including amounts representing amounts received in respect of any repurchases of Loans and their Related Security by the Seller pursuant to the Mortgage Sale Agreement attributable to Accrued Interest and Arrears of Interest at the relevant repurchase date) during the immediately preceding Collection Period;
- (b) the lower of the amount recorded to the credit of the Liquidity Reserve Fund Ledger and a shortfall in paying items (a), (b), (c), (d), (e), (f)(i)(multiplied by 100/95) and (f)(iii)(multiplied by 100/95) of the Pre-Enforcement Revenue Priority of Payments using all amounts of Available Revenue Receipts except those under limbs (b), (c), (j) and (k) of the definition of Available Revenue Receipts. Amounts under this limb (b) can only be applied towards items (a), (b), (c), (d), (e), (f)(i), (f)(iii), (g)(i) and (g)(iii) of the Pre-Enforcement Revenue Priority of Payments;
- (c) on each Interest Payment Date (prior to the service of an Enforcement Notice), all amounts recorded to the credit of the Liquidity Reserve Fund Ledger in excess of the Liquidity Reserve Fund Target Level taking into account (b) above;
- (d) on each Interest Payment Date (prior to the service of an Enforcement Notice), all amounts standing to the credit of the General Reserve Fund Ledger;
- (e) 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);

- (f) amounts received or to be received by the Issuer on or before such Interest Payment Date under or in connection with the Swap Agreement, including any early termination amount received in connection with the Swap Agreement and which is not required to fund a Replacement Swap Premium payable by the Issuer, and any Swap Collateral Account Surplus which is to be applied as Available Revenue Receipts in accordance with the Swap Collateral Account Priority of Payments (other than any amounts which are not to be applied as Available Revenue Receipts in accordance with the Swap Collateral Account Priority of Payments, including for the avoidance of doubt, (i) Swap Collateral, (ii) any Replacement Swap Premium paid to the Issuer, and (iii) amounts in respect of Swap Tax Credits on such Interest Payment Date);
- (g) on each Interest Payment Date following a Determination Period, any Reconciliation deemed to be Available Revenue Receipts in accordance with Note Condition 6.10(c) (*Determinations and Reconciliation*);
- (h) in respect of any Interest Payment Date falling in a Determination Period amounts credited to the Citi Transaction Account (including, for the avoidance of doubt, any amounts transferred from the Elavon Transaction Account by or at the request of the Servicer (acting on the instruction of the Issuer) with such request given directly to the Elavon Account Bank), on the previous Interest Payment Date in accordance with item (f)(xvii) and then (g)(xvii) of the Pre-Enforcement Revenue Priority of Payments;
- (i) other net income of the Issuer received during the immediately preceding Collection Period, excluding any Redemption Receipts;
- (j) amounts determined to be applied as Available Revenue Receipts in accordance with limb (a) of the Pre-Enforcement Redemption Priority of Payment. Such amounts should not be applied to top up the Liquidity Reserve Fund under items (f)(iv) or (g)(iv) of the Pre-Enforcement Revenue Priority of Payments;
- (k) on the first Interest Payment Date, any and all amounts recorded to the credit of the Start-up Expenses Ledger;

less:

- (l) amounts applied from time to time during the immediately preceding Collection Period in making payment of certain monies which properly belong to third parties (including the Seller) such as (but not limited to):
 - (i) payments of certain insurance premiums in respect of the Insurance Policy (to the extent referable to the Loans);
 - (ii) amounts under a Direct Debit which are repaid to the bank making the payment if such bank is unable to recoup or recall such amount itself from its customer's account or is required to refund an amount previously debited; and
 - (iii) 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 (l) being collectively referred to herein as "**Third Party Amounts**");

- (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; and
- (n) (taking into account any amount paid by way of Third Party Amounts) amounts to remedy any overdraft in relation to the Collection Account.

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

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

- (a) all Redemption Receipts or, if in a Determination Period, any Calculated Redemption Receipts, in each case excluding an amount equal to any Reconciliation Amounts to be applied as Available Revenue Receipts on that Interest Payment Date (including amounts representing amounts received in respect of any repurchases of Loans and their Related Security that were repurchased by the Seller pursuant to the Mortgage Sale Agreement (but for the avoidance of doubt, excluding amounts attributable to Accrued Interest and Arrears of Interest thereon as at the

relevant repurchase 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 the Principal Deficiency Ledger (and the corresponding Class VRR Principal Deficiency Sub-Ledger) is to be reduced on that Interest Payment Date;
- (c) any amounts deemed to be Available Redemption Receipts in accordance with item (f)(xviii) and item (g)(xviii) of the Pre-Enforcement Revenue Priority of Payments; and
- (d) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Redemption Receipts in accordance with Note Condition 6.10(c) (*Determinations and Reconciliation*).

"Step-Up Date" means the Interest Payment Date falling in November 2024.

"Final Redemption Date" means the earlier of: (A) the Interest Payment Date on which the Class Z Notes are redeemed in full including, as a result of a redemption of the Notes in full pursuant to Note Condition 8.2 (*Mandatory Redemption prior to the service of an Enforcement Notice and prior to the exercise of the Refinancing Option or the Portfolio Call Option*), Note Condition 8.3 (*Redemption of the Notes, Class VRR Notes and Certificates in Full*), Note Condition 8.4 (*Redemption of the Notes, Class VRR Notes and Certificates for Taxation or Other Reasons*), Class VRR Note Condition 8.2 (*Mandatory Redemption prior to the service of an Enforcement Notice and prior to the exercise of the Refinancing Option or the Portfolio Call Option*), Class VRR Note Condition 8.3 (*Redemption of the Notes, Class VRR Notes and Certificates in Full*), Class VRR Note Condition 8.4 (*Redemption of the Notes, Class VRR Notes and Certificates for Taxation or Other Reasons*), Certificate Condition 7.2 (*Redemption of the Notes, Class VRR Notes and Certificates in Full*), Certificate Condition 7.3 (*Redemption of the Notes, Class VRR Notes and Certificates for Taxation or Other Reasons*); and (B) the Final Maturity Date.

Summary of Priorities of Payments:

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

| <u>Pre-Enforcement Revenue Priority of Payments:</u> | <u>Pre-Enforcement Redemption Priority of Payments:</u> | <u>Post-Enforcement Priority of Payments:</u> |
|--|---|---|
| (a) Amounts due to the Note Trustee and the Security Trustee and any Appointee thereof | (a) Principal Addition Amounts to be applied | (a) Amounts due in respect of the Receiver, the Note Trustee and the Security |

- including charges, liabilities, fees, costs and expenses;
- (b) Amounts due to the Agent Bank, the Registrar, the Paying Agent, the Cash Manager, the Servicer, the Corporate Services Provider, the Citi Transaction Account Bank, the Elavon Account Bank, the Swap Collateral Account Bank, the Collection Account Bank, the Standby Servicer Facilitator, the Standby Servicer, the Custodian and any SR Reporting Provider, in each case including all fees and costs;
- (c) Amounts due and payable to third parties and any amounts required to pay or discharge any liability of the Issuer for corporation tax and any Transfer Costs which the Servicer has failed to pay pursuant to the Servicing Agreement;
- (d) Issuer Profit Amount;
- (e) 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, if applicable, any related
- to meet any Revenue Deficit;
- (b) In an amount up to the Pre-Enforcement Redemption Note Share:
- (i) *Pro rata and pari passu* to the principal amounts due and payable on the Class A Notes until the Class A Notes have been redeemed fully;
- (ii) *Pro rata and pari passu* to the principal amounts due and payable on the Class B Notes until the Class B Notes have been redeemed fully;
- (iii) *Pro rata and pari passu* to the principal amounts due and payable on the Class C Notes until the Class C Notes have been redeemed fully;
- (iv) *Pro rata and pari passu* to the principal amounts due and payable on the Class D Notes until the Class D
- Trustee and any Appointee thereof including charges, liabilities, fees, costs and expenses;
- (b) Amounts due in respect of the fees and costs of the Agent Bank, the Registrar, the Paying Agent, the Cash Manager, the Servicer, the Corporate Services Provider, the Citi Transaction Account Bank, the Elavon Account Bank, the Swap Collateral Account Bank, the Collection Account Bank, the Standby Servicer Facilitator, the Standby Servicer, the Custodian and any SR Reporting Provider, in each case including all fees and costs;
- (c) Only on the Refinancing Date (if any), or on the 10 Per Cent. Clean-up Call Date (if any) or on the Portfolio Call Option Completion Date (if any), *pro rata and pari passu*, amounts due and payable to third parties and any amounts required to pay or discharge any liability of the Issuer for corporation tax and any Transfer Costs which the Servicer has failed to pay pursuant to the Servicing Agreement;
- (d) To pay the Issuer Profit Amount and any corporation tax of the Issuer not otherwise able to be paid from amounts standing to the

- Swap Subordinated Amounts payable under item (f)(xvi) and item (g)(xvi) below;
- (f) (*pari passu* with amounts payable under limb (g)) in an amount up to the Pre-Enforcement Revenue Note Share:
- (i) *Pro rata* and *pari passu* to all amounts (other than in respect of principal amounts) due and payable on the Class A Notes;
- (ii) to credit the Class A Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Redemption Receipts);
- (iii) *Pro rata* and *pari passu* to all interest (including any Deferred Interest and Additional Interest due and payable on the Class B Notes) due and payable on the Class B Notes;
- (v) *Pro rata* and *pari passu* to the principal amounts due and payable on the Class E Notes until the Class E Notes have been redeemed fully;
- (vi) *Pro rata* and *pari passu* to the principal amounts due and payable on the Class F Notes until the Class F Notes have been redeemed fully;
- (vii) *Pro rata* and *pari passu* to the principal amounts due and payable on the Class Z Notes until the Class Z Notes have been redeemed fully; and
- (viii) All remaining excess amounts to be applied as Available Revenue Receipts;
- (c) Amounts which are, in aggregate, not in excess of the Pre-
- Notes have been redeemed fully; and
- credit of the Issuer Profit Ledger;
- (e) 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, if applicable, any related Swap Subordinated Amounts payable under item (f)(x) and item (g)(x) below;
- (f) (*pari passu* with amounts payable under limb (g)) in an amount up to the Post-Enforcement Note Share:
- (i) *Pro rata* and *pari passu* to all amounts due and payable on the Class A Notes;
- (ii) *Pro rata* and *pari passu* to all amounts due and payable on the Class B Notes (including any Deferred Interest and Additional Interest due and payable thereon);
- (iii) Only on the Refinancing Date (if any), to

- | | | |
|--|--|--|
| <p>(iv) Amounts to be credited to the Liquidity Reserve Fund Ledger up to 95 per cent. of the Liquidity Reserve Fund Target Level;</p> | <p>Enforcement Redemption Share:</p> | <p>replenish the Liquidity Reserve Fund Ledger up to 95 per cent. of the target level applicable to the Liquidity Reserve Fund following such Refinancing Date;</p> |
| <p>(v) 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 Redemption Receipts);</p> | <p>(i) To pay, <i>pro rata</i> and <i>pari passu</i> to the principal amount due and payable on the Class VRR Notes in an amount equal to the VRR Proportion of the aggregate of the amounts paid under items (b)(i) to (b)(vii) (inclusive) above until the Class VRR Notes have been redeemed in full; and</p> | <p>(iv) <i>Pro rata</i> and <i>pari passu</i> to all amounts due and payable on the Class C Notes (including any Deferred Interest and Additional Interest due and payable thereon);</p> |
| <p>(vi) <i>Pro rata</i> and <i>pari passu</i> to all interest (including any Deferred Interest and Additional Interest due and payable on the Class C Notes) due and payable on the Class C Notes;</p> | <p>(ii) All remaining excess amounts to be applied as Available Revenue Receipts.</p> | <p>(v) <i>Pro rata</i> and <i>pari passu</i> to all amounts due and payable on the Class D Notes (including any Deferred Interest and Additional Interest due and payable thereon);</p> |
| <p>(vii) 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</p> | | <p>(vi) <i>Pro rata</i> and <i>pari passu</i> to all amounts due and payable on the Class E Notes (including any Deferred Interest and Additional Interest due and payable thereon);</p> |

- Redemption Receipts);
- (viii) *Pro rata* and *pari passu* to all interest (including any Deferred Interest and Additional Interest due and payable on the Class D Notes) due and payable on the Class D Notes;
 - (ix) 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 Redemption Receipts);
 - (x) *Pro rata* and *pari passu* to all interest (including any Deferred Interest and Additional Interest due and payable on the Class E Notes) due and payable on the Class E Notes;
 - (xi) to credit the Class E Principal Deficiency Sub-Ledger in an amount sufficient to
- (vii) *Pro rata* and *pari passu* to all amounts due and payable on the Class F Notes (including any Deferred Interest and Additional Interest due and payable thereon);
 - (viii) *Pro rata* and *pari passu* to all amounts due and payable on the Class Z Notes (including any Deferred Interest and Additional Interest due and payable thereon);
 - (ix) Only on the Refinancing Date (if any), to replenish the General Reserve Fund Ledger up to 95 per cent. of the target level applicable to the General Reserve Fund following such Refinancing Date;
 - (x) 95 per cent. of any Swap Subordinated Amounts (to the extent not satisfied by any amounts available to be applied in accordance with the Swap

- eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Redemption Receipts);
- (xii) *Pro rata* and *pari passu* to all interest (including any Deferred Interest and Additional Interest due and payable on the Class F Notes) due and payable on the Class F Notes;
- (xiii) 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 Redemption Receipts);
- (xiv) to credit the Class Z Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available
- Collateral Account Priority of Payments) due to the Swap Provider; and
- (xi) All remaining excess amounts in payment *pro rata* and *pari passu* to the Certificateholders in respect of the Certificates;
- (g) (*pari passu* with amounts payable under limb (f) in an amount up to the Post-Enforcement VRR Share:
- (i) *pro rata* and *pari passu* a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(i) above;
- (ii) *pro rata* and *pari passu* a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(ii) above;
- (iii) Only on the Refinancing Date (if any),

- Redemption Receipts);
- (xv) Amounts to be credited to the General Reserve Fund Ledger up to 95 per cent. of the General Reserve Fund Target Level;
- (xvi) to pay in accordance with the terms of the Swap Agreement to the Swap Provider 95 per cent. of any Swap 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;
- (xvii) on any Interest Payment Date falling within a Determination Period, all remaining amounts to be credited to the Citi Transaction Account, or if advised by the Servicer (acting on the instruction of the Issuer) to the Elavon Transaction
- to replenish the Liquidity Reserve Fund Ledger up to 5 per cent. of the target level applicable to the Liquidity Reserve Fund following such Refinancing Date;
- (iv) *pro rata* and *pari passu* a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(iv) above;
- (v) *pro rata* and *pari passu* a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(v) above;
- (vi) *pro rata* and *pari passu* a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid

- Account, to be applied on the next Interest Payment Date as Available Revenue Receipts;
- (viii) on the Interest Payment Date immediately after the Step-up Date and on each Interest Payment Date thereafter, and provided that the Class A Notes have not, on or before such Interest Payment Date, been redeemed in full, all remaining excess amounts to be applied as Available Redemption Receipts in accordance with the Pre-Enforcement Redemption Priority of Payments on such Interest Payment Date; and
- (ix) All remaining excess amounts in payment *pro rata* and *pari passu* to the Certificateholders in respect of the Certificates;
- (g) (*pari passu* with amounts payable under
- under item (f)(vi) above;
- (vii) *pro rata* and *pari passu* a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(vii) above;
- (viii) *pro rata* and *pari passu* a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(viii) above;
- (ix) Only on the Refinancing Date (if any), to replenish the General Reserve Fund Ledger up to 5 per cent. of the target level applicable to the General Reserve Fund following such Refinancing Date;
- (x) 5 per cent. of any Swap Subordinated Amounts (to the extent not satisfied by

limb (f) in an amount up to Pre-Enforcement Revenue VRR Share:

- (i) *pro rata* and *pari passu* a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(i) above;
- (ii) Amounts to be credited to the Class VRR Principal Deficiency Sub-Ledger in an amount up to the VRR Proportion of amounts paid under item (f)(ii) above;
- (iii) *pro rata* and *pari passu* a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(iii) above;
- (iv) Amounts to be credited to the Liquidity Reserve Fund Ledger up to 5 per cent. of the Liquidity

any amounts available to be applied in accordance with the Swap Collateral Account Priority of Payments) due to the Swap Provider; and

- (xi) *pro rata* and *pari passu* a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(xi) above.

Reserve Fund
Target Level;

- (v) Amounts to be credited to the Class VRR Principal Deficiency Sub-Ledger in an amount up to the VRR Proportion of amounts paid under item (f)(v) above;
- (vi) pro rata and pari passu a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(vi) above;
- (vii) Amounts to be credited to the Class VRR Principal Deficiency Sub-Ledger in an amount up to the VRR Proportion of amounts paid under item (f)(vii) above;
- (viii) pro rata and pari passu a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of

amounts paid
under item
(f)(viii) above;

(ix) Amounts to be
credited to the
Class VRR
Principal
Deficiency
Sub-Ledger in
an amount up
to the VRR
Proportion of
amounts paid
under item
(f)(ix) above;

(x) pro rata and
pari passu a
Class VRR
Note Payment
to each Class
VRR
Noteholder in
an amount
equal to the
VRR
Proportion of
amounts paid
under item
(f)(x) above;

(xi) Amounts to be
credited to the
Class VRR
Principal
Deficiency
Sub-Ledger in
an amount up
to the VRR
Proportion of
amounts paid
under item
(f)(xi) above;

(xii) pro rata and
pari passu a
Class VRR
Note Payment
to each Class
VRR
Noteholder in
an amount
equal to the
VRR

Proportion of
amounts paid
under item
(f)(xii) above;

- (xiii) Amounts to be credited to the Class VRR Principal Deficiency Sub-Ledger in an amount up to the VRR Proportion of amounts paid under item (f)(xiii) above;
- (xiv) Amounts to be credited to the Class VRR Principal Deficiency Sub-Ledger in an amount up to the VRR Proportion of amounts paid under item (f)(xiv) above;
- (xv) Amounts to be credited to the General Reserve Fund Ledger up to 5 per cent. of the General Reserve Fund Target Level;
- (xvi) 5 per cent. of any Swap 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;

- (xvii) On any Interest
Payment Date
falling within a
Determination
Period, all
remaining
amounts to be
credited to the
Citi
Transaction
Account, or if
advised by the
Servicer
(acting on the
instruction of
the Issuer) to
the Elavon
Transaction
Account, to be
applied on the
next Interest
Payment Date
as Available
Revenue
Receipts;

- (xviii) on the Interest
Payment Date
immediately
after the Step-
up Date and on
each Interest
Payment Date
thereafter, and
provided that
the Class A
Notes have
not, on or
before such
Interest
Payment Date,
been redeemed
in full, all
remaining
excess
amounts to be
applied as
Available
Redemption
Receipts in
accordance
with the Pre-

Enforcement
Redemption
Priority of
Payments on
such Interest
Payment Date;
and

- (xix) pro rata and
pari passu a
Class VRR
Note Payment
to each Class
VRR
Noteholder in
an amount
equal to the
VRR
Proportion of
amounts paid
under item
(f)(xix) above.

General Structure:

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

- 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 Redemption Receipts pursuant to the Pre-Enforcement Revenue Priority of Payments (if any) (but excluding any amounts deemed to be Available Redemption Receipts in accordance with item (f)(xviii) and item (g)(xviii) of the Pre-Enforcement Revenue Priority of Payments).
- The Principal Deficiency Ledger will comprise the following sub-ledgers: the Class A Principal Deficiency Sub-Ledger (relating to the Class A Notes), the Class B Principal Deficiency Sub-Ledger (relating to the Class B Notes), the Class C Principal Deficiency Sub-Ledger (relating to the Class C Notes), the Class D Principal Deficiency Sub-Ledger (relating to the Class D Notes), the Class E Principal Deficiency Sub-Ledger (relating to the Class E Notes), the Class F Principal Deficiency Sub-Ledger (relating to the Class F Notes), the Class Z Principal Deficiency Sub-Ledger (relating to the Class Z Notes) and the Class VRR Principal Deficiency Sub-Ledger (relating to the Class VRR Notes).
- Any Losses on the Portfolio and/or any Principal Addition Amounts will be recorded as a debit (on the date that the Cash Manager is informed of such Losses by the Servicer or such Principal Addition Amounts are determined by the Cash Manager (as applicable)):
 - (i) *first*, up to the PDL Maximum Amount in respect of the Class Z Notes, as debits on the Class Z Principal Deficiency Sub-Ledger and the Class VRR Principal Deficiency Sub-Ledger in proportions such that the amounts debited from the Class VRR Principal Deficiency Sub-Ledger under this item (i) shall equal the VRR Proportion of amounts debited from the Class Z Principal Deficiency Sub-Ledger under this item (i);
 - (ii) *second*, up to the PDL Maximum Amount in respect of the Class F Notes, as debits on the Class F Principal Deficiency Sub-Ledger and the Class VRR Principal Deficiency Sub-Ledger in proportions such that the amounts debited from the Class VRR Principal Deficiency Sub-Ledger under this item (ii) shall equal the VRR Proportion of amounts debited from the Class F Principal Deficiency Sub-Ledger under this item (ii);
 - (iii) *third*, up to the PDL Maximum Amount in respect of the Class E Notes, as debits on the Class E Principal Deficiency Sub-Ledger and the Class VRR Principal Deficiency Sub-Ledger in proportions such that the amounts debited from the Class VRR Principal Deficiency Sub-Ledger under this item (iii) shall equal the VRR Proportion of amounts debited from the Class

E Principal Deficiency Sub-Ledger under this item (iii);

- (iv) *fourth*, up to the PDL Maximum Amount in respect of the Class D Notes, as debits on the Class D Principal Deficiency Sub-Ledger and the Class VRR Principal Deficiency Sub-Ledger in proportions such that the amounts debited from the Class VRR Principal Deficiency Sub-Ledger under this item (iv) shall equal the VRR Proportion of amounts debited from the Class D Principal Deficiency Sub-Ledger under this item (iv);
 - (v) *fifth*, up to the PDL Maximum Amount in respect of the Class C Notes, as debits on the Class C Principal Deficiency Sub-Ledger and the Class VRR Principal Deficiency Sub-Ledger in proportions such that the amounts debited from the Class VRR Principal Deficiency Sub-Ledger under this item (v) shall equal the VRR Proportion of amounts debited from the Class C Principal Deficiency Sub-Ledger under this item (v);
 - (vi) *sixth*, up to the PDL Maximum Amount in respect of the Class B Notes, as debits on the Class B Principal Deficiency Sub-Ledger and the Class VRR Principal Deficiency Sub-Ledger in proportions such that the amounts debited from the Class VRR Principal Deficiency Sub-Ledger under this item (vi) shall equal the VRR Proportion of amounts debited from the Class B Principal Deficiency Sub-Ledger under this item (vi); and
 - (vii) *seventh*, up to the PDL Maximum Amount in respect of the Class A Notes, as debits on the Class A Principal Deficiency Sub-Ledger and the Class VRR Principal Deficiency Sub-Ledger in proportions such that the amounts debited from the Class VRR Principal Deficiency Sub-Ledger under this item (vii) shall equal the VRR Proportion of amounts debited from the Class A Principal Deficiency Sub-Ledger under this item (vii).
- The sub-ledger for the Class VRR Notes will record debits on the Class VRR Principal Deficiency Sub-Ledger until the debit balance of that sub-ledger is equal to the then aggregate Principal Amount Outstanding of the Class VRR Notes.
 - On each Interest Payment Date, the Issuer shall apply any Pre-Enforcement Revenue Note Share available for such purpose in accordance with the Pre-Enforcement Revenue Priority of Payments to extinguish or reduce any debit balance on the Principal Deficiency Ledger. Such Pre-Enforcement Revenue Note Share will be applied on an Interest Payment Date as follows:

- (i) *first, provided that* all amounts (other than principal) due on the Class A Notes has been paid in full, in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class A Principal Deficiency Sub-Ledger;
- (ii) *second*, in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class B Principal Deficiency Sub-Ledger prior to payment of interest due on the Class B Notes;
- (iii) *third*, in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class C Principal Deficiency Sub-Ledger prior to payment of interest due on the Class C Notes;
- (iv) *fourth*, in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class D Principal Deficiency Sub-Ledger prior to payment of interest due on the Class D Notes;
- (v) *fifth*, in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class E Principal Deficiency Sub-Ledger prior to payment of interest due on the Class E Notes;
- (vi) *sixth*, in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class F Principal Deficiency Sub-Ledger prior to payment of interest due on the Class F Notes; and
- (vii) *seventh*, in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class Z Principal Deficiency Sub-Ledger prior to payment of interest due on the Class Z Notes.

On each Interest Payment Date, the Issuer shall apply any Pre-Enforcement Revenue VRR Share available for such purpose in accordance with the Pre-Enforcement Revenue Priority of Payments to extinguish or reduce any debit balance on the Class VRR Principal Deficiency Sub-Ledger. Such Pre-Enforcement Revenue VRR Share will be applied on an Interest Payment Date, provided that interest due on the Class VRR Notes has been paid in full, in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class VRR Principal Deficiency Sub-Ledger.

Investors should note that realised Losses in any period will be calculated after applying any recoveries following enforcement of a Loan firstly to outstanding fees and interest amounts due and payable on the relevant Loan. The Principal Deficiency Ledger will be credited by the amount of any Available Revenue Receipts applied as Available Redemption Receipts in accordance with the relevant items of the Pre-Enforcement Revenue Priority of Payments (but excluding a any amounts

deemed to be Available Redemption Receipts in accordance with item (f)(xviii) and item (g)(xviii) of the Pre-Enforcement Revenue Priority of Payments). See the section *Credit Structure – Principal Deficiency Ledger* below;

- A Liquidity Reserve Fund Ledger, funded initially by the proceeds of the Notes and the Class VRR Notes, in an amount equal to the Liquidity Reserve Fund Target Level on the Closing Date and on each Interest Payment Date until (and including) the earliest of: (i) the Final Redemption Date; (ii) any Interest Payment Date on which the Class B Notes are redeemed in full; or (iii) the service of an Enforcement Notice, the Cash Manager will apply (on behalf of the Issuer) Available Revenue Receipts on such Interest Payment Date to replenish the Liquidity Reserve Fund Ledger up to the Liquidity Reserve Fund Target Level pursuant to item (f)(iv) and item (g)(iv) of the Pre-Enforcement Revenue Priority of Payments. On each Interest Payment Date until (and including) the earliest of: (i) the Final Redemption Date; (ii) any Interest Payment Date on which the Class B Notes are redeemed in full; the Cash Manager will apply (on behalf of the Issuer) the amount standing to the credit of the Liquidity Reserve Fund Ledger as Available Revenue Receipts pursuant to the Pre-Enforcement Revenue Priority of Payments;
- Pursuant to item (a) of the Pre-Enforcement Redemption Priority of Payments, to the extent that, after application of the Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, the Issuer shall apply an amount of Available Redemption Receipts as Principal Addition Amounts to meet any Revenue Deficit, against the relevant items in the Pre-Enforcement Revenue Priority of Payments in such order of priority as such items appear in the Pre-Enforcement Revenue Priority of Payments. Any Available Redemption Receipts applied as Principal Addition Amounts will be recorded as a debit to the Principal Deficiency Ledger;
- A General Reserve Fund will be funded on each Interest Payment Date up to and including the Interest Payment Date immediately prior to the Interest Payment Date on which the Rated Notes are redeemed in full (prior to the service of an Enforcement Notice), from amounts to be applied to the General Reserve Fund in accordance with the Pre-Enforcement Revenue Priority of Payments up to an amount equal to the General Reserve Fund Target Level. On each Interest Payment Date up to and including the Interest Payment Date immediately prior to the Interest Payment Date on which the Rated Notes are redeemed in full (prior to the service of an Enforcement Notice), the Cash Manager will, apply (on behalf of the Issuer) the amount equal to the amount recorded to the credit of the General Reserve Fund Ledger as Available Revenue Receipts and will then credit to the General Reserve Fund Ledger an amount of the Available Revenue Receipts applied on such Interest Payment Date needed to replenish the

General Reserve Fund up to the General Reserve Fund Target Level in accordance with items (f)(xv) and (g)(xv) of the Pre-Enforcement Revenue Priority of Payments (and on the Refinancing Date only, the General Reserve Fund will be replenished up to the General Reserve Fund Target Level in accordance with items (f)(ix) and (g)(ix) of the Post-Enforcement Priority of Payments).

- The availability of interest provided by the relevant Issuer Account Bank in respect of monies held in the relevant Issuer Account and income from any Authorised Investments (other than any amount of interest and/or income received in respect of the Swap Collateral) (see the section *Cashflows* for further details); and
- Availability of the fixed rate swap provided by the Swap Provider to hedge against the possible variance between the rates of interest payable on the Fixed Rate Loans in the Portfolio and a rate of interest calculated by reference to SONIA (see the section *Credit Structure – Interest Rate Risk for the Notes and Class VRR Notes* for further details).

PDL Condition

"**PDL Condition**" means for each Interest Payment Date:

- (a) unless the Class B Notes are the Most Senior Class, in respect of interest on the Class B Notes, the debit balance of the Class B Principal Deficiency Sub-Ledger (as at the relevant Interest Determination 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;
- (b) unless the Class C Notes are the Most Senior Class, in respect of interest on the Class C Notes, the debit balance of the Class C Principal Deficiency Sub-Ledger (as at the relevant Interest Determination 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;
- (c) unless the Class D Notes are the Most Senior Class, in respect of interest on the Class D Notes, the debit balance of the Class D Principal Deficiency Sub-Ledger (as at the relevant Interest Determination 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;
- (d) unless the Class E Notes are the Most Senior Class, in respect of interest on the Class E Notes, the debit balance of the Class E Principal Deficiency Sub-Ledger (as at the relevant Interest Determination 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;

- (e) unless the Class F Notes are the Most Senior Class, in respect of interest on the Class F Notes, the debit balance of the Class F Principal Deficiency Sub-Ledger (as at the relevant Interest Determination 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.

Bank Accounts and related Cash Management:

On the Closing Date the Issuer will enter into (i) the Citi Bank Account Agreement with, among others, the Citi Transaction Account Bank in respect of the opening and maintenance of the Citi Transaction Account, (ii) the Elavon Bank Account Agreement with, among others, the Elavon Account Bank in respect of the opening and maintenance of the Elavon Transaction Account, (iii) the Swap Collateral Account Agreement with, among others, the Swap Collateral Account Bank in respect of the opening and maintenance of the Swap Collateral Account, and (iv) the Securities Custody Agreement with, amongst others, the Custodian in respect of any Securities Custody Account which the Issuer may open.

On or prior to the Closing Date, the Issuer will (i) pursuant to the Citi Bank Account Agreement, open a deposit account with the Citi Transaction Account Bank to which Available Revenue Receipts and Available Redemption Receipts will be credited and which will, among other things, hold all amounts recorded to the credit of the Liquidity Reserve Fund Ledger and the General Reserve Fund Ledger (the **Citi "Transaction Account"**), (ii) pursuant to the Elavon Bank Account Agreement, open a deposit account with the Elavon Account Bank which will hold any Available Revenue Receipts and any Available Redemption Receipts transferred from the Citi Transaction Account (the **"Elavon Transaction Account"**, together with the Citi Transaction Account, the **"Transaction Accounts"** and each a **"Transaction Account"**), and (iii) pursuant to the Swap Collateral Bank Account Agreement, open a cash swap collateral account with the Swap Collateral Account Bank (the **"Swap Collateral Account"**). The Issuer may from time to time open additional or replacement accounts (including, if applicable, any Securities Custody Account (such accounts, together with each Transaction Account and the Swap Collateral Account, the **"Issuer Accounts"**) without Noteholder consent, pursuant to the relevant Bank Account Agreement (as defined below) and the other Transaction Documents.

On each Interest Payment Date the balance, if any, standing to the credit of the Elavon Transaction Account will be swept, for value on the same day, from the Elavon Transaction Account and into the Citi Transaction Account. On each Interest Payment Date, the balance of the Citi Transaction Account, after such sweep from the Elavon Transaction Account, will be applied by the Cash Manager (or, if relevant, the Security Trustee or any Receiver appointed by the Security Trustee in

connection with the enforcement of the Security) as Available Revenue Receipts/Available Redemption Receipts (as relevant) in accordance with the relevant Priority of Payments.

On any Business Day, the Servicer (on behalf of the Issuer) may instruct the Cash Manager to transfer money standing to the credit of the Citi Transaction Account to the Elavon Transaction Account, and the Servicer (on behalf of the Issuer) may transfer money standing to the credit of the Elavon Transaction Account to the Citi Transaction Account.

Swap Agreement:

Payments received by the Issuer under certain of the Loans will be subject to fixed rates of interest for an initial period of time. The interest amounts payable by the Issuer in respect of certain Classes of the Notes will be calculated by reference to SONIA. To hedge against the potential variance between the fixed rates of interest received on certain of the Loans in the Portfolio and the rate of interest payable on the relevant Classes of the Notes, the Issuer will enter into the Swap Transaction with the Swap Provider under the Swap Agreement.

TRANSACTION OVERVIEW – TRIGGERS TABLES

| Transaction Party | Required Ratings/Triggers | Possible effects of Trigger being breached include the following: |
|---|---|--|
| <p>Relevant Issuer Account Bank:</p> | <p>A short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-1 by S&P (if a short-term unsecured, unguaranteed and unsubordinated debt rating is assigned by S&P) and a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A by S&P, or should the relevant Issuer Account Bank not benefit from a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-1 from S&P, a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A+ by S&P, a short-term issuer default rating of at least F1 by Fitch or a long-term issuer default rating (or deposit rating, if assigned) of at least A by Fitch, or such other lower rating which is consistent with the then current rating methodology of the Rating Agencies in respect of the then current ratings of the Rated Notes (the "Account Bank Required Minimum Rating").</p> | <p>If the relevant Issuer Account Bank fails to maintain any Account Bank Required Minimum Rating, then the Issuer (with the assistance of the relevant Issuer Account Bank) shall, within 60 calendar days of such downgrade:</p> <p>(a) close the relevant Issuer Accounts with the relevant Issuer Account Bank and use all reasonable endeavours to open replacement accounts with a financial institution (i) having the Account Bank Required Minimum Rating and (ii) which is a bank as defined in section 991 of the Income Tax Act 2007;</p> <p>(b) use all reasonable endeavours to obtain a guarantee of the obligations of the relevant Issuer Account Bank under the relevant Bank Account Agreement from a financial institution which has the Account Bank Required Minimum Rating; or</p> <p>(c) take any other reasonable action as the Rating Agencies may agree will not result in a downgrade of the Rated Notes,</p> <p>in each case as prescribed in the relevant Bank Account Agreement, and transfer amounts standing to the credit of relevant Issuer Account(s) and all Ledgers on the relevant Issuer Account(s) to the replacement Issuer Account(s).</p> <p>If at any time the Citi Transaction Account Bank fails to maintain the required Account Bank Required Minimum Rating (or its appointment is terminated in accordance with the terms of the Citi Bank Account Agreement), the balance standing to the credit of the Citi Transaction Account shall, unless the Servicer (on behalf of the Issuer) instructs the Cash Manager otherwise, be transferred to the Elavon Transaction</p> |

Account and/or another account held at the Elavon Account Bank (provided that at such time the Elavon Account Bank maintains the required Account Bank Required Minimum Rating).

If at any time the Elavon Account Bank fails to maintain the required Account Bank Required Minimum Rating (or its appointment is terminated in accordance with the terms of the Elavon Bank Account Agreement), the balance standing to the credit of the Elavon Transaction Account and the cash Swap Collateral Account shall, unless the Servicer (on behalf of the Issuer) determines otherwise, be transferred to the Citi Transaction Account and/or another account held at the Citi Transaction Account Bank (provided that at such time the Citi Transaction Account Bank maintains the required Account Bank Required Minimum Rating).

If at any time the Citi Transaction Account Bank and the Elavon Account Bank fail to maintain the required Account Bank Required Minimum Rating (or if their respective appointments are terminated in accordance with the terms of the Citi Bank Account Agreement or the Elavon Bank Account Agreement, as relevant), the balance standing to the credit of the Citi Transaction Account, the Elavon Transaction Account shall following instructions of the Servicer (acting on behalf of the Issuer) be transferred to an account/accounts held at a bank or banks which has/have the required Account Bank Required Minimum Rating.

Collection Account Bank (except at any time when Atom Bank is acting as Collection Account Bank, in which case the Required

A short-term issuer default rating of F2 by Fitch and a long-term issuer default rating of BBB+ by Fitch, and a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-2 by S&P (if a short-term unsecured, unguaranteed and unsubordinated debt rating is assigned by S&P) and a long-term unsecured, unguaranteed and unsubordinated debt rating of at least BBB by S&P, or

If the Collection Account Bank fails to maintain any Collection Account Bank Rating, then the Servicer shall assist the legal title holder to:

- (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

Ratings/Triggers will not apply)

should the Collection Account Bank not benefit from a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-2 by S&P, a long-term unsecured, unguaranteed and unsubordinated debt rating of at least BBB+ by S&P (the "**Collection Account Bank Rating**").

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 each case as prescribed and within the time limits as set out in the Servicing Agreement (such time period to be not less than 35 calendar days) and transfer all Direct Debit mandates to such replacement collection account and procure that all Monthly Instalments made by a Borrower under a payment arrangement other than the Direct Debiting Scheme are made to such replacement collection account from the date on which the replacement collection account is opened.

Swap Provider:

S&P's 'Counterparty Risk Framework: Methodology And Assumptions', (published on 8 March 2019) provides for four different options for selecting applicable frameworks containing transfer ratings triggers, and the contractual requirements that should apply on the occurrence of the loss of a ratings requirement by the Swap Provider. Subject to certain conditions specified in the Swap Agreement, the Swap Provider may change the applicable Collateral Option. Collateral Option "Strong" is expected to apply on the Closing Date.

The Swap Provider or any guarantor in respect of the Swap Provider must have a resolution counterparty rating ("**RCR**") or, if no such rating is published by S&P, such entity's issuer credit rating ("**ICR**"):

- "A-" (if Collateral Option "Strong", applies at the relevant time);

Subject to the terms of the Swap Agreement, if Collateral Option "Strong", "Adequate", "Moderate" or "Weak" applies at the relevant time, 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

- "A-" (if Collateral Option "Adequate" applies at the relevant time); or
- "A" (if Collateral Option "Moderate" applies at the relevant time).
- "A+" (if Collateral Option "Weak" applies at the relevant time).
- For the avoidance of doubt the above RCR or ICR will apply where there is a AAA rating to the Notes.

("Initial S&P Required Ratings") as specified in the table below.

Fitch: A derivative counterparty rating assigned by Fitch to an entity (or, where such entity has no derivative counterparty rating, the issuer default rating assigned to it by Fitch) at least as high as the Fitch Minimum Counterparty Rating corresponding to the then current rating by Fitch of the Class A Notes, as specified in the table below under the column Initial Fitch Required Rating (or its equivalent) by Fitch (the "**Initial Fitch Required Rating**").

Agreement, or (iii) take such other action as required to maintain or restore the rating of the Notes by S&P.

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

If the Swap Provider (or its successor, assignee or any relevant guarantor) does not have the Initial Fitch Required Rating (an "**Initial Fitch Rating Event**"), the Swap Provider (a) shall, at its own cost, transfer collateral within 14 calendar days of the Initial Fitch Rating Event (or if an Initial Fitch Rating Event has continued since the date the Swap Agreement (or any replacement swap agreement) was entered into, on such date); and (b) may, at its own cost and at its sole discretion, at any time either: (i) transfer its rights and obligations under the Swap Agreement to an appropriately rated replacement third party (or a replacement third party with an eligible and appropriately rated guarantor), (ii) procure a co-obligation or guarantee from an appropriately rated third party, or (iii) take such other actions (which may, for the avoidance of doubt, include taking no action) as a result of which the highest rated Class of Rated Notes will be rated by Fitch at the same level as immediately prior to such Initial Fitch Rating Event, **provided that** pending the taking of any of the actions in (b)(i) to (iii) above, the Swap Provider posts collateral as required under (a) above.

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

circumstances, allow the Issuer to terminate the Swap Agreement.

The Swap Provider or any guarantor in respect of the Swap Provider must have a resolution counterparty rating ("**RCR**") or, if no such rating is published by S&P, such entity's issuer credit rating ("**ICR**"):

- "BBB+" (if Collateral Option "Strong", applies at the relevant time);
- "A-" (if Collateral Option "Adequate" applies the relevant time);
- "A" (if Collateral Option "Moderate" applies at the relevant time); or
- "A+" (if Collateral Option "Weak" applies at the relevant time).

For the avoidance of doubt the above RCR or ICR will apply where there is a AAA rating to the Notes.

("Subsequent S&P Required Ratings") as specified in the table below.

The Swap Provider will be obliged to: (a) post collateral and (b) use commercially reasonable efforts to, within 90 days, (i) procure a transfer to an eligible replacement of its obligations under the Swap Agreement or (ii) procure a guarantee from an eligible guarantor in respect of its obligations under the Swap Agreement or (iii) take such other action as required to maintain or restore the rating of the Notes by S&P.

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

Fitch: A derivative counterparty rating assigned by Fitch to an entity (or, where such entity has no derivative counterparty rating, the issuer default rating assigned to it by Fitch) at least as high as the Fitch Minimum Counterparty Rating corresponding to the Class A Notes, as specified in the table below under the column Subsequent Fitch Required Rating or Subsequent Fitch Required Rating (adjusted) (as applicable) (the "**Subsequent Fitch Required Rating**").

If the Swap Provider (or its successor, assignee or any relevant guarantor) does not have the Subsequent Fitch Required Rating (a "**Subsequent Fitch Rating Event**"), the Swap Provider (a) shall, at its own cost, transfer collateral within 14 calendar days of the Subsequent Fitch Rating Event; and (b) within 30 calendar days of such Subsequent Fitch Rating Event on a commercially reasonable efforts basis and at its own cost, either: (i) transfer its rights and obligations under the Swap Agreement to an appropriately rated replacement third party (or a replacement third party with an eligible

and appropriately rated guarantor), (ii) procure a co-obligation or guarantee from an appropriately rated third party, or (iii) take such other actions (which may, for the avoidance of doubt, include taking no action) as a result of which the highest rated Class of Rated Notes will be rated by Fitch at the same level as immediately prior to such Subsequent Fitch Rating Event, **provided that** pending the taking of any of the actions in (i) to (iii) above, the Swap Provider posts additional collateral within 14 calendar days of the Subsequent Fitch Rating Event.

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

**Securities
Custody
Account**

If the Swap Provider is downgraded below the relevant initial rating requirements (as specified in more detail above) and is required to post collateral under the terms of the Swap Agreement, then the Issuer and the Swap Provider shall use reasonable efforts to open a securities account (a "**Securities Custody Account**") pursuant to a securities custody agreement (the "**Securities Custody Agreement**") promptly and in any event within 30 days of the Swap Provider's downgrade. Such Securities Custody Account shall be used to hold collateral posted in the form of securities (if any). Although the Issuer will enter into the Securities Custody Agreement on the Closing Date, a Securities Custody Account will not be opened on the Closing Date but only in the circumstances described above.

Fitch Minimum Counterparty Rating

| Current Fitch rating of Class A Notes | Initial Fitch Required Rating | Subsequent Required Rating | Fitch | Subsequent Required (adjusted) | Fitch Rating |
|--|---------------------------------------|----------------------------|-------|--------------------------------|--------------|
| AAAsf | A or F1 | BBB- or F3 | | BBB+ or F2 | |
| AA+sf, AAAsf, AA-sf | A- or F1 | BBB- or F3 | | BBB+ or F2 | |
| A+sf, Asf, A-sf | BBB or F2 | BB+ | | BBB or F2 | |
| BBB+sf, BBBsf, BBB-sf | BBB- or F3 | BB- | | BBB- or F3 | |
| BB+sf, BBsf, BB-sf | Current Fitch rating of Class A Notes | B+ | | BB- | |
| B+sf or below or Fitch relevant notes are not rated by Fitch | Current Fitch rating of Class A Notes | B- | | B- | |

Initial S&P Required Ratings

| Highest rating assigned to the Notes by S&P | S&P Framework – Strong | S&P Framework – Adequate | S&P Framework – Moderate | S&P Framework – Weak |
|---|------------------------|--------------------------|--------------------------|---|
| AAA | | | A | |
| AA+ | | A- | | A+ |
| AA | | | A- | A |
| AA- | | BBB+ | | |
| A+ | | | BBB+ | A- |
| A | | | | |
| A- | A- | | | BBB+ |
| BBB+ | | | | |
| BBB | | BBB | | BBB |
| BBB- | | | BBB | BBB- |
| BB+ and below | | | | Highest rating assigned to the Rated Notes by S&P |

Minimum S&P Required Ratings

| Highest rating assigned to the Notes by S&P | S&P Framework – Strong | S&P Framework – Adequate | S&P Framework – Moderate | S&P Framework – Weak |
|--|---|---|---|---|
| AAA | | | A | |
| AA+ | BBB+ | A- | | A+ |
| AA | | | A- | A |
| AA- | BBB | BBB+ | | |
| A+ | | | BBB+ | A- |
| A | | BBB | | |
| A- | | | BBB | BBB+ |
| BBB+ | BBB- | | | |
| BBB | | BBB- | | BBB |
| BBB- | | | BBB- | BBB- |
| BB+ and below | 3 notches below the highest rating assigned to the Rated Notes by S&P | 2 notches below the highest rating assigned to the Rated Notes by S&P | 1 notch below the highest rating assigned to the Rated Notes by S&P | Highest rating assigned to the Rated Notes by S&P |

Non-Rating Triggers Table

Perfection Events:

Prior to the completion of the transfer of legal title of the Loans to the Issuer, the Issuer will be subject to certain risks as set out in the risk factor entitled *Legal title to the Loans and risks relating to set-off and Set-off may adversely affect the value of the Portfolio or any part thereof* in the section entitled *Risk Factors*. Completion of transfer of the legal title of the Loans by the Seller to the Issuer will be completed on or before the 20th Business Day after the earliest to occur of the following:

- (a) the Seller being required (i) by an order of a court of competent jurisdiction, or (ii) by a regulatory authority which has jurisdiction over the Seller, or (iii) by any organisation of which the Seller is a member, or whose members comprise (but are not necessarily limited to) mortgage lenders and with whose instructions it is customary for the Seller to comply, to perfect legal title to the Loans and Related Security; or
- (b) it becoming necessary by law to take any or all such actions referred to in paragraph (a) above; or
- (c) a material breach by the Seller of its obligations under the Transaction Documents (to which it is party), where such breach remains unremedied for a period of 30 days following the Seller becoming aware of such breach; or
- (d) the security created under or pursuant to the Deed of Charge or any material part of that security being, in the reasonable opinion of the Security Trustee, in jeopardy; or
- (e) the Seller calling for perfection by serving notice in writing to that effect on the Issuer and the Security Trustee; or
- (f) an Insolvency Event occurring in relation to the Seller; or
- (g) the Seller determines, as at any date, that its CET1 Ratio has fallen below 7 per cent., where "**CET1 Ratio**" means the ratio (expressed as a percentage) of Common Equity Tier 1 as at such date to the Risk Weighted Assets as at the same date, in each case calculated by the Seller on an individual consolidated basis (as referred to in Article 9 of the CRR) or, as the context requires, a consolidated basis, "**Common Equity Tier 1**" means, as at any date, the sum of all amounts that constitute common equity tier 1 capital of the Seller as at such date, less any deductions from common equity tier 1 capital required to be made as at such date, in each case as calculated by the Seller on an individual consolidated basis (as referred to in Article 9 of the CRR) or, as the context requires, a consolidated basis, in each case in accordance with the then prevailing capital requirement regulations but without taking into account any transitional, phasing-in or similar provisions and "**Risk Weighted Assets**" means, as at any date, the aggregate amount of the risk weighted assets of the Seller as at such date, as calculated by the Seller on an

individual consolidated basis (as referred to in Article 9 of the CRR) or, as the context requires, a consolidated basis, in each case in accordance with the then prevailing capital requirement regulations; or

- (h) it becoming unlawful in any applicable jurisdiction for the Seller to hold legal title in respect of any Loan in the Portfolio.

Servicer Termination
Events: The appointment of the Servicer may be terminated (prior to the service of an Enforcement Notice) by the Issuer with the written consent of the Security Trustee (with the Security Trustee acting on the instructions of the Note Trustee), or (following the service of an Enforcement Notice) by the Security Trustee (acting on the instructions of the Note Trustee) if any of the following events (each a "**Servicer Termination Event**") occurs and is continuing, and provided further that the Servicer's appointment shall not be terminated until the appointment of a substitute servicer assuming, and performing all the material duties and obligations of the Servicer:

- (a) the Servicer defaults in the payment on the due date of any payment due and payable by it under the Servicing Agreement and the Servicer fails to remedy it for a period of 30 Business Days after: (i) where the failure to pay has arisen other than as a result of a Disruption Event, the Servicer becoming aware of such default and receipt by the Servicer (with a copy to the Standby Servicer Facilitator) of written notice from the Issuer or (after the service of an Enforcement Notice) the Security Trustee requiring the same to be remedied or (ii) where the failure to pay has arisen as a result of a Disruption Event, the cessation of the relevant Disruption Event or, if earlier, 60 Business Days following the Servicer becoming aware of such default and receipt by the Servicer (with a copy to the Standby Servicer Facilitator) of written notice from the Issuer or (after the service of an Enforcement Notice) the Security Trustee requiring the same to be remedied; or
- (b) material non-performance of its other covenants and obligations which in the opinion of the Note Trustee is materially prejudicial to the interests of the holders of the Most Senior Class and (except where, in the opinion of the Note Trustee, such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned be required) such default continues unremedied for a period of 30 days after the Servicer becomes aware of such event provided however that where the relevant default occurs as a result of a default by any person to whom the Servicer has sub-contracted or delegated part of its obligations hereunder, such default shall not constitute a Servicer Termination Event if within such 30-day period the Servicer has taken steps to remedy such default provided such default is actually remedied within 60 days after the Servicer becomes aware; or

- (c) an Insolvency Event occurring in respect of the Servicer; or
- (d) it becomes unlawful in any applicable jurisdiction for the Servicer to perform any of its obligations as contemplated by the Servicing Agreement, provided that this does not result or arise from compliance by the Servicer with any instruction from the Issuer or the Security Trustee.

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

The Servicer may also resign upon giving not less than three months' written notice to the Issuer, the Security Trustee, the Note Trustee and the Standby Servicer Facilitator provided that, *inter alia*, a replacement servicer is appointed by the Issuer (subject to the prior written consent of the Security Trustee (acting on the instructions of the Note Trustee)).

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

- (a) (if the Rated Notes remain outstanding) the resignation having no adverse effect on the then current ratings of the Rated Notes unless the Security Trustee or the Noteholders (the Noteholders acting by way of Extraordinary Resolution) agree otherwise; and
- (b) a substitute servicer assuming, and performing all the material duties and obligations of the Servicer.

"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 payments to be made in connection with the Notes (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, any of the Servicer; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems related nature including without limitation, in relation to BACS transfers or payments from clearing banks) to the treasury or payments operations of the Servicer preventing the Servicer, or any other Transaction Party from:
 - (i) performing its payment obligations under the Transaction Documents; or

- (ii) communicating with other Parties in accordance with the terms of the Transaction Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Servicer whose operations are disrupted.

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

TRANSACTION OVERVIEW – FEES

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

| Type of Fee | Amount of Fee | Priority in Cashflow | Frequency |
|-----------------------|---|--|---|
| Servicing fees. | An amount calculated on the basis of the number of days elapsed in each calendar month over a 365 day year (or over a 366 day year in a leap year), by applying a rate of 0.08% per annum (inclusive of VAT) on the aggregate Current Balance of the Loans (excluding any Enforced Loans) on the Collection Period Start Date at the start of the immediately preceding Collection Period (the " Servicing Fee "). | Ahead of all outstanding Notes (and, for the avoidance of doubt, any payments to be made on the Class VRR Notes) and the Certificates. | Quarterly in arrear on each Interest Payment Date. |
| Standby Servicer Fees | <p>An ongoing standby servicing fee (the "Ongoing Standby Servicing Fee") of £30,000 per annum, payable on each Interest Payment Date.</p> <p>An invocation fee of £85,000 (the "Invocation Fee") payable upon receipt by the Standby Servicer of the Invocation Notice.</p> <p>Servicing Fees once the Standby Servicer is invoked, consisting of:</p> <p>(1) a primary servicing fee equivalent to 0.15% per annum multiplied by the average of the Current Balance of the Loans serviced by the Standby Servicer during the preceding month payable in arrear on each Interest Payment Date in</p> | Ahead of all outstanding Notes (and for the avoidance of doubt, any payments to be made on the Class VRR Notes) and the Certificates. | Quarterly in arrear on each Interest Payment Date (save for the Invocation Fee which is payable upon the invocation of the Standby Servicer). |

accordance with the Priority of Payments; and

(2) an additional special servicing fee equivalent to 0.35% per annum multiplied by the average of the Current Balance of those Loans serviced by the Standby Servicer during the preceding month which were more than 90 days in arrear during the immediately preceding Collection Period, payable in arrear on each Interest Payment Date in accordance with the Priority of Payments ((1) and (2), the "**Standby Servicing Fee once Invoked**", together with the Invocation Fee and the Ongoing Standby Servicing Fee, the "**Standby Servicer Fees**").

(the Standby Servicer Fees are exclusive of VAT)

| | | | |
|--|---|---|--|
| Other fees and expenses of the Issuer (including tax and audit costs). | Estimated at £125,000 each year (exclusive of VAT, where so provided in the relevant Transaction Document). | Ahead of all outstanding Notes (and for the avoidance of doubt, any payments to be made on the Class VRR Notes) and the Certificates. | Quarterly in arrear on each Interest Payment Date. |
| Expenses related to the admission to trading of the Notes and the Class VRR Notes. | Estimated at €7,000 (exclusive of VAT). | Ahead of all outstanding Notes (and for the avoidance of doubt, any payments to be made on the Class VRR Notes) and the Certificates. | On or about the Closing Date. |

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

CERTAIN REGULATORY DISCLOSURES

EU Risk Retention Requirements

On the Closing Date, Atom Bank, as an originator for the purposes of the Securitisation Regulation, will undertake to (i) the Lead Manager in the Subscription Agreement and (ii) to the Issuer and the Security Trustee in the Mortgage Sale Agreement that, for so long as any Notes or Certificates remain outstanding, it will retain on an ongoing basis, a material net economic interest of not less than 5 per cent. in the nominal value of the securitisation in the form of the Class VRR Notes (the "**Retained Exposures**") in accordance with Article 6(3)(a) of the Securitisation Regulation (which does not take into account any corresponding relevant national measures, and as interpreted and applied on the date hereof). The Class VRR Notes will entitle the Class VRR Noteholders to the VRR Proportion of the principal and interest amounts paid to Noteholders under the Notes and the VRR Proportion of any amounts payable on the Certificates.

"**EU Retention Requirements**" means Article 6 of the Securitisation Regulation (not taking into account any corresponding relevant national measures, and as interpreted and applied on the date of Closing Date).

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

Loans have not been selected to be sold to the Issuer with the aim of rendering losses on the Loans sold to the Issuer, measured over a period of 4 years, higher than the losses over the same period on comparable assets held on Atom Bank's balance sheet.

Atom Bank (as originator) will undertake to (i) the Lead Manager in the Subscription Agreement and (ii) to the Issuer and the Security Trustee in the Deed of Charge that, for so long as the principal amount of any Note remains outstanding and for so long as any Certificate remains outstanding, it will:

- (a) acquire and retain on an ongoing basis the Retained Exposures in accordance with Article 6(3)(a) of the Securitisation Regulation (which does not take into account any corresponding national measures);
- (b) provide the Cash Manager with the information required by Article 7(e)(iii) of the Securitisation Regulation in order to enable the Cash Manager to produce each Investor Report;
- (c) not sell, hedge or otherwise mitigate (and shall procure that none of its affiliates shall sell, hedge or otherwise mitigate) the credit risk under or associated with the Retained Exposures except to the extent permitted under the Securitisation Regulation; and
- (d) not to change the manner or form in which it retains the Retained Exposures, except to the extent permitted under the Securitisation Regulation.

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in the Prospectus generally for the purposes of complying with the due diligence requirements of Article 5 of the Securitisation Regulation and any corresponding national measures which may be relevant and none of the Issuer nor any Relevant Party makes any representation that the information described above or in the Prospectus is sufficient in all circumstances for such purposes.

For further information please refer to the Risk Factor entitled *Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes, Class VRR Notes and Certificates* and the section entitled *The Loans*.

Confirmations of the Seller

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

- (a) confirmation that the Seller was a credit institution as defined in point (1) of Article 4(1) of Regulation (EU) No 575/2013 at the time of origination of the Loans in the Portfolio, as to which please see the warranty (b) in the section of this Prospectus headed *Summary of the Key Transaction Documents – Mortgage Sale Agreement – Representations and Warranties*;
- (b) confirmation that the Seller (as originator) will retain on an ongoing basis a material net economic interest in accordance with Article 6(1) of the Securitisation Regulation and that the risk retention will be disclosed to investors in accordance with the transparency requirements required by the text of Article 7 of the Securitisation Regulation, as stated above in *EU Risk Retention Requirements*; and
- (c) confirmation that the Seller (as originator) will make available the information required by Article 7 of the Securitisation Regulation in accordance with the frequency and modalities provided for in such article.

The Seller confirms that it has made available, prior to pricing:

- the information required to be made available under Article 7(1)(a) of the Securitisation Regulation, to the extent such information has been requested by a potential investor;
- the information required to be made available under Article 7(1)(b) of the Securitisation Regulation in draft form;
- a cashflow model required to be made available under Article 22(3) of the Securitisation Regulation (as to which see the section entitled *Cashflow Model* below);
- data on static and dynamic historical default and loss performance required to be made available under Article 22(1) of the Securitisation Regulation (as to which see the section entitled *Characteristics of the Provisional Portfolio - Data on static and dynamic historical default and loss performance of loans similar to the Loans*; and
- a draft of the STS Notification,

in each case (except for data on static and dynamic historical default and loss performance, which is contained in this Prospectus in the section entitled "*Characteristics of the Provisional Portfolio - Data on static and dynamic historical default and loss performance of loans similar to the Loans*") on <https://www.euroabs.com> (or any alternative website which conforms to the requirements set out in Article 7(2) of the Securitisation Regulation) (the "**Reporting Website**").

Transparency and reporting under the Securitisation Regulation

For the purposes of Article 7(2) of the Securitisation Regulation, Atom Bank (as originator) (the "**Designated Reporting Entity**"), has been designated as the entity responsible for complying with Article 7 of the Securitisation Regulation together with any guidance published in relation thereto by the European Securities and Markets Authority, including any regulatory and/or implementing technical standards ("**EU Disclosure Requirements**") and will either fulfil such requirements itself or procure that such requirements are complied with on its behalf, provided that the Designated Reporting Entity will not be in breach of such undertaking if the Designated Reporting Entity fails to so comply due to events, actions or circumstances beyond the Designated Reporting Entity's control. Any reference to the EU Disclosure Requirements shall be deemed to include any successor or replacement provisions of Article 7 of the Securitisation Regulation included in any European Union directive or regulation.

Atom Bank will be responsible for compliance with Article 7 of the Securitisation Regulation for the purposes of Article 22(5) of the Securitisation Regulation.

As to the information made available to prospective investors by the Designated Reporting Entity, reference is made to the information set out herein and forming part of this Prospectus and to any other information provided separately (which information shall not form part of this Prospectus) and, after the Closing Date, to the Securitisation Regulation Investor Reports provided to the Noteholders, the Class VRR Noteholders, the Certificateholders, the Central Bank, the United Kingdom's Financial Conduct Authority, the United Kingdom's Prudential Regulation Authority, and upon request, to potential investors in the Notes and the Certificates the Reporting Website. The Designated Reporting Entity will, on each Reporting Date, provide to EuroABS (or its replacement) the Securitisation Regulation Investor Reports for publication (simultaneously with each other) on the Reporting Website on the relevant Reporting Date.

The Designated Reporting Entity will, from the Closing Date:

- (a) procure that the Cash Manager (or SR Reporting Provider) prepares, and the Cash Manager (or SR Reporting Provider) will prepare, (to the satisfaction of the Designated Reporting Entity) a quarterly investor report one Business Day after each Interest Payment Date (a "**Reporting Date**") in relation to the immediately preceding Collection Period containing information required by Article 7(1)(e) of the Securitisation Regulation including, but not limited to the ratings of the Rated Notes (based on information provided by the Servicer), amounts paid by the Issuer pursuant to the relevant Priority of Payments on the most recent Interest Payment Date, required counterparty information (based on information provided by the Servicer), and Atom Bank's continued holding of the Class VRR Notes (as confirmed by Atom Bank to the Cash Manager (or SR Reporting Provider)), in each case to be provided in relation to the Portfolio, the Notes, the Class VRR Notes and the Certificates (the "**Investor Report**"). The Investor Report shall be prepared: (i) prior to the Reporting Technical Standards Effective Date, by the Cash Manager, to the satisfaction of the Designated Reporting Entity and shall contain the information set out in Annex VIII of the Delegated Regulation (EU) No 2015/3 as required by Article 43(8) of the Securitisation Regulation, and (ii) following the Reporting Technical Standards Effective Date, by the Cash Manager (or the SR Reporting Provider), to the satisfaction of the Designated Reporting Entity in accordance with the applicable ESMA Disclosure Templates and applicable ESMA regulatory technical standards; and
- (b) procure that the Servicer prepares a quarterly report on each Reporting Date containing certain loan-by-loan information in relation to the Portfolio as required by Article 7(1)(a) of the Securitisation Regulation in respect of the relevant Collection Period (the "**Loan-Level Report**" and together with the Investor Report, the "**Securitisation Regulation Investor Reports**"). The Designated Reporting Entity shall procure that the Servicer prepares the Loan-Level Report: (i) prior to the Reporting Technical Standards Effective Date, containing the information set out in Annex I of the Delegated Regulation (EU) No 2015/3 as required by Article 43(8) of the Securitisation Regulation, and (ii) following the Reporting Technical Standards Effective Date, in accordance with the applicable ESMA Disclosure Templates and applicable ESMA regulatory technical standards. The Cash Manager shall have no responsibility for preparing any Loan-Level Report.

Atom Bank (as originator) shall provide or, as relevant, procure the provision to the Cash Manager (or SR Reporting Provider) for inclusion in the Securitisation Regulation Investor Reports (or otherwise so that such information can be available to investors) of readily accessible data and information with respect to the provision of such investor information and compliance by Atom Bank (as originator) with the requirements of Article 7(1)(e)(iii) of the Securitisation Regulation, by confirming the risk retention

of Atom Bank (as originator) as contemplated by Article 6(1) of the Securitisation Regulation (see the section *Certain Regulatory Disclosures - EU Risk Retention Requirements* above).

Each of the Issuer, the Designated Reporting Entity and the Servicer shall supply to the Cash Manager all relevant information required in order for the Cash Manager to prepare the Investor Report.

Liability of the Cash Manager in relation to the EU Disclosure Requirements and Securitisation Regulation Investor Reports

The Cash Manager does not assume any responsibility for the Designated Reporting Entity's obligations as the entity designated as being responsible for complying with the EU Disclosure Requirements. In providing its services, the Cash Manager assumes no responsibility or liability to any third party, including, any Noteholder, Class VRR Noteholder, Certificateholder or any potential investor in the Notes or the Certificates or any other party, and including for their use or onward disclosure of any information published in support of the Designated Reporting Entity's reporting obligations, and shall have the benefit of the powers, protections and indemnities granted to it under the Transaction Documents. Any Securitisation Regulation Investor Reports may include disclaimers excluding the liability of the Cash Manager for information provided therein. The Cash Manager shall not have any duty to monitor, enquire or satisfy itself as to the veracity, accuracy or completeness of any documentation provided to it in connection with the preparation by it of the Investor Report or the publication by it of the Securitisation Regulation Investor Reports, or whether or not the provision of such information accords with the EU Disclosure Requirements, and the Cash Manager shall be entitled to rely conclusively upon any instructions given by (and any determination by) the Issuer or the Designated Reporting Entity regarding the same, provided that such instructions are given in accordance with the Transaction Documents, and shall have no obligation, responsibility or liability whatsoever for the provision of information and documentation on the Reporting Website.

SR Repository

Following the appointment by the Designated Reporting Entity of a securitisation repository registered under Article 10 of the Securitisation Regulation (the "**SR Repository**"), the Designated Reporting Entity shall be responsible for procuring that each Securitisation Regulation Investor Report, and any other information required to be made available by the Designated Reporting Entity under the Securitisation Regulation, is made available through such SR Repository in accordance with the requirements of Article 7 of the Securitisation Regulation and for the purposes of making available the Securitisation Regulation Investor Reports to the Noteholders, the Class VRR Noteholders, the Certificateholders, the Central Bank, the United Kingdom's Financial Conduct Authority, the United Kingdom's Prudential Regulation Authority, and upon request, potential investors in the Notes and the Certificates. In determining whether a person is a Noteholder, a Class VRR Noteholder, a Certificateholder or a potential investor in the Notes or the Certificates, the Designated Reporting Entity is entitled to rely, without liability, on any certification given by such person that they are a Noteholder, Class VRR Noteholder, Certificateholder or, as relevant, a potential investor in the Notes or Certificates.

For the avoidance of doubt, where no SR Repository is registered in accordance with Article 10 of the SR, the Designated Reporting Entity will make the relevant information described above available through the Reporting Website.

Ongoing monitoring of ESMA Disclosure Templates and ESMA regulatory technical standards under the Securitisation Regulation

The Designated Reporting Entity (and/or their professional advisers on their behalf) will monitor when:

- the Reporting Technical Standards Effective Date occurs; and

- ESMA or any relevant regulatory or competent authority publishes or amends any applicable ESMA Disclosure Templates or applicable ESMA regulatory technical standards under the Securitisation Regulation,

and will notify the Servicer (unless the Designated Reporting Entity is also the Servicer), the Cash Manager and the Issuer (with copy to the Security Trustee and the Note Trustee) of the same (each such notification, an "**SR Reporting Notification**"). As soon as reasonably practicable following receipt of an SR Reporting Notification:

- (a) the Issuer and the Designated Reporting Entity shall propose to the Cash Manager in writing the form, timing, method of distribution and content of the information required to be disclosed in accordance with the relevant RTS in order to allow such information, where reasonably available, to be included in the Investor Report. The Cash Manager shall consult with the Issuer and the Designated Reporting Entity and if the Cash Manager agrees (in its sole discretion, acting in a commercially reasonable manner) to provide such reporting on such proposed terms, the Cash Manager shall confirm the same in writing to the Issuer and the Designated Reporting Entity and the format of the Investor Report shall be amended as necessary to ensure that the Designated Reporting Entity is satisfied with the form of the Investor Report in the context of compliance with the Designated Reporting Entity's obligations under the Securitisation Regulation. If, following the adoption of the relevant RTS, the Cash Manager does not agree to provide such assistance, the Issuer may (on terms satisfactory to the Security Trustee) appoint an agent to provide such reporting (the "**SR Reporting Provider**"). The Issuer will reimburse the Cash Manager and the Designated Reporting Entity for any costs properly incurred by either of them in connection with amending the format of any such reports; and
- (b) the Servicer will amend the format of the Loan-Level Report. The Issuer will reimburse the Servicer for any costs properly incurred by the Servicer in amending the format of any reports it is required to prepare.

Information required to be reported under Article 7(1)(f) and Article 7(1)(g) of the Securitisation Regulation

The Designated Reporting Entity will:

- (a) publish on the Reporting Website (without delay), any information required to be reported pursuant to Articles 7(1)(f) and 7(1)(g) of the Securitisation Regulation. The Designated Reporting Entity will only be required to publish such information as the Issuer or the Servicer may from time to time notify to it and/or direct it to publish; and
- (b) within 15 days of the Closing Date make available via the Reporting Website copies of the Transaction Documents and this Prospectus.

The Designated Reporting Entity's obligation to publish information required to be reported by the Issuer pursuant to Article 7(1)(f) and Article 7(1)(g) of the Securitisation Regulation shall be conditional upon delivery by the Issuer or the Servicer, to the extent the Issuer or the Servicer becomes aware, of any information falling under Article 7(1)(f) or Article 7(1)(g) of the Securitisation Regulation, provided that the Designated Reporting Entity shall not be required to monitor the price at which any Class of Notes or Class VRR Notes trade at any time.

The reports set out above shall be published on the Reporting Website and each such report shall be made available no later than one month following the Interest Payment Date following the Collection Period to which it relates. To the extent any technical standards prepared under the Securitisation Regulation come into effect after the date of this Prospectus and require such reports to be published in

a different manner or on a different website, the Designated Reporting Entity shall comply with the requirements of such technical standards when publishing such reports.

For the avoidance of doubt, the Reporting Website, the Securitisation Regulation Investor Reports and the contents thereof do not form part of this Prospectus.

"Reporting Technical Standards Effective Date" means the date (notified to the Servicer (unless the Designated Reporting Entity is also the Servicer), the Cash Manager and the Issuer (with copy to the Security Trustee and the Note Trustee) by the Designated Reporting Entity (or its advisers on its behalf)) on which the relevant ESMA Disclosure Templates or applicable RTS come into effect following their adoption by the European Commission.

"RTS" means the ESMA regulatory technical standards under the Securitisation Regulation relating to the Issuer's obligations pursuant to Article 7(1)(e) of the Securitisation Regulation.

The Designated Reporting Entity will make the information referred to in each of the sections above available to the holders of any of the Notes, Class VRR Notes, Certificates relevant competent authorities and, upon request, to potential investors in the Notes or Certificates.

Disclosure of Modifications to the Priorities of Payments

Any events which trigger changes in any Priorities of Payments and any change in any Priorities of Payments which will materially adversely affect the repayment of the Notes, the Class VRR Notes or the Certificates will be disclosed by the Designated Reporting Entity without undue delay to the extent required under Article 21(9) of the Securitisation Regulation.

Sufficiency of information

Each prospective investor is required to assess independently and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Article 5 of the Securitisation Regulation and any national measures which may be relevant and none of the Issuer, Atom Bank (in any capacity), the Servicer, the Arranger, the Lead Manager, the Cash Manager, the Note Trustee, the Security Trustee nor 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) shall have any liability to any such 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 Securitisation Regulation or any other applicable legal, regulatory or other requirements; or (iii) shall have any obligation (other than the obligations in respect of Article 6 of the Securitisation Regulation undertaken by Atom Bank and the obligations of the Designated Reporting Entity in relation to the EU Disclosure Requirements as referred to above) to enable compliance with the requirements of Article 6 of the Securitisation Regulation or any other applicable legal, regulatory or other requirements. In addition each prospective investor should ensure that it complies with the implementing provisions (including any regulatory technical standards, implementing technical standards and any other implementing provisions) in their relevant jurisdiction. Investors and prospective investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

Cashflow model

Atom Bank (as originator) has prior to pricing, as required by Article 22(3) of the Securitisation Regulation, made available to potential investors (through the website of EuroABS at <https://www.euroabs.com>) a cashflow model, either directly or indirectly through one or more entities which provide such cashflow models to investors generally. Atom Bank (in its capacity as originator) shall procure that such cashflow model: (i) precisely represents the contractual relationship between the Loans and the payments flowing between the Seller, Noteholders, Class VRR Noteholders,

Certificateholders, other third parties and the Issuer, and (ii) is made available to investors in the Notes and Certificates on an ongoing basis and to potential investors upon request.

Credit-granting

As required by Article 9 of the Securitisation Regulation, Atom Bank (as originator) applied to each Loan the same sound and well-defined criteria for credit-granting as Atom Bank (as originator) applied to all other mortgage loans originated by it. The same clearly established processes for approving and, where relevant, amending, renewing and refinancing the Loans also apply to all other mortgage loans originated by Atom Bank.

Atom Bank has in place effective systems to apply such criteria and processes in order to ensure that Atom Bank's credit-granting is based on a thorough assessment of the relevant borrower's (including each of the Borrower's) creditworthiness, taking appropriate account of the factors relevant to verifying the prospect of the relevant borrower (including the Borrowers) meeting his/her obligations under the relevant mortgage loan (including the Loans).

Bank of England Reporting

The Seller (as originator) will procure that the Cash Manager prepares and publishes (on behalf of the Seller) a monthly report (a "**Bank of England Investor 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.

Each Bank of England Investor Report will, no later than the date falling 30 days after the end of the calendar month to which the relevant Bank of England Investor Report relates, be published by the Cash Manager on (i) the Cash Manager's website at <https://www.sf.citidirect.com>, and (ii) by the Servicer on the website of EuroABS at <https://www.euroabs.com>.

The Servicer will prepare a monthly loan level data report (a "**Bank of England Loan Level Data Report**") and together with the Bank of England Investor Report, the "**Bank of England Monthly Reports**") 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.

Each Bank of England Loan Level Data Report will, no later than the date falling 30 days after the end of the calendar month to which the relevant Bank of England Loan Level Data Report relates, be published by the Servicer on the website of EuroABS at <https://www.euroabs.com>.

The defined terms used in each of the Bank of England Monthly Reports shall, by reference, incorporate the defined terms set out generally in this Prospectus and more specifically in the Incorporated Terms Memorandum.

For the avoidance of doubt, the EuroABS website <https://www.euroabs.com> and the Bank of England Monthly Reports and the contents thereof do not form part of this Prospectus.

U.S. Risk Retention Requirements

Pursuant to the U.S. Risk Retention Rules, a "securitizer" of asset-backed securities is required, unless an exemption exists, to retain an "eligible vertical interest" or "eligible horizontal residual interest," or any combination thereof, in a securitization transaction. Under the U.S. Risk Retention Rules, a "securitizer" includes a person who organizes and initiates a securitization transaction by selling or transferring assets, either directly or indirectly, including or through an affiliate or issuer. As of the Closing Date, Atom Bank, as "securitizer" of this transaction, has elected to retain, directly, 100% of the Class VRR Notes which constitute an eligible vertical interest in the form of a "single vertical security" in the required amount of not less than 5% of the aggregate of the Notes and the Certificates

(the initial principal amount of which is zero) multiplied by (100/95) (the "**Required Credit Risk**"), thereby satisfying the U.S. Risk Retention Rules.

Under the U.S. Risk Retention Rules, Atom Bank directly, will be required to hold the Required Credit Risk until the later of: (i) the fifth anniversary of the Closing Date; and (ii) the date on which the aggregate Current Balance of the Loans has been reduced to 25% of the aggregate Current Balance Loans as of the Closing Date, but in any event no longer than the seventh anniversary of the Closing Date (the "**Sunset Date**").

Until the Sunset Date, the U.S. Risk Retention Rules impose limitations on the ability of Atom Bank to dispose of or hedge the Required Credit Risk. In general, prior to the Sunset Date, Atom Bank may not transfer the Required Credit Risk to any person. In addition, prior to the Sunset Date, Atom Bank and its affiliates may not engage in any hedging transactions if payments on the hedge instrument are materially related to the Required Credit Risk and the hedge position would limit the financial exposure of Atom Bank to the Required Credit Risk. Atom Bank may not pledge its interest in any Required Credit Risk as collateral for any financing unless such financing is full recourse to Atom Bank. However, notwithstanding this, Atom Bank will be required to maintain its holding of the Class VRR Notes for so long as any Notes remain outstanding in order to comply with the EU Risk Retention Requirements, as to which see *Certain Regulatory Disclosures - EU Risk Retention Requirements* above.

If the eligible vertical interest retained by Atom Bank on the Closing Date is materially different from the interest that Atom Bank intends to acquire and retain, as described above, the Issuer (or an agent on its behalf), based solely on information provided to it by Atom Bank, will include a statement in the Investor Report provided to Noteholders setting forth the actual eligible vertical interest retained by Atom Bank as of the Closing Date.

None of the Note Trustee, Security Trustee, the Principal Paying Agent, the Lead Manager, the Registrar or any party other than the sponsor will be charged with knowledge of any U.S. Risk Retention Rules, nor will the Note Trustee, Security Trustee, the Principal Paying Agent, the Lead Manager, the Registrar or any party other than the sponsor be responsible for monitoring, confirming or enforcing any U.S. Risk Retention Rules applicable to the transaction. None of the Note Trustee, Security Trustee, the Principal Paying Agent, the Lead Manager, the Registrar or any party other than the sponsor will be liable to any Noteholder or Certificateholder or other party for violation of such rules now or hereinafter in effect.

None of the Note Trustee, Security Trustee, the Principal Paying Agent, the Lead Manager, the Registrar or any other party assumes any responsibility for the sponsor's compliance with the U.S. Risk Retention Rules.

Investment Company Act

The Issuer will be relying on an exclusion or exemption from the definition of "investment company" under the Investment Company Act of 1940, as amended (the "**Investment Company Act**") contained in Section 3(c)(5)(C) of the Investment Company Act, although there may be additional exceptions, exclusions or exemptions available to the Issuer. The Issuer has been structured so as not to constitute a "covered fund" for purposes of Section 619 of the Dodd-Frank Act (the "**Volcker Rule**").

The Issuer has relied on determinations that (i) it may rely on the exemption from registration as an investment company under the Investment Company Act provided by Section (3)(c)(5)(C) thereof and (ii) it does not rely on Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act for its exemption from registration thereunder and, accordingly, the issuer may rely on the exemption from the definition of a covered fund under the Volcker Rule made available to entities that do not rely solely on Section 3(c)(1) or Section 3(c)(7) for their exemption from registration under the Investment Company Act.

Filing of Diligence Results

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

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

ESTIMATED WEIGHTED AVERAGE LIVES OF THE NOTES

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

- (a) the Portfolio Option Holder exercises the Portfolio Call Option and the Portfolio Call Option Completion Date occurs on the Step-Up Date, in the first scenario as set out in table headed "*Assuming the occurrence of the Portfolio Call Option*" below, or the Portfolio Call Option is not exercised, but the 10 Per Cent. Clean-up Call is exercised with the 10 per Cent. Clean-up Call Date occurring on the Interest Payment Date on which the Current Balance of the Portfolio at the end of the relevant Collection Period is less than 10% of the Current Balance of the Portfolio as at the Cut-Off Date as set out in the table headed "*Assuming occurrence of the 10 Per Cent. Clean-up Call*" below.
- (b) the Loans are fully performing and there are no arrears or enforcements;
- (c) no Enforcement Notice has been served on the Issuer and no Event of Default has occurred;
- (d) there are no breach of representation and warranties;
- (e) there is no debit balance on any of the sub-ledgers of the Principal Deficiency Ledgers on any Interest Payment Date;
- (f) the amount of Available Revenue Receipts deemed to be Available Redemption Receipts in accordance with item (f)(xviii) and item (g)(xviii) of the Pre-Enforcement Revenue Priority of Payments is zero for so long as any Notes remain outstanding;
- (g) no Principal Addition Amounts are applied as Available Principal Receipts;
- (h) on the Closing Date, the Class A Notes represent 85.00 per cent., the Class B Notes represent 5.75 per cent., the Class C Notes represent 4.00 per cent., the Class D Notes represent 1.75 per cent, the Class E Notes represent 1.25 per cent and the Class F Notes represent 1.00 per cent of 95% of the Provisional Portfolio;
- (i) the amortisation of any Repayment Loan is calculated as an annuity loan on a 30/360 basis, and the interest on any Loan is calculated on a 30/360 basis;
- (j) SVR equals 4.00 per cent. for all Loans;
- (k) the Portfolio as at the Cut-Off Date (sold to the Issuer on the Closing Date) is identical in every metric to the Provisional Portfolio as at the Portfolio Reference Date;
- (l) the weighted average lives are calculated on a 30/360 basis;
- (m) there are 90 days between the Closing Date and the first Interest Payment Date and 90 days between each subsequent Interest Payment Date;
- (n) the Step-up Date is 1800 days after the Closing Date;
- (o) for the purposes of the Pricing CPR columns in the table below, the assumed CPR is:
 - a. 3% for the 12 months from the Cut-Off Date;

- b. 12% for the next 30 months;
- c. 70% for the next 30 months; and
- d. 35% thereafter.

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

Assuming the occurrence of the Portfolio Call Option

| Weighted Average Lives | Pricing CPR | 0% CPR | 10% CPR | 20% CPR | 30% CPR | 40% CPR |
|-------------------------------|--------------------|---------------|----------------|----------------|----------------|----------------|
| A | 3.14 | 4.50 | 3.39 | 2.51 | 1.82 | 1.34 |
| B | 4.91 | 5.00 | 5.00 | 5.00 | 5.00 | 3.99 |
| C | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 4.83 |
| D | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| E | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| F | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |

Assuming occurrence of the 10% Clean-Up Call

| Weighted Average Lives | Pricing CPR | 0% CPR | 10% CPR | 20% CPR | 30% CPR | 40% CPR |
|-------------------------------|--------------------|---------------|----------------|----------------|----------------|----------------|
| A | 3.14 | 11.85 | 4.68 | 2.67 | 1.82 | 1.34 |
| B | 4.91 | 24.75 | 13.73 | 8.12 | 5.48 | 3.97 |
| C | 5.00 | 25.75 | 14.75 | 8.75 | 6.00 | 4.25 |
| D | 5.00 | 25.75 | 14.75 | 8.75 | 6.00 | 4.25 |
| E | 5.00 | 25.75 | 14.75 | 8.75 | 6.00 | 4.25 |
| F | 5.00 | 25.75 | 14.75 | 8.75 | 6.00 | 4.25 |

For more information in relation to the risks involved in the use of the average lives estimated above, see *Risk Factors – Considerations Relating to Yield, Prepayments and Mandatory Redemption* above.

EARLY REDEMPTION OF THE NOTES, CLASS VRR NOTES AND CERTIFICATES

Refinancing Option

The Issuer will, pursuant to the Certificate Conditions, grant to the Refinancing Option Holder(s) the option (the "**Refinancing Option**") to require the Issuer to:

- (a) redeem (in whole and not in part) on the Refinancing Date, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z Notes and the Class VRR Notes, and to redeem and cancel the Certificates; and
- (b) issue, on the Refinancing Date, the Refinancing Instruments.

Exercise of the Refinancing Option

The Refinancing Option Holder(s) may give notice of its intention to exercise the Refinancing Option in the following ways:

- for so long as the Certificates are held by only one Certificateholder, the Refinancing Option Holder must provide to the Issuer (with a copy to Atom Bank) written notice of the Refinancing Option Holder's intention to exercise the Refinancing Option. Such notice must be sent not less than 150 calendar days prior to the proposed Refinancing Date. Such notice shall include the date which the Refinancing Option Holder designates as the proposed Refinancing Date; or
- for so long as the Certificates are held by more than one Certificateholder, the holder(s) of more than two thirds of the number of Certificates must, provide to the Issuer (with a copy to Atom Bank) written notice of their intention to exercise the Refinancing Option. Such notice must be sent not less than 150 calendar days prior to the proposed Refinancing Date. Such notice shall include the date which the Refinancing Option Holder(s) designate as the proposed Refinancing Date,

each such written notice a "**Refinancing Option Exercise Notice**". At the same time as sending a Refinancing Option Exercise Notice, the Refinancing Option Holder(s) must also send to the Class VRR Noteholders a term sheet setting out the proposed terms of the proposed Refinancing, and if required by the Class VRR Noteholders, the Refinancing Option Holder(s) must also provide promptly and without delay, any other information which the Class VRR Noteholders may reasonably request in connection with their considerations of the occurrence of a Class VRR Veto Scenario (together with any amendments and/or supplements thereto) (the "**Class VRR Veto Materials**"). For the avoidance of doubt, the Class VRR Veto Materials shall not be expected to include draft transaction documents required to give effect to the Refinancing.

Class VRR Veto Right

Following the later of receipt by the Class VRR Noteholders of the Refinancing Option Exercise Notice and the Class VRR Veto Materials (including any amendments and/or supplements thereto), the Class VRR Noteholders shall, within a period of 115 calendar days (from and including the date on which such notice or, as appropriate, material is received by the Class VRR Noteholders) (the "**Class VRR Veto Period**") either:

- (A) confirm, by way of unanimous decision notified in writing to the Issuer, that no Class VRR Veto Scenario arises and that the proposed Refinancing can proceed; or
- (B) confirm, by way of unanimous decision notified in writing to the Issuer, that a Class VRR Veto Scenario arises but that, notwithstanding this determination, the proposed Refinancing can proceed; or

- (C) decide to veto ("**Class VRR Veto**") the proposed Refinancing, by way of unanimous decision notified in writing to the Issuer on the basis that if the proposed Refinancing were to occur it would give rise, directly or indirectly, to a Class VRR Veto Scenario (a "**Class VRR Veto Notice**").

Modification of Transaction Documents

If, during the first 70 days of the Class VRR Veto Period, the Class VRR Noteholders do not provide the Class VRR Veto Notice, such decision to be based on the opinions (in draft form based on the Class VRR Veto Materials) as described under Class VRR Veto Scenario, then the Refinancing Option Holder(s) will have a further period of 45 calendar days to prepare all Refinancing Documents during which, the Refinancing Option Holder shall share all draft Refinancing Documents with the Class VRR Noteholders, the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer and the Swap Provider in sufficient time to allow such persons and their professional advisers to review and consider the same.

If the Class VRR Noteholders do not exercise the Class VRR Veto within the first 70 days of the Class VRR Veto Period, then not later than 35 days prior to the proposed Refinancing Date the Note Trustee shall agree to the terms of a new trust deed constituting the Refinancing Instruments (the "**Refinancing Trust Deed**") and modifications to the other Transaction Documents to the extent that the Issuer certifies (upon which certification the Note Trustee may rely absolutely and without enquiry or liability) that such modification is necessary to reflect the terms of the Refinancing. Such modification to the terms of the Transaction Documents will be effected by way of a deed of amendment, restatement and supplement (the "**Amendment Deed**"). Subject to the provisions on Basic Terms Modifications and Class VRR Entrenched Rights, no further consent for such amendments shall be required from the holders of Notes, Class VRR Notes or the Certificateholders.

The Issuer shall ensure that a refinancing prospectus is prepared in connection with the Refinancing (the "**Refinancing Prospectus**"), and an application is made for admission to trading and (where relevant, listing), of the Refinancing Instruments. In connection with the Refinancing Prospectus, the Issuer shall procure ratings for those Refinancing Instruments which are intended to be rated. For the avoidance of doubt, the Issuer may issue unrated Refinancing Instruments and, in respect of such instruments, the Issuer shall not be under any obligation to procure ratings.

Neither the Note Trustee nor the Security Trustee will be obliged to enter into any document or agree to any modification that, in its opinion, would have the effect of (i) exposing the Note Trustee (or, as the case may be, Security Trustee) to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the rights, powers, indemnities and protections, of the Note Trustee (or, as the case may be, the Security Trustee) in respect of the Transaction Documents, and the Note Trustee and the Security Trustee will be entitled to conclusively rely upon an officer's certificate or opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgement of counsel delivering such opinion of counsel) provided by the Issuer or any other party to any Transaction Document to the effect that such amendment meets the requirements specified above and is permitted under the Trust Deed without the consent of the holders of the Notes, Class VRR Notes, Certificates or any other Secured Creditor (except that such officer or counsel will have no obligation to certify or opine as to the sufficiency of the Refinancing Proceeds).

If, in the sole determination of the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer or the Swap Provider (as relevant) the Refinancing Documentation contain provisions which would be materially and adversely prejudicial to the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer or the Swap Provider (as relevant), each of these parties may choose to terminate their

agreement with the Issuer, such decision to be notified in writing to the Issuer ("**Service Provider Refinancing Document Veto Notice**").

If, by the date which is 35 days prior to the proposed Refinancing Date:

- the Class VRR Noteholders have not provided a Class VRR Veto Notice (to be based on opinions as described under Class VRR Veto Scenario and the draft Refinancing Documents) to the Issuer; and
- if, by the same date, none of the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer or the Swap Provider has provided a **Service Provider Refinancing Document Veto Notice** to the Issuer, or if any such party has provided such notice to the Issuer and the Issuer has found a suitable replacement, meeting all relevant rating requirements set by the Rating Agencies, for such party and such replacement is willing to carry out the relevant role on the terms of the relevant Refinancing Documents ("**Acceptable Replacement Service Provider**"),

then the Issuer shall, not less than 30 calendar days prior to the proposed Refinancing Date, notify the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer and the Swap Provider that the Refinancing will occur on the proposed Refinancing Date, and on the same date, the Issuer shall notify the Noteholders and the Certificateholders (including the Refinancing Option Holder(s)) of the same.

If, by the date which is 35 days prior to the proposed Refinancing Date either:

- the Class VRR Noteholders have provided a Class VRR Veto Notice (to be based on opinions as described under Class VRR Veto Scenario and the draft Refinancing Documents) to the Issuer; or
- any of the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer or the Swap Provider has provided a **Service Provider Refinancing Document Veto Notice** to the Issuer and the Issuer has not found an **Acceptable Replacement Service Provider**,

then the Issuer shall, not less than 30 calendar days prior to the proposed Refinancing Date, notify the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer and the Swap Provider that the Refinancing will not occur on the proposed Refinancing Date, and on the same date, the Issuer shall notify the Refinancing Option Holder(s) of the same.

If, during the Class VRR Veto Period, the Class VRR Noteholders exercise the Class VRR Veto, the proposed Refinancing will not occur and the Refinancing Option Holder(s) will, in accordance with the Certificate Conditions, be entitled to serve subsequent Refinancing Option Exercise Notices.

If, during the Class VRR Veto Period, the Class VRR Noteholders do not exercise the Class VRR Veto, the Class VRR Noteholders shall be deemed to have confirmed that the proposed Refinancing can occur on the proposed Refinancing Date.

If the Class VRR Noteholders confirm (or are deemed to have confirmed) that the proposed Refinancing can occur on the proposed Refinancing Date, then the Refinancing may occur on the proposed Refinancing Date.

Not less than 2 Business Days prior to the proposed Refinancing Date, the Cash Manager shall calculate the amount of money which the Issuer needs by way of Refinancing Proceeds and the Cash Manager shall, within one Business Day of calculating such amount, confirm the same to the Issuer. Upon receipt

by the Issuer of such confirmation, the Issuer shall, on the date of receipt of such confirmation, notify the Refinancing Option Holder(s) (with copy to the Note Trustee and the Security Trustee) of the amount of money which the Issuer needs by way of Refinancing Proceeds.

Refinancing Proceeds

On the Refinancing Date, the Notes and the Class VRR Notes will be redeemed out of the Refinancing Proceeds at their relevant Principal Amount Outstanding together with all other amounts due in respect of the relevant Note or Class VRR Note, all Accrued Interest and, if applicable, all Deferred Interest. The Certificateholders will be entitled to receive, also out of the Refinancing Proceeds, an amount equal to what they would have received had the Refinancing Date been an ordinary Interest Payment Date (and not a date on which a Refinancing occurs). The Refinancing Proceeds will be applied in accordance with the Post-Enforcement Priority of Payments.

All costs and expenses (including but not limited to (A) all legal costs and expenses, including those obtained in connection with any determination by the Class VRR Noteholders as to whether to exercise the Class VRR Veto, and (B) any costs and expenses of the Secured Creditors incurred in connection with the Refinancing) of the Refinancing (including in connection with the exercise of the Refinancing Option and the entry into of the Refinancing Documents and in connection with any exercise by the Class VRR Noteholders of the Class VRR Veto) or any proposed Refinancing which fails to complete, shall be borne by the Refinancing Option Holder(s) failing which, such costs and expenses shall be borne by the Issuer. The Refinancing Option Holder(s) shall be required to deposit such amounts into one of the Issuer's Transaction Accounts (to the extent that the Issuer is expected to make these payments).

All Notes, Class VRR Notes and Certificates will, upon completion of the Refinancing, be cancelled and may not be reissued or resold. The Refinancing Instruments will not necessarily benefit from any form of refinancing option, and the terms and conditions of the Refinancing Instruments may differ from the terms and conditions of (as relevant) the Notes, Class VRR Notes and Certificates which they replace.

In this Prospectus:

"Class VRR Veto Scenario" means any scenario resulting from the occurrence of a Refinancing and which is determined by the Class VRR Noteholders, to have the effect of either:

- (a) adversely affecting the capital treatment of the Class VRR Noteholders' interest in the Portfolio or the Class VRR Notes (including, without limitation, under article 244 of the CRR (as amended from time to time including by the CRR Amendment Regulation) (taking into account any regulatory guidance and/or statements issued by relevant competent authorities), any replacement or successor provision(s) to the CRR (as amended from time to time including by the CRR Amendment Regulation) or any similar regulations or laws (taking into account any regulatory guidance and/or statements issued by relevant competent authorities) which enter into force after the Closing Date and which regulate the capital treatment of the Class VRR Noteholders' interest in the Portfolio or the Class VRR Notes), such determination to be based on an opinion of a reputable accountancy firm chosen by the Class VRR Noteholders and, if required by the CRR (as amended from time to time including by the CRR Amendment Regulation) or any similar regulations or laws (taking into account any regulatory guidance and/or statements issued by relevant competent authorities) which enter into force after the Closing Date and which regulate the capital treatment of the Class VRR Noteholders' interest in the Portfolio or the Class VRR Notes, an opinion of a reputable law firm (such opinions to be provided within 115 days of the Class VRR Noteholders receiving the Refinancing Option Exercise Notice and the documents required to be provided at that time by the Refinancing Option Holder(s)); or

- (b) result in the Class VRR Noteholders being in breach of their obligations under any of the U.S. Risk Retention Rules (or any amended or replacement rules), or Article 6 of the Securitisation Regulation (or any amended or replacement rules), such determination to be based on an opinion of a reputable law firm chosen by the Class VRR Noteholders; or
- (c) adversely affecting the position of the Class VRR Noteholders in relation to de-recognition of the Portfolio under IFRS 9 or deconsolidation and de-recognition of the Issuer under IFRS 10 (or any other rules which the Class VRR Noteholders rely on to achieve deconsolidation and de-recognition), such determination to be based on an opinion of a reputable accountancy firm chosen by the Class VRR Noteholders.

"Refinancing" means the exercise by the Refinancing Option Holder(s) of the Refinancing Option and the redemption by the Issuer of the Notes, the Class VRR Notes and the Certificates and the issuance by the issuer of the Refinancing Instruments.

"Refinancing Date" means the Interest Payment Date falling in November 2024 or any other Interest Payment Date thereafter.

"Refinancing Documents" means the Refinancing Trust Deed, any new subscription agreement, the Refinancing Instruments, the Amendment Deed, the Refinancing Prospectus and any documents or instruments whatsoever ancillary, or necessary to give effect, to the foregoing.

"Refinancing Instruments" means the new class A notes, class B notes, class C notes, class D notes, class E notes, class F notes, class Z notes, new class VRR notes and new certificates issued by the Issuer pursuant to the exercise of the Refinancing Option, or such other class or classes of notes as agreed between the Issuer and any arranger retained by (or on behalf of the Issuer) in connection with the issuance of the Refinancing Instruments.

"Refinancing Option Holder(s)" means the holder(s) of more than two thirds, in number, of the Certificates.

"Refinancing Proceeds" means an amount which, when added to the balance standing to the credit of each Transaction Account and any other cash held by or on behalf of the Issuer in any other Issuer Account (other than any amounts which are not to be applied as Available Revenue Receipts in accordance with the Swap Collateral Account Priority of Payments, including for the avoidance of doubt, (i) Swap Collateral, (ii) any Replacement Swap Premium paid to the Issuer, and (iii) amounts in respect of Swap Tax Credits), would be required by the Issuer to:

- (a) pay all amounts payable under items (a) to (f)(x) (inclusive) and (g)(i) to (g)(x) (inclusive) of the Post-Enforcement Priority of Payments; and
- (b) pay to the Certificateholders and the Class VRR Noteholders, *pro rata* and *pari passu*, an amount equal to the amount which would have been paid to the Certificateholders in accordance with the Pre-Enforcement Revenue Priority of Payments if the Refinancing Date were an ordinary Interest Payment Date (and not a date on which a Refinancing occurs), *multiplied* by 100/95,

in each case as calculated on the Calculation Date immediately preceding the Refinancing Date.

Portfolio Call Option

For so long as the Certificates are held by only one Certificateholder that Certificateholder, or for so long as the Certificates are held by more than one Certificateholder, the holder(s) of more than 50 per cent. of the number of Certificates (the **"Portfolio Option Holder(s)"**), may require the Issuer to sell to

the Portfolio Option Holders (or to a third party purchaser/or purchasers nominated by the Portfolio Option Holder(s) ("**Portfolio Potential Purchasers**" and each a "**Portfolio Potential Purchaser**")) the beneficial title to the Portfolio Call Option Loans in such a manner as to enable the Issuer to redeem the Notes and the Class VRR Notes in full, and to cancel the Certificates, on the Portfolio Call Option Completion Date (the "**Portfolio Call Option**").

The Portfolio Call Option Purchase Price will be paid by the Portfolio Option Holders(s) on or before the Portfolio Call Option Completion Date. For so long as the Certificates are held by more than one Certificateholder, the liability of the Portfolio Option Holder(s) (or any Portfolio Potential Purchaser(s)) to pay the Portfolio Call Option Purchase Price shall be several, however and for the avoidance of doubt, the Portfolio Call Option Completion Date cannot occur unless the Issuer has received the full amount of the Portfolio Call Option Purchase Price.

The Portfolio Option Holder(s) may, at any time in the period from and including the Portfolio Call Option Exercise Date to and including the date falling 15 calendar days prior to the Portfolio Call Option Completion Date, deliver a notice (the "**Exercise Notice**") to the Issuer (with a copy to the Security Trustee, the Note Trustee, the Seller, the Servicer and the Cash Manager) that it intends/they intend to exercise the Portfolio Call Option on the Portfolio Call Option Completion Date, provided that:

- (a) on or prior to the proposed Portfolio Call Option Completion Date, no Enforcement Notice has been served; and
- (b) in relation to taxation:
 - (A) either the entity or entities to which the Portfolio Call Option Loans are to be transferred is resident for tax purposes in, and has its usual place of abode in, the United Kingdom; or
 - (B) each of the Issuer and the Seller, having received tax advice from an appropriately qualified and experienced United Kingdom tax adviser in a 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 from HM Revenue and Customs), is satisfied that, following the exercise of the Portfolio Call Option, there shall be no requirement on either (i) any Borrower or (ii) any legal title holder of the Portfolio Call Option Loans to deduct or withhold payments for or on account of UK tax in respect of interest payable pursuant to such Portfolio Call Option Loans; and
- (c) it shall be a term and condition of the exercise of the Portfolio Call Option that the servicing of such Portfolio Call Option Loans may be carried out by Atom Bank following the Portfolio Call Option Completion Date on substantially the same terms as those contained in the Servicing Agreement (except in circumstances where Atom Bank is no longer the Servicer at the time of delivery of the Exercise Notice in respect of the Portfolio Call Option). Subject to the terms of the Mortgage Sale Agreement, it shall also be a term and condition of the exercise of the Portfolio Call Option that Atom Bank may, following the Portfolio Call Option Completion Date, retain legal title to the Portfolio Call Option Loans (except in circumstances where Atom Bank is no

longer the holder of the legal title to the Portfolio Call Option Loans at the time of delivery of the Exercise Notice in respect of the Portfolio Call Option).

Within one Business Day of receipt of an Exercise Notice, the Issuer shall request the Cash Manager to calculate and provide (with the assistance of the Issuer and the Servicer where appropriate) the Issuer (with copy to the Servicer) with an estimate of the Portfolio Call Option Purchase Price, and the Cash Manager shall provide such estimate to the Issuer (with copy to the Servicer) within one Business Day of request by the Issuer.

The Issuer shall, within three Business Days of the date of the Exercise Notice, serve on the Portfolio Option Holder(s) with copy to each of the Security Trustee, the Note Trustee, the Seller, the Servicer, the Cash Manager and on any other Portfolio Potential Purchaser(s) nominated in the Exercise Notice, a notice (the "**Counter Notice**") confirming:

- (a) the Portfolio Call Option Completion Date;
- (b) that the Issuer will be able to effect the sale and purchase of the whole beneficial title to the Portfolio Call Option Loans on the Portfolio Call Option Completion Date; and
- (c) the estimated amount of the Portfolio Call Option Purchase Price payable to the Issuer by the Portfolio Option Holder(s).

The Cash Manager shall calculate the final Portfolio Call Option Purchase Price not less than 2 Business Days prior to the Portfolio Call Option Completion Date, and shall, within one Business Day of calculating such amount, inform the Issuer and the Portfolio Option Holder(s) (which shall, if applicable, forward such confirmation to each Portfolio Potential Purchaser) of the final Portfolio Call Option Purchase Price.

The Portfolio Option Holder(s) shall confirm, on behalf of the Portfolio Potential Purchaser(s) named in the Exercise Notice and/or itself, and based on the estimated amount of the Portfolio Call Option Purchase Price, whether it wishes/they wish the Issuer to proceed with the sale, to the Portfolio Option Holder(s) and/or the Portfolio Potential Purchaser(s), of the whole beneficial title to the Portfolio Call Option Loans by serving an acceptance notice on the Issuer by the date falling three Business Days after the Servicer Report Date immediately prior to the Portfolio Call Option Completion Date (an "**Acceptance Notice**"). If no Acceptance Notice is served within the said period, then the Exercise Notice shall be of no further effect, and the Portfolio Option Holder(s) shall be entitled to serve a new Exercise Notice subject to and in accordance with the terms of the Certificate Conditions.

The Issuer shall ensure that Noteholders, Class VRR Noteholders and Certificateholders are notified of the Portfolio Call Option Completion Date not less than 5 calendar days prior to the Portfolio Call Option Completion Date. Prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer (upon which such certificate the Note Trustee shall be entitled to rely absolutely and without enquiry or liability to any person for so doing) to the effect that it will have the funds on the Portfolio Call Option Completion Date, not subject to the interest of any other person, in an amount not less than the Portfolio Call Option Purchase Price.

On the Portfolio Call Option Completion Date, the Portfolio Option Holder(s) (or the Portfolio Potential Purchaser(s) named in the Exercise Notice) will purchase the Portfolio Call Option Loans and the Notes and Class VRR Notes will be redeemed in full and the Certificates will be cancelled following application of the Portfolio Call Option Purchase Price in accordance with the Post-Enforcement Priority of Payments.

In this Prospectus:

"Portfolio Call Option Completion Date" means the Interest Payment Date falling in November 2024 or any other Interest Payment Date thereafter.

"Portfolio Call Option Exercise Date" means:

- (a) if no Refinancing Option Exercise Notice has been served, the date falling 60 calendar days prior to the Portfolio Call Option Completion Date;
- (b) if a Refinancing Option Exercise Notice has been served and the Class VRR Noteholders have exercised their Class VRR Veto, the date on which the Class VRR Noteholders serve the Class VRR Veto Notice;

"Portfolio Call Option Loans" means the Loans and the Related Security in the Portfolio (excluding those Loans which have been redeemed or released from the Portfolio or repurchased by the Seller since the Closing Date).

"Portfolio Call Option Purchase Price" means an amount equal to the greater of:

- (a) the sum of:
 - (i) an amount equal to the aggregate of the amounts payable under items (a) to (f)(x) (inclusive) and (g)(i) to (g)(x) (inclusive) of the Post-Enforcement Priority of Payments; plus
 - (ii) an amount equal to the amount which the Certificateholders would have been paid in accordance with the Pre-Enforcement Revenue Priority of Payments if the Portfolio Call Option Completion Date were an ordinary Interest Payment Date (and not the Interest Payment Date on which the exercise of the Portfolio Call Option is completed) multiplied by 100/95; minus
 - (iii) the balance standing to the credit of each Transaction Account and any other cash held by or on behalf of the Issuer in any other Issuer Account (excluding for these purposes (A) any amounts recorded to the credit of the General Reserve Fund Ledger and any amounts recorded to the credit of the Liquidity Reserve Fund Ledger and (B) and Purchaser Receipts) (and other than any amounts which are to be applied in accordance with the Swap Collateral Account Priority of Payments, including for the avoidance of doubt, (i) Swap Collateral, (ii) any Replacement Swap Premium paid to the Issuer, and (iii) amounts in respect of Swap Tax Credits),

in each case as calculated on the Calculation Date immediately preceding the Interest Payment Date on which the Notes are redeemed pursuant to the Note Conditions, the Class VRR Notes are redeemed pursuant to the Class VRR Note Conditions and the Certificates cancelled and redeemed pursuant to the Certificate Conditions,

(the **"Base Portfolio Purchase Option Purchase Price"**); or

- (b) the current value of the principal balance of all of the Portfolio Call Option Loans as at the end of the Collection Period prior to the Portfolio Call Option Completion Date (including any amounts and market value payable in relation to the termination of the Swap Agreement),

(the "**Portfolio Purchase Option Current Value Purchase Price**", as calculated in accordance with Clause 36 of the Trust Deed).

"Purchaser Receipts" means Redemption Receipts and Revenue Receipts received by the Issuer from and including the Collection Period End Date relating to the Interest Payment Date on which the Notes and Class VRR Notes are redeemed and the Certificates cancelled and redeemed, pursuant to Note Condition 8.3(a) or (b) (as applicable), Class VRR Note Condition 8.3(a) or (b) (as applicable) or Certificate Condition 7.2(a) or (b) (as applicable) to and including such Interest Payment Date.

USE OF PROCEEDS

On the Closing Date, the Issuer will use the gross proceeds of the Notes and the Class VRR Notes to fund the Liquidity Reserve Fund and pay Start-Up Expenses. The Issuer will then use the net proceeds of the Notes and the Class VRR Notes (after funding the Liquidity Reserve Fund and paying Start-Up Expenses) to pay to the Seller the Initial Consideration payable by the Issuer for the Portfolio to be acquired from the Seller on the Closing Date.

RATINGS

The Rated Notes, on issue, are expected to be assigned the following ratings by the Rating Agencies. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency if, in its judgement, circumstances so warrant.

| Class of Notes | Fitch | S&P |
|-----------------------|--------------|----------------|
| Class A Notes | AAA | AAA |
| Class B Notes | AAA | AA |
| Class C Notes | A+ | A |
| Class D Notes | A- | BBB |
| Class E Notes | BBB- | BBB- |
| Class F Notes | B- | BB |

The ratings assigned to the Rated Notes by the Rating Agencies address, *inter alia* (a) the likelihood of full and timely payment to the holders of the Rated Notes, and (b) the likelihood of ultimate payment to the Noteholders of principal and interest in relation to the Rated Notes on or prior to the Final Maturity Date.

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

THE ISSUER

Introduction

The Issuer was incorporated in England and Wales on 20 August 2019 (registered number 12166381) as a public limited company under the Companies Act 2006. The registered office of the Issuer is 5th Floor, 100 Wood Street, London, EC2V 7EX. The telephone number of the Issuer's registered office is +442076065451. The issued share capital of the Issuer comprises 50,000 ordinary shares of £1 each of which one share is fully-paid up and 49,999 shares are quarter-paid and all shares are held by Holdings (see *Holdings* below).

The Issuer is legally and beneficially owned and controlled directly by Holdings. The rights of Holdings as a shareholder in the Issuer are contained in the articles of association of the Issuer and the Issuer will be managed in accordance with those articles and with the provisions of English law.

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

The Issuer was established as a special purpose vehicle solely for the purpose of issuing asset backed notes. The Issuer is permitted, pursuant to the terms of its articles of association, *inter alia*, to issue the Notes. The Issuer will covenant to observe certain restrictions on its activities which are set out in Note Condition 5(b) (*Covenants*) and Class VRR Note Condition 5(b) (*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 in consideration for the payment of an annual fee to the Corporate Services Provider. 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 the authorisation of the other Transaction Documents referred to in this Prospectus to which it is or will be a party and other matters which are incidental or ancillary to the foregoing. 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 March and the first statutory accounts of the Issuer will be drawn up to 31 March 2020.

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

Directors

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

| Name | Business address | Business Occupation |
|--|---|----------------------------|
| Mr Mark Filer | 5th Floor, 100 Wood Street, London, EC2V 7EX | Director |
| L.D.C. Securitisation Director No.1 Limited | 5th Floor, 100 Wood Street, London, EC2V 7EX | Corporate Director |

L.D.C. Securitisation Director 5th Floor, 100 Wood Street, Corporate Director
No.2 Limited London, EC2V 7EX

The affairs of L.D.C. Securitisation Director No. 1 Limited and L.D.C. Securitisation Director No. 2 Limited are represented by their directors, Mr Mark Filer, Ms Virginia Duncan and Law Debenture Securitisation Services Limited. The directors of Law Debenture Securitisation Services Limited are Mr Mark Filer and Mr Richard Rance, each of whose business address is Fifth Floor, 100 Wood Street, London EC2V 7EX and each of whose principal activities are as directors.

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

The Issuer has no employees.

HOLDINGS

Introduction

Holdings was incorporated in England and Wales on 20 August 2019 (registered number 12166331) as a private limited company under the Companies Act 2006 (as amended). The registered office of Holdings is 5th Floor, 100 Wood Street, London, EC2V 7EX. The issued share capital of Holdings comprises one ordinary share of £1. The Law Debenture Intermediary Corporation plc (the "**Share Trustee**") holds the entire beneficial interest in the issued share under a discretionary trust for discretionary purposes. Holdings holds the beneficial interest in the issued share capital of the Issuer.

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

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

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

Directors

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

| <u>Name</u> | <u>Business address</u> | <u>Business Occupation</u> |
|--|---|----------------------------|
| Mr Mark Filer | 5th Floor, 100 Wood Street, London, EC2V 7EX | Director |
| L.D.C. Securitisation Director No.1 Limited | 5th Floor, 100 Wood Street, London, EC2V 7EX | Corporate Director |
| L.D.C. Securitisation Director No.2 Limited | 5th Floor, 100 Wood Street, London, EC2V 7EX | Corporate Director |

The affairs of L.D.C. Securitisation Director No. 1 Limited and L.D.C. Securitisation Director No. 2 Limited are represented by their directors, Mr Mark Filer, Ms Virginia Duncan and Law Debenture Securitisation Services Limited. The directors of Law Debenture Securitisation Services Limited are Mr Mark Filer and Mr Richard Rance, each of whose business address is Fifth Floor, 100 Wood Street, London EC2V 7EX and each of whose principal activities are as directors.

The accounting reference date of Holdings is 31 March and the first statutory accounts of Holdings will be drawn up to 3 March 2020.

Holdings has no employees.

THE SELLER AND THE SERVICER

Overview

The Seller is a public limited company which was incorporated under the laws of England and Wales on 31 July 2013 with company number 08632552, having its registered office at The Rivergreen Centre, Aykley Heads, Durham DH1 5TS, United Kingdom. The Seller is authorised by the Prudential Regulation Authority and is regulated by the Financial Conduct Authority and Prudential Regulation Authority. Following a change in EU law, for the 2018 financial year, the Seller was deemed a Public Interest Entity.

The Seller is the UK's first bank built exclusively for smartphone and tablet. Founded in early 2014, it started its operations in April 2016. The Seller has no branches; its headquarters are in Durham and it has a satellite office in London. The Seller was ranked number 9 in the KPMG Global 2018 FinTech100, and in July 2018 was named Best Online Lender at the What Mortgage Awards.

The Seller uses, in addition to its other sources of funds, customer deposits to fund loans to small businesses and homeowners in the UK. These loans are distributed across the UK by intermediaries who offer advice to businesses and homebuyers. The Seller receives income from these loans and pays interest to customers who hold deposits with the Seller.

The Seller is authorised by the Prudential Regulation Authority and is regulated by the Financial Conduct Authority and Prudential Regulation Authority and it has regulatory authorisation and permissions which are relevant to the origination and servicing of mortgage loans similar to those comprising the Portfolio which are not sold to the Issuer. The Servicer has well-documented and adequate policies, procedures and risk-management controls in relation to the servicing mortgage loans similar to those comprising the Portfolio which are not sold to the Issuer.

As at 31 March 2019, the Seller had £1,770m of Sterling-denominated fixed-term customer deposits and £1m of Euro-denominated fixed-term customer deposits. As at 30 March 2019 the Seller had total assets of £2,772m.

As at 31 March 2019, the Seller had 360 employees.

Capital position

The Seller has one class of shares in issue. As at 30 September 2019, the Seller had 433,257,028 ordinary shares in issue and a total share capital and premium of £404m. As at 31 March 2019, the Seller had total equity of £213m.

As at 30 September 2019, the Seller's largest two shareholders were Banco Bilbao Argentaria Vizcaya, S.A. ("**BBVA**"), with a holding of 38.98% of the shares in the Seller, funds managed by Toscafund Asset Management LLP, with an aggregate holding of 29.7% of the shares in the Seller. Of the funds managed by Toscafund Asset Management LLP, Tosca Proton LP held 16.33% of the shares in the Seller.

During the financial year to March 2019, £153m of equity capital was injected into the Seller, with a further £50m of capital received during September 2019.

Based on its unaudited March 2019 Pillar 3 Disclosures, the Seller had Common Equity Tier 1 Capital of £184m, total Tier 2 Capital of £8m, total own funds of £192m, total risk weighted assets of £1,028m, a Common Equity Tier 1 ratio of 17.9% and a total capital ratio of 18.7%.

Corporate structure

The Seller has one wholly-owned subsidiary, Atom EBT Limited. Atom EBT Limited is a private limited company incorporated under the laws of England and Wales with company number 10160006. Atom EBT Limited is the trustee of the Atom Bank Employee Benefit Trust.

Management

As at 19 November 2019, the board of directors consists of: a non-executive Chairman, the Chief Executive Officer, the Chief Financial Officer and seven non-executive directors, including three appointed by BBVA under the terms of the articles of association of the Seller. The Seller's board of directors has three sub-committees: the board risk committee, the board audit committee and the board remuneration & nomination committee.

The executive management team consists of: the Chief Executive Officer, the Chief Financial Officer, the Chief Technology Officer, the Chief Operating Officer, the Chief Audit Executive, the Chief Risk Officer and the Chief Customer Officer. The Executive Committee reports to the board of directors and the following committees report directly to the Executive Committee: the Service & Supplier Management Committee, the Assets & Liabilities Committee, the Product & Services Control Committee, the Change Steering Committee and the Executive Risk Committee. Two further committees, the Conduct, Compliance, Operational & Reputational Risk Committee and the Credit Committee report directly to the Executive Risk Committee.

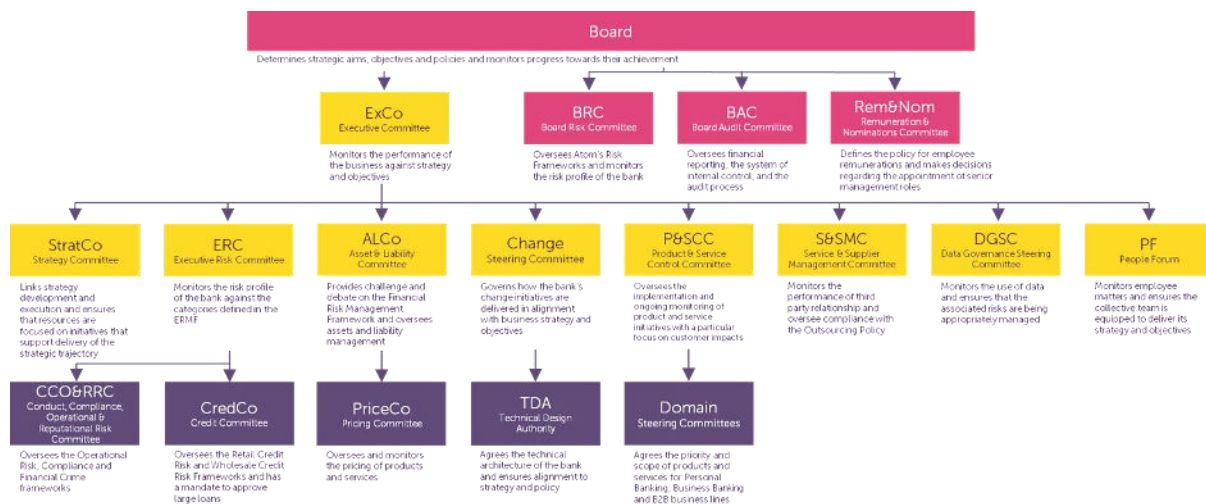
Management Experience

Governance Arrangements

The Seller operates a well embedded governance structure comprising of various Board and Executive level committees. Our Board consists of both Executive and Non-Executive Directors with significant financial services experience. The Seller's primary management body is the Executive Committee, chaired by the Chief Executive, however, it is supported by a range of specialist sub-committees, including those responsible for risk oversight, product and service control, financial management. These sub-committees are attended by senior staff from across the bank.

Our committee structure is designed to ensure that all members of the Executive Committee (the "**Executive Team**") have effective oversight and input into the key decisions affecting our residential mortgage proposition, including all aspects of mortgage origination and servicing.

Our committee structure is visualised in the committee structure below:



Executive Team Experience

Our Executive Team has a wealth of experience in the origination and servicing of residential mortgages including almost three years at the Seller.

Prior to founding the Seller, our Chief Executive Officer had over 24 years' experience in banking and financial services including being CEO for just under 3 years at another UK bank which offered a full range of residential mortgage products. They also have experience in managing large scale operational teams responsible for direct-to-market, advised and execution-only mortgage sales and servicing.

The Seller's Chief Operating Officer is responsible for our residential mortgage origination and servicing operational functions. They have over 8 years' experience gained in roles prior to the Seller that were responsible for overseeing and managing retail product ranges, including residential mortgage products. This included 2 years with a mortgage processing outsourcer which was entirely designated to residential mortgage originations and servicing.

The Seller's Chief Risk Officer began working in roles which involved residential mortgages in 2003 and has since worked in credit risk roles that included the development of credit policy and oversight of residential mortgage portfolio performance. They are responsible for leading our second line Risk function which is responsible for the development of the credit and lending policies which are used by first line operational functions for the origination of residential mortgages.

The Chief Risk Officer holds a mandate to underwrite residential mortgage loans over a certain value and is also responsible for overseeing members of the Risk function who also hold residential underwriting mandates.

The Seller's Chief Financial Officer has over 28 years' experience in finance roles, with experience in leading several funding and whole loan sale transactions backed by UK mortgages.

Senior Management Experience

Our Executive Team is supported by senior staff with extensive experience of originating and servicing residential mortgages.

The Seller's Head of Underwriting is responsible for overseeing the Seller's operational teams responsible for originations and underwriting. They have over 7 years' experience in the origination of residential mortgages at the Seller and in previous roles.

The Seller's Head of Customer Service has over 25 years' experience in financial services, including 3 years' experience dedicated to mortgage servicing in a previous role. They are responsible for overseeing customer service across our product range, including residential mortgage products.

The Seller's Director of Intermediary Lending has over 15 years' experience in financial services encompassing residential and commercial lending, including time spent managing field-based development teams purposed with business generation of regulated products and working in prime, near prime and specialist lending sectors. They are responsible for the management of the Seller's intermediary partners for both residential and commercial lending.

The Seller's Chief Credit Officer has over 25 years' experience working in risk management in financial services, both at large mainstream lenders as well as for challenger banks. They have significant experience of credit life cycle responsibility across a wide range of financial products, including over 10 years for mortgage portfolios, and are responsible for defining policy and overseeing activity for mortgage lending and collections at the Seller. They also have experience underwriting residential mortgages as they are mandated to underwrite residential mortgages for loans that exceed a certain value.

**THE CASH MANAGER, PRINCIPAL PAYING AGENT, AGENT BANK, REGISTRAR AND
CITI TRANSACTION ACCOUNT BANK**

Citibank, N.A. is a company incorporated with limited liability in the United States of America under the laws of the City and State of New York on 14 June 1812 and reorganised as a national banking association formed under the laws of the United States of America on 17 July 1865 with Charter number 1461 and having its principal business office at 388 Greenwich Street, New York, NY 10013, USA and having in Great Britain a principal branch office situated at Canada Square, Canary Wharf, London E14 5LB with a foreign company number FC001835 and branch number BR001018.

The London Branch is authorised and regulated by the Office of the Comptroller of the Currency (USA) and authorised by the Prudential Regulation Authority. It is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

Citicorp Trustee Company Limited was incorporated on 24 December 1928 under the laws of England and Wales and has its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, with a company number 235914.

Citicorp Trustee Company Limited is an indirect wholly-owned subsidiary of Citigroup Inc., a diversified global financial services holding company incorporated in Delaware.

Citicorp Trustee Company Limited is regulated by the UK's Financial Conduct Authority.

THE ELAVON ACCOUNT BANK, THE CUSTODIAN AND THE SWAP COLLATERAL ACCOUNT BANK

U.S. Bank Global Corporate Trust Services, which is a trading name of Elavon Financial Services DAC (a U.S. Bancorp group company), is an integral part of the worldwide Corporate Trust business of U.S. Bank. U.S. Bank Global Corporate Trust Services in Europe conducts business primarily through the UK Branch of Elavon Financial Services DAC from its offices in London at 125 Old Broad Street, London EC2N 1AR, United Kingdom.

Elavon Financial Services DAC is a bank incorporated in Ireland and a wholly owned subsidiary of U.S. Bank National Association. Elavon Financial Services DAC is authorised by the Central Bank of Ireland and the activities of its UK Branch are also subject to the limited regulation of the UK Financial Conduct Authority and Prudential Regulation Authority.

U.S. Bank Global Corporate Trust Services in combination with U.S. Bank National Association, the legal entity through which the Corporate Trust Division conducts business in the United States, is one of the world's largest providers of trustee services with more than USD4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The division provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and document custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB), with USD462 billion in assets as of December 31, 2017, is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. The Company operates 3,067 banking offices in 25 states and 4,771 ATMs, and provides a comprehensive line of banking, investment, mortgage, trust and payment services products to consumers, businesses and institutions. Visit U.S. Bancorp on the web at www.usbank.com.

THE SWAP PROVIDER

Lloyds Bank Corporate Markets plc

Lloyds Bank Corporate Markets plc (**Lloyds Bank Corporate Markets**) is a wholly owned subsidiary of Lloyds Banking Group plc (together with its subsidiary undertakings from time to time, "**Lloyds Banking Group**"), was incorporated under the laws of England and Wales on 28 September 2016 (registration number 10399850) and is authorised by the Prudential Regulation Authority ("**PRA**") and regulated by the Financial Conduct Authority and the PRA. Lloyds Bank Corporate Markets' registered office is at 25 Gresham Street, London EC2V 7HN, United Kingdom.

Lloyds Bank Corporate Markets was created in response to the Financial Services (Banking Reform) Act 2013, which took effect from 1 January 2019 and requires the separation of certain commercial banking activities and international operations from the rest of the Lloyds Banking Group.

Lloyds Bank Corporate Markets and its subsidiaries provides deposit taking, lending and transaction banking products and services to customers (both new and existing) and is also responsible for the provision of certain wholesale banking products and services (including loan markets, bonds and asset securitisation and elements of foreign exchange, commodities and rate management). Lloyds Bank Corporate Markets has a client-led strategy, focused on UK based clients and international clients with a link to the UK.

Additional information on Lloyds Bank Corporate Markets, and Lloyds Banking Group's approach to ring-fencing, is available from Investor Relations, Lloyds Banking Group, 25 Gresham Street, London EC2V 7HN or from the following internet website address: <http://www.lloydsbankinggroup.com>. The information on this website does not form part of this Prospectus.

THE COLLECTION ACCOUNT BANK

National Westminster Bank Plc (the "**Bank**") is a wholly-owned subsidiary of NatWest Holdings Limited, which in turn is a wholly-owned subsidiary of The Royal Bank of Scotland Group plc (the "**ultimate holding company**"), a banking and financial services group. The Group comprises the Bank and its subsidiary and associated undertakings. The Group has a diversified customer base and provides a wide range of products and services to personal, commercial and large corporate and institutional customers. RBS Group comprises the ultimate holding company and its subsidiary and associated undertakings.

RBS Group had total assets of £738 billion and owners' equity of £48 billion as at 31 December 2017. RBS Group's capital ratios on the end-point CRR basis as at 31 December 2017 were a total capital ratio of 21.3%, a CET1 capital ratio of 15.9% and a Tier 1 capital ratio of 17.9%. RBS Group's capital ratios on the PRA transitional basis as at 31 December 2017 were a total capital ratio of 23.9%, a CET1 capital ratio of 15.9% and a Tier 1 capital ratio of 19.7%.

The Group had total assets of £341 billion and owners' equity of £16 billion as at 31 December 2017. The Group's capital ratios on the PRA transitional basis as at 31 December 2017 were a total capital ratio of 30.9%, a CET1 capital ratio of 23.5% and a Tier 1 capital ratio of 23.5%.

THE CORPORATE SERVICES PROVIDER AND STANDBY SERVICER FACILITATOR

Law Debenture Corporate Services Limited was incorporated on 12 June 1997 in England and Wales under the Companies Act 1985 (registration number 03388362) and its registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX.

Law Debenture Corporate Services Limited was established to provide independent directors and administrative services to special purpose vehicles set up in connection with securitisation, project and structured finance transactions. Law Debenture Corporate Services Limited and its associated companies have supplied directors and/or management services to special purpose vehicles located in the UK, Jersey and Ireland.

THE STANDBY SERVICER

Link Mortgage Services Limited is a private limited company incorporated in England and Wales on 3 August 1967 and registered under company number 00912411. The registered office of Link Mortgage Services Limited is at 6th Floor, 65 Gresham Street, London EC2V 7NQ.

Link Mortgage Services Limited is one of the mortgage administration industry's longest established organisations and is rated RPS2- by Fitch Ratings Limited and ranked Above Average by S&P, in each case for primary servicing and RSS 2- and Above Average, in each case for special servicing of residential mortgage loans.

Link Mortgage Services Limited currently services in excess of 50,000 borrowers, 58,000 accounts totalling £5.8bn of mortgage assets. It has the experience of being the only appointed standby mortgage servicer in the UK to have been called upon to undertake mortgage administration in place of a primary mortgage servicer. Link Mortgage Services Limited has significantly more than 5 years' experience servicing loans similar to the Loans included in the Portfolio.

Link Mortgage Services Limited has ISO 9001-2008 certification, is an Associate Member of UK Finance and Building Society Association and is authorised and regulated by the Financial Conduct Authority under registration number 306235. It holds all relevant permissions under FSMA and is registered under the Data Protection Act 1998.

THE LOANS

The Portfolio

Introduction

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

The Seller procured the selection of the Loans for transfer into the Provisional Portfolio, using a system containing defined data on each of the qualifying loans. This system allows the setting of exclusion criteria among others corresponding to relevant Loan Warranties that the Seller will make in the Mortgage Sale Agreement in relation to the Loans (for the avoidance of doubt, the Loan Warranties are given in relation to the Portfolio and not the Provisional Portfolio). Once the criteria have been determined, the system identifies all loans owned by the Seller that are consistent with the criteria. The Loans selected for transfer into the Provisional Portfolio are representative of the residential loans meeting the selection criteria which the Seller holds immediately prior to the sale of the Portfolio. After a pool of Loans is selected in this way, the constituent Loans are monitored so that they continue to comply with the Loan Warranties on the Closing Date.

Unless otherwise indicated, the description that follows relates to types of loans that could be sold to the Issuer as part of the Portfolio as at the Closing Date.

The Portfolio

The Portfolio from time to time after the Closing Date will comprise loans advanced to the Borrowers upon the security of residential property situated in England, Wales or Scotland, such loans acquired pursuant to the Mortgage Sale Agreement and Scottish Declaration of Trust (as applicable), other than Loans which have been repaid or which have been purchased from the Issuer pursuant to the Mortgage Sale Agreement and Scottish Declaration of Trust (as applicable).

Characteristics of the Loans

Repayment Terms

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

Loans are typically repayable on a repayment basis, where the Borrower makes monthly payments of both interest and principal so that, when the Loan matures, the full amount of the principal of the Loan will have been repaid.

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

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

At origination all Borrowers are required to set up a Direct Debit for payment. Throughout the life of the relevant Loan, the payment method may change due to forbearance activities for example.

Interest Rate Types

The Portfolio consists of Loans which have (after an initial specific period where a fixed rate of interest applies) a managed variable interest rate (the "**Standard Variable Rate**" or "**SVR**"). As at the Closing Date, the Seller's SVR is 4 per cent.

Origination of the Portfolio

The Portfolio comprises Loans originated by the Seller.

Security

All of the Loans are secured by first ranking Mortgages.

Governing Law

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

Overpayments and Early Repayment Charges

Overpayments are allowed although an Early Repayment Charge may be payable. All Borrowers must make contact with the Servicer to initiate either a one-off overpayment or regular overpayments. When a Borrower requests an overpayment, a quote must be completed to advise the impact on term or contractual payment (in the case of one-off overpayments). Any regular overpayment is added to a loan account as credit arrears until the date of the next direct debit payment. On the direct debit date, the Current Balance (and the term, unless the customer expressly requests for this not to be the case) is reduced when the credit arrears is applied to the loan. If the overpayment triggers an Early Repayment Charge, the payment of such Early Repayment Charge is manually processed.

Title to the Portfolio

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

None of the above mentioned transfers to the Issuer is to be completed by registration at the Land Registry or the Registers of Scotland (as the case may be) or notice given to the relevant Borrowers until the occurrence of one of the events mentioned below. The English Loans in the Portfolio and their Related Security are accordingly owned in equity only by the Issuer pending such registration and notification and the Scottish Loans in the Portfolio and their Related Security are accordingly held on trust for the Issuer pending such registration and notification. Legal title in the Loans and their Related Security will continue to be vested in the Seller until the occurrence of a Perfection Event. In the case of the Loans secured over registered land in England or Wales or registered or recorded land in Scotland which will be transferred to the Issuer on the Closing Date, the Seller has agreed to remain on the Land Registry or the Registers of Scotland, as applicable, as the legal mortgagee or as heritable creditor. Following the occurrence of a Perfection Event, the Seller has agreed, in the Mortgage Sale Agreement, to transfer legal title to the Issuer, which transfer will be perfected by steps including filing forms and assignments of standard securities at the Land Registry or the Registers of Scotland and notifying the Borrower of such transfer, as applicable, by the Issuer.

The Issuer will grant a first fixed charge in favour of the Security Trustee over its interest in the Loans (being, in respect of the Scottish Loans, an assignation in security of its interest in and to the 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 Loans to the Issuer or the granting of security over the Loans by the Issuer in favour of the Security Trustee nor, save as mentioned below, to obtain possession of Title Deeds to the properties the subject of the Loans.

Notices of the equitable assignments or declarations of trust in favour of the Issuer and the security in favour of the Security Trustee will not, save as mentioned below, be given to the Borrowers under the Loans (being, in respect of the Scottish Loans, an assignation in security of its interest in and to the Scottish Declaration of Trust and the trust constituted thereunder).

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

- (a) the Seller being required by an order of a court of competent jurisdiction or by a regulatory authority which has jurisdiction over the Seller or by any organisation of which the Seller is a member, or whose members comprise (but are not necessarily limited to) mortgage lenders and with whose instructions it is customary for the Seller to comply, to perfect legal title to the Loans and their Related Security; or
- (b) it becoming necessary by law to do any or all of the acts referred to in paragraph (a) above; or
- (c) a material breach by the Seller of its obligations under the Transaction Documents (to which it is party), where such breach remains unremedied for a period of 30 days following the Seller becoming aware of such breach; or
- (d) the security created under or pursuant to the Deed of Charge or any material part of that security being, in the reasonable opinion of the Security Trustee, in jeopardy; or
- (e) the Seller calling for perfection by serving notice in writing to that effect on the Issuer and the Security Trustee; or
- (f) an Insolvency Event occurring in relation to the Seller; or
- (g) the Seller determines, as at any date, that its CET1 Ratio has fallen below 7 per cent., where "**CET1 Ratio**" means the ratio (expressed as a percentage) of Common Equity Tier 1 as at such date to the Risk Weighted Assets as at the same date, in each case calculated by the Seller on an individual consolidated basis (as referred to in Article 9 of the CRR) or, as the context requires, a consolidated basis, "**Common Equity Tier 1**" means, as at any date, the sum of all amounts that constitute common equity tier 1 capital of the Seller as at such date, less any deductions from common equity tier 1 capital required to be made as at such date, in each case as calculated by the Seller on an individual consolidated basis (as referred to in Article 9 of the CRR) or, as the context requires, a consolidated basis, in each case in accordance with the then prevailing capital requirement regulations but without taking into account any transitional, phasing-in or similar provisions and "**Risk Weighted Assets**" means, as at any date, the aggregate amount of the risk weighted assets of the Seller as at such date, as calculated by the Seller on an individual consolidated basis (as referred to in Article 9 of the CRR) or, as the context requires, a consolidated basis, in each case in accordance with the then prevailing capital requirement regulations; or

- (h) it becoming unlawful in any applicable jurisdiction for the Seller to hold legal title in respect of any Loan or its Related Security in the Portfolio.

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

Warranties and Breach of Warranties in relation to the Loans

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

No searches, enquiries or independent investigation of title of the type which a prudent purchaser or mortgagee would normally be expected to carry out have been or will be made by the Issuer. The Issuer will rely entirely on the benefit of the representations and warranties given to it under the Mortgage Sale Agreement.

In the event of any breach of these representation and warranties in relation to a Loan and/or its Related Security which could (having regard to, but without limitation, whether a loss is likely to be incurred in respect of that Loan and/or its Related Security to which the breach relates after taking into account the likelihood of recoverability or otherwise of any sums under any applicable insurance policies) have a Material Adverse Effect on the value of that Loan and/or its Related Security (an "**Affected Loan**"), and which, if capable of remedy, is not so remedied by the Seller within 30 Business Days of notification of such breach to the Seller, the Seller is required to repurchase such Affected Loan and its Related Security for a consideration in cash equal to the Repurchase Price. If an Affected Loan has never existed, or has ceased to exist, such that it is not outstanding on the date on which it is due to be repurchased, the Seller will not be obliged to repurchase that Affected Loan, but shall instead indemnify the Issuer against any loss suffered by reason of any Loan Warranty relating to or otherwise affecting that Affected Loan being untrue or incorrect.

Underwriting

The Seller's underwriting approach is continually developed and enhanced. What follows is a general description of the Seller's approach to underwriting to date regarding the Loans in the Portfolio. The policies referred to below will not apply to all Loans in the Portfolio at all times and may be changed by the Seller acting as a Prudent Mortgage Lender.

The Seller currently adopts a system-based approach to lending assessment. Applications are handled via a highly automated, mortgage originations system. Application data is input by a mortgage intermediary on behalf of the applicants. This is then systematically assessed against a suite of rules held between a combination of the originations system, and the Seller's fully integrated decision engine, covering:

- (a) Mortgage Credit score: The Seller's current application scorecard is a hybrid statistical and expert judgement model. It was initially deployed in November 2016 and last updated in January 2018.
- (b) Affordability: calculation of the Seller's maximum loan amount that reflects the applicant's income net of tax, credit commitments, basic expenditure (which varies according to income, number of applicants and dependants), council tax, other

significant expenditure declared by the customer and the stressed mortgage payment. The calculation conforms with MCOB regulation as detailed in section 11.6; and

- (c) Lending policy rules: a range of rules applied to the application to decline applications outside lending criteria or to set limits on loans which fall within lending criteria.

The decision system returns a decision categorised into accept, refer and decline. For refer and decline decision types, the system also specifies the level of mandate status required to override the system rules.

Accepts are dealt with, in line with the Seller's Mortgage Lending Policy, by the originations processing function. On first accessing the application, this team is responsible for completing a "sense check" of the case profile (including comparison of declared credit commitments with those recorded at the credit bureau)

Refers are automatically and systematically tasked to underwriters for assessment and final lending decision. An underwriter will assess the rule failure/s in conjunction with each applicant's individual circumstances, the loan purpose, ability to repay the loan, the value and condition of the security and (unless additional information is required) will agree or decline the application

Decline decisions are classed as either "hard" or "soft". A "soft" decline gives the intermediary the opportunity to remodel the application data to bring the case within lending policy e.g. max. loan amount is lower than requested, or LTV exceeds a policy limit. A "hard" decline does not provide any opportunity to change the application data as doing so would have no impact on the decision e.g. adverse credit exceeding policy limits exist at the credit bureau

All mortgage applications are subject to income verification (either by automated credit bureau checks or manually assessed documentary proof) and an assessment of the customer's ability to repay. The operational area that processes mortgage applications is responsible for all manual verification processes based on a task-based systems platform. Individuals involved in the verification process must adhere to standard operating procedures. Once all tasks have been satisfactorily completed a mortgage offer will be generated by the task-based system. For applications that are subject to a refer, Seller mandated underwriters are authorised to subsequently approve applications, subject to detailed scrutiny of the customer's ability to repay. Mortgage underwriting decisions, verification processes and lending mandates are subject to internal monitoring by the Seller to ensure the Seller's procedures and policies regarding underwriting are being followed by staff.

Other characteristics

The Loans comprised in the Portfolio as at the Cut-Off Date are homogeneous for purposes of Article 20(8) of the Securitisation Regulation, on the basis that all such Loans: (i) have been underwritten by the Seller in accordance with similar underwriting standards applying similar approaches with respect to the assessment of a potential borrower's credit risk; (ii) are repayment loans entered into substantially on the terms of similar standard documentation for residential mortgage loans; (iii) are serviced by the Servicer pursuant to the Servicing Agreement in accordance with the same servicing procedures with respect to monitoring, collections and administration of cash receivables generated from such Loans; and (iv) form one asset category, namely residential loans secured with one or several mortgages on residential immovable property in England, Wales and Scotland.

Lending Criteria

Each loan was originated in accordance with the Seller's lending criteria which were applicable at the time the loan was offered. The lending criteria in the case of each loan originated by the Seller and included in the portfolio as at the date of this Prospectus are the same as, or substantially similar to the criteria described in this section. New loans may only be included in the Portfolio if they are originated in accordance with the Lending Criteria (as defined below) and are compliant with the other conditions for sale as outlined in the Mortgage Sale Agreement and summarised above under *Summary of the Key Transaction Documents – Mortgage Sale Agreement*. However, the Seller retains the right to revise its Lending Criteria (as defined below) from time to time, therefore, the criteria applicable to new loans may not be exactly the same as those currently included.

The following is a summary of the criteria (the "**Lending Criteria**") of the Seller in relation to mortgage loans to be secured on properties located in England, Scotland and Wales that were applied (subject to such deviation made in accordance with the standard of a Prudent Mortgage Lender) in respect of the Mortgages to be sold pursuant to the Mortgage Sale Agreement.

To obtain a loan, the mortgage intermediary appointed by each prospective borrower completes an online application via an online portal which includes information about the applicant's income, current employment details, current mortgage information, if any, and certain other personal information. The Seller completes a credit reference agency search in all cases against each applicant at their current address and, if necessary, former addresses, which gives details of public information including any county court judgements and bankruptcy details.

Some of the factors currently used in making a lending decision are as follows:

1. Income / Employment

The Seller generally operates the following policy in respect of the verification of a prospective borrower's income details.

The Seller will accept certain types of income, subject to satisfactory evidence being obtained, including:

- Income from employment (e.g. Basic salary, work allowances (e.g. Car, Location, Shift), Overtime, Bonus, Commission);
- Income from self-employment (where the applicant owns 20% or more of the allocated shares (e.g. share of net profits, directors salary);
- Income from retirement e.g. pensions and annuities; and
- (Some) Income from investment incomes e.g. dividends (if not a director of company), rental income.

A higher income weighting is applied to primary, permanent and reliable income sources (such as basic salary, car allowance, pension) and a lower weighting to other regular and sustainable, but more variable, forms of income (overtime, commission, investment income).

Verification of income will be by either:

- Income information held at the credit bureaux and/or
- Supporting documents verifying the stated incomes such as payslips, P60s, HMRC self-assessment statements, accounts, accountants certificate (from an appropriately qualified accountant), bank statements, investment statements etc.

Where income cannot be verified, it will be excluded as the Seller does not use unverified income in affordability calculations.

The affordability calculation, used in all cases, is designed to ensure that applicants have a sufficient proportion of their income remaining, after taking account of mortgage repayments, to cover credit commitments, household and lifestyle costs. Where there are two applicants, the Seller adds joint incomes together for the purpose of calculating the applicants' total income.

Calculation of the amount that the Seller is willing to lend is based upon assessing affordability in the following ways:

- Free disposable income affordability - compares the Projected Stressed Mortgage Repayment ("**PSMR**") against proven net income less expenditure; and
- Income multiple affordability - simply utilises proven gross income and has a maximum 4.5x income.

The Seller adopts a conservative approach and offers the lower of the two calculated figures as the Maximum Loan Amount (MLA) to the applicant.

An application will be deemed unaffordable and rejected if it breaches one of the affordability assessments detailed above.

The Seller calculates an applicants' PSMR using the requested loan amount and payment term together with a stressed mortgage rate (approved by Credit Committee), to allow for payment shock.

To avoid layered risk, applications assessed as having marginal affordability (where there is a combination of limited affordability headroom, a high income multiple, high LTV and low credit score) will be declined by the system.

2. Valuation

The Seller requires that a valuation of the property by way of either an Automated Valuation Model or Physical Valuation based on full internal and external inspection.

The type of valuation executed depends on the perceived risk of the transaction to the Seller, and is determined systematically (within the lending originations system) as part of the application journey, based on a rule set reflective of the Seller's property valuation policy.

Where the mortgage loan is perceived as lower risk e.g. low LTV, lower loan size, remortgage transactions, and where pre-defined eligibility criteria have been met, automated valuation models ("**AVMs**") are used. Minimum confidence levels are required on any AVM. If the confidence level or valuation figure is too low a Physical Valuation is then automatically instructed.

When a full physical mortgage valuation report based upon internal and external inspection is required, it must be prepared by a Royal Institute of Chartered Surveyors (RICS) qualified surveyor selected by the Seller's independent valuation panel manager in accordance with the RICS Red Book and the Seller's Guidance Notes to Valuers.

Valuations are instructed and received back automatically from the mortgage originations system the valuation panel manager, and received back through this same channel.

The valuation report is then automatically assessed within the system against the Seller's lending policy rules using a valuation policy rule set. If a referral is required, the valuation report is referred to an underwriter to determine what action is necessary to resolve the issue identified by the valuer, which may include further investigative reports to help support a final decision.

In addition to the valuation of new house purchase and properties for re-mortgage loan applications described above, further advances may also be subject to a valuation process, based on age of value and LTV.

All aspects of valuation policy and the business rules applied are reviewed periodically.

3. Property types

The Seller applies business rules related to property type, location, purpose/use of property and tenure to determine the eligibility of properties to serve as security for loans.

The eligibility criteria for loans to be included in the Portfolio is restricted to properties used as residential property for owner occupiers located throughout England, Wales and Scotland.

Property taken as security must be either freehold (excluding flats), leasehold or Ownership Scotland. Commonhold properties or freehold flats are not accepted. In the case of a loan secured by a leasehold property, the Seller requires that the unexpired term of the lease be at least 30 years from the end of the agreed loan term and an absolute minimum unexpired lease term of 80 years at the inception of the loan.

4. Security

Each Loan is secured by a first ranking legal mortgage or, in Scotland, a first ranking standard security (a "**Mortgage**") over a freehold or long leasehold (usually at least 30 years longer than the mortgage term) residential property in England or Wales, or an owned residential property in Scotland (a "**Property**").

Only property of an acceptable standard of construction and intended for use wholly or partly as a principal place of residence.

Properties under ten years old will have the benefit of NHBC or equivalent insurance.

Due to the increased property risk, and hence re-saleability in the event of repossession, the Seller deems the following types of property unacceptable as security:

- Commercial premises - either full or partial, including live/work units;
- High rise ex local authority flats (5 storeys or more);
- Freehold flats (with the exception of flats subject to the Tenements (Scotland) Act 2004);
- Flats with balcony access;
- Flats that are not self-contained or without independent access;
- Isolated rural properties with restricted access and limited services (defined for this purpose as no mains electricity or water);
- Bedsits;

- Static caravans;
- Park homes;
- House boats;
- Working farms;
- Purchase of Land;
- Entirely timber constructed properties i.e. log cabins;
- Pre-cast reinforced concrete construction (unless improved to building regulation standards and confirmed so by a Structural Engineer);
- Properties constructed with high-alumina cement or containing Mundic concrete;
- Flying freeholds > 15%;
- Grade I listed buildings;
- Self-build properties under construction;
- Partially built properties;
- Properties with no kitchen or bathroom - unless being installed by applicants
- Properties with a restricted occupancy clause, for example, can only be occupied for a maximum of 11 months in any one year;
- Timeshare accommodation;
- Properties where material environmental hazards are revealed by environmental searches;
- Properties where there is ongoing structural movement;
- Properties where saleability may be adversely affected by an unsatisfactory mining search;
- Properties excluded from full buildings insurance;
- Properties affected by planning restrictions or by local planning issues (section 106 exceptions are detailed below);
- Properties liable to be subject to clearance or compulsory purchase order;
- Properties subject to 3rd party interest; and
- Any property deemed unsuitable security by the valuer.

Each Property offered as security will have been valued by either a qualified surveyor (RICS) assigned from a panel of valuation firms approved by the Seller or by an automated valuation model under which the valuation of the relevant Property was undertaken using Hometrack Data Systems Limited's automated valuation model.

As part of the standard terms and conditions of lending, the borrower is required to maintain buildings insurance covering against standard perils from completion and throughout the life of the mortgage.

5. Loan Amount

No Mortgage may exceed a maximum principal amount of £2,000,000 (including Further Advances).

6. Loan to value

The loan to value ratio ("**LTV**") is calculated by expressing the initial principal amount advanced at completion of the Mortgage as a percentage of the lower of the Seller's valuation of the Property and, in the instance of a purchase transaction, the purchase price.

The maximum LTV of each Mortgage at the date of completion is no more than 95 per cent (excluding product fees which may be added to the loan).

7. Term

Each Mortgage must have an initial term of between two and 40 years. The term of the loan is not permitted to be less than any fixed rate period associated with the mortgage product selected.

8. The Borrowers

The Borrowers must have been at least 18 years of age prior to completion of the Loan. A maximum number of two Borrowers are allowed to be parties to the Mortgage.

9. Credit History

Credit Search

A credit search is carried out on all applicants. Applications may be declined where an adverse credit history (for example, county court judgment, default or bankruptcy notice) is revealed.

Payment History

Subject to the credit score result, in some cases the Seller may seek to see the Borrower's mortgage statements. Any statements must satisfy the Seller that the account has been properly conducted and that no history of material arrears exists. The Seller may substitute the statements with the bureau record obtained as a result of the credit search.

10. Scorecard

The Seller uses an application scorecard to produce an overall credit score for the application that provides a quantitative measure of the probability of default of the loan. The Seller's scorecard was developed using a combination of TransUnion data and experienced based judgements. Lending policies and processes are determined centrally to ensure consistency in the management and monitoring of credit risk exposure. Credit scoring applies statistical analysis to credit reference agency bureau data and customer-provided data to assess the likelihood of a mortgage account going into arrears. (The scorecard is reviewed quarterly).

The Seller reserves the right to decline an application that has achieved a passing score. It is the Seller's policy to allow only properly mandated underwriters to accept an application that has not achieved a passing score. The Seller does have an appeals process if an applicant believes that his/her application has been unfairly declined.

On a case-by-case basis, and within approved limits as detailed in the Seller's lending criteria, the Seller acting as a Prudent Mortgage Lender may have determined that, based upon compensating factors, a prospective borrower that did not strictly qualify under its lending criteria at that time warranted an underwriting exception. The Seller may take into account compensating factors including, but not limited to, a low LTV ratio, stable employment and time in residence at the applicant's current residence.

The assessment of a borrower's creditworthiness is conducted in accordance with the lending criteria and, where appropriate, shall meet the requirements set out in Article 8 of the Consumer Credit Directive or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of the Mortgage Credit Directive.

Exceptions to the Lending Criteria

Exceptions to the Lending Criteria may only be made by bank mandate holders ("**Mandate Holders**"). Within their individual mandate, the Seller's Mandate Holders may make any exception to the Lending Criteria provided that such exception (i) is within their mandated lending authority (varies by mandate level) (ii) is in line with prudent mortgage lending practices and (iii) is fully documented on the case.

Changes to the Lending Criteria

The Seller may vary the Lending Criteria from time to time in the manner of a Prudent Mortgage Lender.

Any such changes over time have not affected the homogeneity (as determined in accordance with Article 20.8 of the Securitisation Regulation) of the Loans comprising the Portfolio. Any material change to the Lending Criteria after the date of this Prospectus which would (A) affect the homogeneity (as determined in accordance with Article 20.8 of the Securitisation Regulation) of the Loans comprising the Portfolio, or which would (B) materially affect the overall credit risk or the expected average performance of the Portfolio will (to the extent such change affects the Loans included in the Portfolio from time to time) be disclosed (along with an explanation of the rationale for such changes being made) to investors by the Seller without undue delay.

In addition investors should be aware that the Lending Criteria apply to all mortgage loans, including those originated by the Seller which are not included in the Provisional Portfolio. For further information on the Loans to be sold to the Issuer, please refer to the Loan Warranties as set out in the section headed *Summary of the Key Transaction Documents – Mortgage Sale Agreement*.

Servicing of the Portfolio

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

- operating the Collection Account and ensuring that payments are made into and from the Collection Account in accordance with the Servicing Agreement;
- operating or giving instructions to the Elavon Account Bank in relation to the Elavon Transaction Account and to the Swap Collateral Account Bank in relation to the Swap Collateral Account;
- notifying the Borrowers of any change in their Monthly Instalments;
- providing a redemption statement upon the request of a Borrower or the Borrower's solicitor or licensed 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 Related Security; and
- taking all action and doing all things which it would be reasonable to expect a Reasonable, Prudent Residential Mortgage Servicer to do in administering its mortgages.

"**Collection Account**" means the account held in the name of the Seller with the Collection Account Bank with IBAN GB41NWBK60000148540870, and into which amounts received in respect of the Loans and their Related Security in the Portfolio shall be paid, and any other replacement or additional collection account of the Seller into which amounts are received in respect of the Loans and their Related Security in the Portfolio.

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

Arrears and Default Procedures

Delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, losses, charge offs, recoveries and other asset performance remedies and actions are defined in accordance with the originating, underwriting, servicing, arrears and enforcement policy applied by the Seller from time to time to loans and the security for their repayment which are beneficially owned solely by the Seller (the "**Seller's Policy**") as it applies to the Loans from time to time.

Capitalising Arrears

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

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

- (a) Capitalisation will only be considered as a treatment when:
 - (i) the Servicer understands the relevant Borrower's financial and personal circumstances;
 - (ii) long term affordability has been explored with the relevant Borrower;
 - (iii) all other treatments have been appropriately explored or exhausted with the relevant Borrower;
 - (iv) it is deemed by the relevant Borrower to be in its best interest; and
 - (v) the relevant Borrower has completed an income and expenditure assessment.
- (b) The risks and implications associated with Capitalisation will be clearly articulated to the Borrower prior to capitalising their Arrears. The Borrower may be advised to seek independent advice before deciding if Capitalisation is the right option for them, although neither the Servicer nor the Seller require the Borrower to seek such advice.

- (c) Capitalisation will not be applied automatically.
- (d) In order to be eligible for Capitalisation:
 - (i) the relevant Borrower should have maintained its contractual monthly payments for a minimum of 12 consecutive months and have demonstrated an ability to maintain the higher payments due as a result of the Capitalisation; and
 - (ii) the relevant Borrower must not have had any Arrears capitalised in the preceding 12 months.

The Servicer may update the Collections Policy from time to time in accordance with the standards of a Reasonable, Prudent Residential Mortgage Servicer. In so doing the Servicer shall adhere to the then current regulatory requirements imposed by and/or guidance issued by, without limitation, the FCA and the CCA. See the section entitled *Risk Factors - Consumer Protection from Unfair Trading Regulations 2008* for further details.

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

Arrears policy

The Seller has detailed Collections and Recoveries Policy and Procedures in place to detail the approach taken to arrears management including borrower contact strategy, governance processes, actions taken at each stage of the collections lifecycle, borrower scoring and segmentation, affordability assessments, arrears treatments and forbearance solutions, litigation and repossession, management information and mandates. These policies and procedures are aligned to all required regulation including MCOB.

The high-level management process for mortgage borrowers in financial difficulties or arrears is covered in the following sections:

- (a) Pre-delinquency

Borrowers who are currently up to date with their mortgage payments but are showing signs of potential financial difficulties based on Credit Reference Agency data are proactively contacted to allow the Seller to understand the borrower's circumstances, conduct a full affordability assessment and if required provide borrowers with support or sign post borrowers to independent providers of debt advice.

- (b) Collections, Restructuring and Forbearance.

Any missed payment will result in a borrower entering the collections process. A number of contact methods are utilised to achieve borrower engagement with the aim to fully understand the borrower's circumstances and agree a sustainable and affordable forbearance solution. A range of forbearance solutions are available, and the most appropriate solution will be determined by the borrower's personal and financial circumstances.

Forbearance solutions include but are not limited to:

- overpayment arrangements to pay;
- concessionary arrangements to pay;

- term extensions;
- temporary periods of interest only;
- referrals to independent debt advice and government schemes; and
- assisted sales.

Arrangements to pay are reviewed regularly with borrowers, and the Seller does not alter an agreed plan until such plan is reviewed with the borrower, unless the borrower requests a change or there is a significant change in circumstances. Collections and forbearance performance are monitored closely and reported appropriately via the Seller's Risk Committee Structure. A mandate structure is in place which strikes an appropriate balance between empowering front-line colleagues to deal effectively with borrowers in financial difficulty, whilst ensuring those cases requiring more complex forbearance solutions are referred appropriately.

(c) Litigation

In cases where it is evident that a borrower can no longer afford to meet their obligations, and there is no prospect of resolving the situation via a sustainable forbearance solution then repossession action may be taken as a last resort. The Seller has policies, procedures and relationships in place to commence litigation action that abides by all regulations and protocols. Accounts must meet certain criteria before litigation will be considered and all cases requiring litigation must be authorised by an appropriate mandate holder. Borrowers will be informed that they will be liable for all solicitor and court costs incurred as part of the repossession proceedings and sale process. For all jurisdictions litigation is conducted by a law firm who act as the Seller's collections partner. Borrower rehabilitation attempts will continue throughout the litigation process and forbearance solutions will continue to be available to borrowers as repossession remains a last resort throughout.

(d) Possession Sales

Following the repossession of a property via court proceedings, the voluntary surrender of the property, or a property being abandoned by a borrower, the property is secured and marketed by an asset manager who in turn instruct property maintenance companies and selling agents. The Seller oversees all of this activity to ensure sales are conducted in a timely manner while also achieving the best price possible in prevailing market conditions. The auction of a property will only be considered as a last resort where it is believed to be the most appropriate means of disposal to obtain the best possible sale price in a timely manner.

(e) Shortfall Recoveries

If a shortfall is crystallised on the sale of the property the Seller will inform the borrower of the amount of the mortgage shortfall debt as soon as possible and, where relevant, the decision to recover the debt. The Seller will grant the borrower a reasonable amount of time to re-establish their financial situation before pursuing payment of the shortfall debt. Any arrangement to repay this shortfall will be sustainable and affordable based on the borrower's financial circumstances. If appropriate sale of shortfall debts may also be considered with the borrower informed suitably at all stages.

Enforcement Procedures

The Seller has established procedures for managing loans which are in arrears, including early contact with Borrowers in order to find a solution to any financial difficulties they may be experiencing. The

procedures permit discretion to be exercised by the appropriate officer of the Seller in many circumstances. These procedures, as from time to time varied in accordance with the practice of a Reasonable, Prudent Residential Mortgage Servicer or with the consent of, *inter alia*, the Issuer and the Security Trustee, are required to be used by the Seller in respect of arrears arising on the Loans.

"Reasonable, Prudent Residential Mortgage Servicer" means a reasonable prudent residential mortgage servicer, having the same or similar business model as the Seller, who is servicing residential mortgage loans and their collateral security in respect of residential property in England, Wales or Scotland and which have in all material respects the same or similar characteristics to the Portfolio and are originated, administered and held to maturity to lending standards, lending criteria and procedures as ought to have been applied in relation to the Portfolio or, if the relevant context relates to a specific Loan, as ought to have been applied in relation to such Loan.

In order to realise its security in respect of a Property, the relevant mortgagee (be it the legal owner (the Seller), the equitable or, as the case may be, the beneficial owner (the Issuer), the Security Trustee or its appointee (if the Security Trustee has taken enforcement action against the Issuer)) will need to obtain possession. There are two means of obtaining possession for this purpose: first, by taking physical possession (seldom done in practice), and, second, by obtaining a court order.

If a mortgagee 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, be liable for any damage to the Property, have a limited liability to repair the Property and, in certain circumstances, may be obliged to make improvements.

Actions for possession are regulated by statute and the courts have certain powers to adjourn possession proceedings, to stay any possession order or postpone the date for delivery of possession. The court will exercise such powers in favour of a Borrower, broadly, where it appears to the court that such Borrower is likely to be able, within a reasonable period, to pay any sums due under the loan or to remedy any default consisting of a breach of any other obligation arising under or by virtue of the loan and/or mortgage.

The court has a very wide discretion and may adopt a sympathetic attitude towards a Borrower faced with eviction. If a possession order or decree in favour of the relevant mortgagee 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 price for the Property. 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.

Insurance Contracts

Buildings Insurance

Buildings insurance at the date of completion of the relevant Loan is confirmed by the relevant conveyancer in accordance with the UK Finance Mortgage Lenders' Handbook of 1 July 2017 (as amended, amended and restated, supplemented, or replaced from time to time); the relevant conveyancer is required to make reasonable enquiries that the buildings insurance has been obtained and, in submitting their certificate of title to the Seller, has confirmed that this requirement has been satisfied.

Credit Risk Mitigation

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

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

- (a) criteria for the granting of credit and the process for approving, amending, renewing and re-financing credits (as to which, in relation to the Loans, please see the information set out in this Prospectus headed *The Loans – Lending Criteria and Summary of the Key Transaction Documents – Servicing Agreement*);
- (b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures (as to which it should be noted that the Portfolio will be serviced in line with the servicing procedures of the Seller and the Servicer – please see further the section of this Prospectus headed *Summary of the Key Transaction Documents – Servicing Agreement*);
- (c) diversification of credit portfolios taking into account the Seller's target market and overall credit strategy (as to which, in relation to the Portfolio, please see the section of this Prospectus headed *Characteristics of the Provisional Portfolio*); and
- (d) policies and procedures in relation to risk mitigation techniques (as to which, please see further the section of this Prospectus headed *The Loans – Lending Criteria and Summary of the Key Transaction Documents – Servicing Agreement*).

CHARACTERISTICS OF THE PROVISIONAL PORTFOLIO

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

As at the Portfolio Reference Date, the Provisional Portfolio was comprised of 2,919 loans originated by the Seller between September 2017 and April 2019 and secured over properties located in England, Wales and Scotland. The aggregate Current Balance of the loans in the Provisional Portfolio as at the Portfolio Reference Date was £507,866,570.57. 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, Class VRR Notes and Certificates. The characteristics of the Portfolio will vary from those set out in the tables in this Prospectus as a result of, *inter alia*, (a) repayments and redemptions of loans, (b) the removal of any loans from the Portfolio on a randomly selected basis up to and including the Cut-Off Date, (c) the removal of any loans from the Portfolio that do not comply with the Loan Warranties as at the Closing Date, and (d) the removal of loans that may trigger a repurchase obligation (i.e. in respect of Product Switches and Further Advances) shortly after the Closing Date. If loans selected for the Portfolio are repaid in full between the Cut-Off Date and the Closing Date, the principal recoveries from that loan will form part of the Available Redemption Receipts. Except as otherwise indicated, these tables have been prepared using the Current Balance of each loan in the Provisional Portfolio as at the Portfolio Reference Date, which includes all principal and accrued interest for the loans in the Provisional Portfolio.

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

| | |
|--|-------------------|
| Portfolio Reference Date: | 30 September 2019 |
| Current Balance (£): | 507,866,570.57 |
| No. of accounts: | 2919 |
| Average Current Balance (£): | 173,986 |
| First legal mortgage / first ranking standard security %: | 100% |
| Weighted average Original Loan to Value Ratio %: | 74.07% |
| Weighted average Current Loan to Value Ratio %: | 72.14% |
| Weighted average Indexed Current Loan to Value Ratio %: | 71.70% |
| Maximum Indexed Current Loan to Value Ratio %: | 95.10% |
| Weighted average interest rate %: | 2.16% |
| Fixed rate Loans reverting to SVR (as % of Current Balance): | 100% |
| Repayment Loans (as % of Current Balance): | 100% |
| Weighted average seasoning (months): | 10.30 months |
| Weighted average remaining term (years): | 24.54 years |
| Arrears (as % of Current Balance): | 0.00% |
| Full property valuation (as % of Current Balance): | 83.61% |
| Self-employed borrowers (as % of Current Balance): | 5.42% |
| Owner-occupied properties (as % of Current Balance): | 100% |
| Holiday/second home | 0.00% |
| First time buyer (as % of Current Balance): | 28.59% |
| Home purchase Loans (as % of Current Balance): | 42.58% |
| Refinance Loans (as % of Current Balance): | 57.42% |
| Help to Buy Equity Loans (as % of Current Balance) | 0.00% |

Current Balances

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

| Current Balance (£) | Current Balance (£) | Balance | % by Current Balance (%) | Number of Loans | % of Loans (%) |
|----------------------------|----------------------------|----------------|---------------------------------|------------------------|-----------------------|
| 0,000 - 25,000 | 64,855 | | 0.01 | 3 | 0.10 |
| 25,001 – 50,000 | 1,663,730 | | 0.33 | 42 | 1.44 |
| 50,001 – 100,000 | 43,464,982 | | 8.56 | 538 | 18.43 |
| 100,001 – 150,000 | 109,775,123 | | 21.61 | 878 | 30.08 |
| 150,001 – 200,000 | 107,169,108 | | 21.10 | 621 | 21.27 |
| 200,001 – 250,000 | 80,301,268 | | 15.81 | 361 | 12.37 |
| 250,001 – 500,000 | 144,099,042 | | 28.37 | 440 | 15.07 |
| 500,001 – 750,000 | 19,696,255 | | 3.88 | 34 | 1.16 |
| 750,001 – 1,000,000 | 1,632,207 | | 0.32 | 2 | 0.07 |
| Totals..... | 507,866,571 | | 100.00 | 2,919 | 100.00 |

The minimum, maximum and average Current Balance of the Loans as of the Portfolio Reference Date is £19,849.85, £864,547.54 and £173,986.49, respectively.

Original Loan to Value Ratios

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

| OLTV (%) | Current Balance (£) | % by Current Balance (%) | Number of Loans | % of Loans (%) |
|--------------------|----------------------------|---------------------------------|------------------------|-----------------------|
| 0 - 55 | 82,246,513 | 16.19 | 508 | 17.40 |
| 55.01 - 60.00 | 21,078,752 | 4.15 | 104 | 3.56 |
| 60.01 - 65.00 | 26,005,544 | 5.12 | 131 | 4.49 |
| 65.01 - 70.00 | 31,984,235 | 6.30 | 180 | 6.17 |
| 70.01 - 75.00 | 45,271,911 | 8.91 | 243 | 8.32 |
| 75.01 - 80.00 | 59,702,333 | 11.76 | 341 | 11.68 |
| 80.01 - 85.00 | 62,823,950 | 12.37 | 357 | 12.23 |
| 85.01 - 90.00 | 133,293,391 | 26.25 | 828 | 28.37 |
| 90.01 - 100.00 | 45,459,942 | 8.95 | 227 | 7.78 |
| Totals..... | 507,866,571 | 100.00 | 2,919 | 100.00 |

The minimum, maximum and weighted average Loan to Value Ratio at origination of the Loans as of the Portfolio Reference Date is 5.93%, 95.00% and 74.07%, respectively.

Current Loan to Value Ratios

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

| CLTV (%) | Current Balance (£) | % by Current Balance (%) | Number of Loans | % of Loans (%) |
|--------------------|----------------------------|---------------------------------|------------------------|-----------------------|
| 0 - 55 | 91,108,376 | 17.94 | 559 | 19.15 |
| 55.01 - 60.00 | 25,657,717 | 5.05 | 128 | 4.39 |
| 60.01 - 65.00 | 26,818,965 | 5.28 | 137 | 4.69 |
| 65.01 - 70.00 | 36,536,608 | 7.19 | 201 | 6.89 |
| 70.01 - 75.00 | 47,398,386 | 9.33 | 267 | 9.15 |
| 75.01 - 80.00 | 62,668,309 | 12.34 | 335 | 11.48 |
| 80.01 - 85.00 | 59,371,725 | 11.69 | 326 | 11.17 |
| 85.01 - 90.00 | 137,304,912 | 27.04 | 836 | 28.64 |
| 90.01 - 100.00 | 21,001,572 | 4.14 | 130 | 4.45 |
| Totals..... | 507,866,571 | 100.00 | 2,919 | 100.00 |

The minimum, maximum and weighted average Current Loan to Value Ratio of the Loans as of the Portfolio Reference Date is 4.97%, 94.60% and 72.14%, respectively.

Geographical distribution

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

| Region | Current Balance (£) | Balance | % by Current Balance (%) | Number of Loans | % of Loans (%) |
|-----------------------------|------------------------------------|----------------|---|--------------------------------|---------------------------|
| East Midlands | 38,287,053 | | 7.54 | 256 | 8.77 |
| East of England | 41,886,159 | | 8.25 | 198 | 6.78 |
| London | 80,449,994 | | 15.84 | 266 | 9.11 |
| North East | 24,174,770 | | 4.76 | 201 | 6.89 |
| North West | 63,125,608 | | 12.43 | 449 | 15.38 |
| Scotland | 45,387,330 | | 8.94 | 337 | 11.55 |
| South East | 72,131,884 | | 14.20 | 310 | 10.62 |
| South West | 41,582,411 | | 8.19 | 222 | 7.61 |
| Wales | 18,174,542 | | 3.58 | 125 | 4.28 |
| West Midlands | 38,161,867 | | 7.51 | 245 | 8.39 |
| Yorkshire and the Humber | 44,504,953 | | 8.76 | 310 | 10.62 |
| Totals..... | 507,866,571 | | 100.00 | 2,919 | 100.00 |

Year of origination

The following table shows the distribution of Loans by year of origination.

| Origination Date | Current Balance (£) | Balance | % by Current Balance (%) | Number of Loans | % of Loans (%) |
|-------------------------|------------------------------------|----------------|---|--------------------------------|---------------------------|
| 2017 | 7,450,354 | | 1.47 | 59 | 2.02 |
| 2018 | 364,176,697 | | 71.71 | 2,089 | 71.57 |
| 2019 | 136,239,519 | | 26.83 | 771 | 26.41 |
| Totals..... | 507,866,571 | | 100.00 | 2,919 | 100.00 |

Original Loan Term

The following table shows the original term of the Loans.

| Original Loan Term (months) | Current Balance (£) | Balance | % by Current Balance (%) | Number of Loans | % of Loans (%) |
|--|------------------------------------|----------------|---|--------------------------------|---------------------------|
| 0 - 179 | 27,444,061 | | 5.40 | 242 | 8.29 |
| 180 - 219 | 49,566,430 | | 9.76 | 312 | 10.69 |
| 220 - 259 | 54,725,399 | | 10.78 | 336 | 11.51 |
| 260 - 299 | 65,567,644 | | 12.91 | 362 | 12.40 |
| 300 - 339 | 142,571,621 | | 28.07 | 775 | 26.55 |

| | | | | |
|--------------------|---------------------------|----------------------|---------------------|----------------------|
| 340 - 379 | 82,171,007 | 16.18 | 438 | 15.01 |
| 380 - 419 | 26,794,001 | 5.28 | 130 | 4.45 |
| 420 - 459 | 52,198,870 | 10.28 | 286 | 9.80 |
| 460 - 499 | 6,827,537 | 1.34 | 38 | 1.30 |
| Totals..... | <u>507,866,571</u> | <u>100.00</u> | <u>2,919</u> | <u>100.00</u> |

The minimum, maximum and weighted average original term of the Loans as of the Portfolio Reference Date is 5.03, 24.94 and 10.30 years, respectively.

Years to maturity of Loans

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

| <u>Years to maturity</u> | <u>Current Balance (£)</u> | <u>Balance</u> | <u>% by Current Balance (%)</u> | <u>Number of Loans</u> | <u>% of Loans (%)</u> |
|--------------------------|----------------------------|----------------|---------------------------------|------------------------|-----------------------|
| 0 - 5.00 | 1,156,395 | | 0.23 | 22 | 0.75 |
| 5.01 - 10.00 | 8,196,801 | | 1.61 | 87 | 2.98 |
| 10.01 - 15.00 | 32,181,503 | | 6.34 | 228 | 7.81 |
| 15.01 - 20.00 | 75,931,280 | | 14.95 | 478 | 16.38 |
| 20.01 - 25.00 | 166,974,275 | | 32.88 | 941 | 32.24 |
| 25.01 - 30.00 | 129,846,601 | | 25.57 | 677 | 23.19 |
| 30.01 - 35.00 | 82,033,868 | | 16.15 | 426 | 14.59 |
| 35.01 - 40.00 | 11,545,847 | | 2.27 | 60 | 2.06 |
| Totals..... | <u>507,866,571</u> | | <u>100.00</u> | <u>2,919</u> | <u>100.00</u> |

The minimum, maximum and weighted average remaining term of the Loans as of the Portfolio Reference Date is 2.26, 39.60 and 24.54 years, respectively.

Current interest rate

The following table shows the distribution of Loans by applicable interest rate as at the Portfolio Reference Date.

| <u>Current Interest rate (%)</u> | <u>Current Balance (£)</u> | <u>Balance</u> | <u>% by Current Balance (%)</u> | <u>Number of Loans</u> | <u>% of Loans (%)</u> |
|----------------------------------|----------------------------|----------------|---------------------------------|------------------------|-----------------------|
| 0 - 1.75 | 23,341,565 | | 4.60 | 87 | 2.98 |
| 1.76 - 2.00 | 158,280,551 | | 31.17 | 703 | 24.08 |
| 2.01 - 2.25 | 170,856,609 | | 33.64 | 1,074 | 36.79 |
| 2.26 - 2.50 | 97,480,178 | | 19.19 | 630 | 21.58 |
| 2.51 - 2.75 | 36,451,928 | | 7.18 | 293 | 10.04 |
| 2.76 - 4.00 | 21,455,740 | | 4.22 | 132 | 4.52 |
| Totals..... | <u>507,866,571</u> | | <u>100.00</u> | <u>2,919</u> | <u>100.00</u> |

The minimum, maximum and weighted average current interest rate as of the Portfolio Reference Date is 1.29%, 3.79% and 2.16%, respectively.

Interest Reversion Date

The following table shows the distribution of interest reversion dates as at the Portfolio Reference Date.

| <u>Interest Reversion Date</u> | <u>Current Balance (£)</u> | <u>Balance</u> | <u>% by Current Balance (%)</u> | <u>Number of Loans</u> | <u>% of Loans (%)</u> |
|--------------------------------|----------------------------|----------------|---------------------------------|------------------------|-----------------------|
| 2021 | 90,142,414 | | 17.75 | 534 | 18.29 |
| 2022 | 21,171,399 | | 4.17 | 126 | 4.32 |
| 2023 | 360,302,290 | | 70.94 | 2,035 | 69.72 |
| 2024 | 36,250,467 | | 7.14 | 224 | 7.67 |
| Totals..... | 507,866,571 | | 100.00 | 2,919 | 100.00 |

Property Type

The following table shows the type of Property which secures the Loans as at the Portfolio Reference Date.

| <u>Property Type</u> | <u>Current Balance (£)</u> | <u>Balance</u> | <u>% by Current Balance (%)</u> | <u>Number of Loans</u> | <u>% of Loans (%)</u> |
|----------------------------------|----------------------------|----------------|---------------------------------|------------------------|-----------------------|
| Bungalow | 12,850,200 | | 2.53 | 81 | 2.77 |
| Flat/Apartment | 70,345,940 | | 13.85 | 408 | 13.98 |
| House, Detached or Semi-detached | 294,316,711 | | 57.95 | 1,602 | 54.88 |
| Terraced House | 130,353,720 | | 25.67 | 828 | 28.37 |
| Totals..... | 507,866,571 | | 100.00 | 2,919 | 100.00 |

Verification of data

Atom Bank has caused the data set out in this section to be externally verified by an appropriate and independent third party.

The Provisional Portfolio has been subject to an agreed upon procedures review (to review amongst other things, conformity with the Loan Warranties (where applicable)) on a sample of loans selected from the Provisional Portfolio conducted by a third-party and completed on or about 6 August 2019 with respect to the Provisional Portfolio in existence as of 30 June 2019. No significant adverse findings arose from such review. This independent third party has also performed agreed upon procedures in order to verify that the stratification tables disclosed in respect of the 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.

Environmental performance of the Loans

Atom Bank does collect information relating to the environmental performance of the Loans in the Portfolio at origination of each Loan but does not load such information into its reporting systems, and does not monitor this information on an ongoing basis thereafter.

Data on static and dynamic historical default and loss performance of loans similar to the Loans

The tables set out below present the historical performance data obtained from the European DataWarehouse for a portfolio of mortgage loans which have been securitised in other prime UK RMBS transactions which are deemed substantially similar to those being securitised by means of the securitisation transaction described in this Prospectus, based on solely the criteria set out below.

The underlying portfolio is deemed substantially similar to the Loans securitised in the transaction described in this Prospectus and the sample was selected by the European DataWarehouse based on the following criteria:

- The mortgage loans are residential non-buy to let mortgage loans granted to owner-occupied borrowers for the purpose of acquiring a residential property in the United Kingdom;
- The mortgage receivables resulting therefrom have been securitised in a prime UK RMBS transaction;
- The UK RMBS transactions selected were continuously reporting from the later of i) Q3 2014 and ii) the closing date of the transaction, up to Q3 2019; and
- The mortgage loans were performing with no arrears as of the first time period they are included in the sample which is the later of i) Q3 2014, ii) the date of securitisation and iii) the date added to a revolving securitisation.

The information included in the tables below does not relate to the Loans themselves and has not been audited by any auditor.

The observed arrears, defaults and losses would have been expected to be higher had repurchases not occurred. There is no obligation on the Seller to repurchase any Loans that go into arrears following the Closing Date.

5 years of historical dynamic arrears (Source: European DataWarehouse)

The following table shows the delinquency rate for the mortgage loans, calculated by dividing each quarter (i) the sum of the principal balance of mortgage loans in each delinquency category (Not Delinquent, 1 Month, 2 Months etc.); by (ii) the sum of the principal balance of all mortgage loans in that quarter.

| QTR | Not Delinquent | 1 Month | 2 Months | 3 Months | 4 Months | 5 Months | 6 Months or more | New loans added | Delinquent Repurchases - Periodic | Total Repurchases - Periodic |
|------------|-----------------------|----------------|-----------------|-----------------|-----------------|-----------------|-------------------------|------------------------|--|-------------------------------------|
| 2014-Q3 | 100.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% |
| 2014-Q4 | 99.55% | 0.35% | 0.09% | 0.01% | 0.00% | 0.00% | 0.00% | 4.70% | 0.00% | 0.19% |
| 2015-Q1 | 99.25% | 0.50% | 0.13% | 0.06% | 0.03% | 0.02% | 0.00% | 0.00% | 0.14% | 32.86% |
| 2015-Q2 | 99.24% | 0.46% | 0.14% | 0.07% | 0.04% | 0.02% | 0.03% | 6.54% | 0.01% | 0.91% |
| 2015-Q3 | 99.12% | 0.53% | 0.17% | 0.07% | 0.04% | 0.02% | 0.04% | 0.00% | 0.01% | 0.94% |
| 2015-Q4 | 99.14% | 0.47% | 0.17% | 0.08% | 0.05% | 0.03% | 0.05% | 8.81% | 0.01% | 0.92% |
| 2016-Q1 | 99.15% | 0.43% | 0.18% | 0.08% | 0.06% | 0.03% | 0.08% | 7.22% | 0.01% | 0.70% |
| 2016-Q2 | 99.11% | 0.42% | 0.18% | 0.10% | 0.05% | 0.03% | 0.10% | 0.00% | 0.01% | 1.38% |
| 2016-Q3 | 99.08% | 0.45% | 0.16% | 0.10% | 0.06% | 0.03% | 0.12% | 5.18% | 0.00% | 1.17% |
| 2016-Q4 | 99.04% | 0.44% | 0.18% | 0.10% | 0.06% | 0.04% | 0.14% | 0.00% | 0.01% | 1.80% |
| 2017-Q1 | 98.99% | 0.42% | 0.20% | 0.11% | 0.07% | 0.04% | 0.15% | 0.00% | 0.00% | 1.39% |
| 2017-Q2 | 99.00% | 0.43% | 0.18% | 0.12% | 0.08% | 0.04% | 0.16% | 0.00% | 0.01% | 1.89% |
| 2017-Q3 | 99.01% | 0.43% | 0.17% | 0.09% | 0.08% | 0.05% | 0.17% | 7.83% | 0.35% | 1.88% |
| 2017-Q4 | 98.67% | 0.83% | 0.23% | 0.10% | 0.05% | 0.03% | 0.09% | 0.00% | 0.00% | 1.55% |
| 2018-Q1 | 98.60% | 0.83% | 0.22% | 0.12% | 0.07% | 0.04% | 0.13% | 0.00% | 0.02% | 1.72% |
| 2018-Q2 | 98.55% | 0.84% | 0.23% | 0.10% | 0.07% | 0.05% | 0.16% | 1.52% | 0.02% | 1.72% |
| 2018-Q3 | 98.65% | 0.74% | 0.21% | 0.12% | 0.07% | 0.05% | 0.16% | 8.60% | 0.01% | 1.73% |
| 2018-Q4 | 98.61% | 0.77% | 0.20% | 0.11% | 0.08% | 0.05% | 0.18% | 3.54% | 0.02% | 2.11% |
| 2019-Q1 | 98.56% | 0.76% | 0.21% | 0.11% | 0.09% | 0.06% | 0.20% | 0.00% | 0.06% | 3.77% |
| 2019-Q2 | 98.51% | 0.79% | 0.22% | 0.11% | 0.09% | 0.07% | 0.22% | 0.00% | 0.03% | 2.07% |
| 2019-Q3 | 98.93% | 0.70% | 0.10% | 0.07% | 0.04% | 0.03% | 0.12% | 0.00% | 0.15% | 9.06% |

5 years of historical defaults and losses (Source: European DataWarehouse)

The following table shows the annualised default and loss rates for the mortgage loans. Default rates were calculated by dividing each quarter (i) the sum of the principal balance of mortgage loans defaulted during the quarter (3+ Months, transaction definition of default); by (ii) the sum of the principal balance of non - defaulted mortgage loans at the start of the quarter. The quarterly rates were then annualised using standard methodology. The loss rates were calculated by dividing each quarter (i) the sum of losses reported on defaults during the quarter (transaction definition of default); by (ii) the sum of the principal balance of all mortgage loans at the start of the quarter. The quarterly rates were then annualised using standard methodology.

| QTR | Annualised Default Rate (3+ months definition) | Annualised Default Rate (Transaction definition) | Annualised Loss Rate (Transaction definition) | Loss / Default (Transaction definition) |
|------------|---|---|--|--|
| 2014-Q3 | | | | |
| 2014-Q4 | 0.27% | 0.03% | 0.01% | 19.83% |
| 2015-Q1 | 0.20% | 0.02% | 0.00% | 10.58% |
| 2015-Q2 | 0.28% | 0.03% | 0.01% | 30.35% |
| 2015-Q3 | 0.25% | 0.04% | 0.00% | 10.40% |
| 2015-Q4 | 0.21% | 0.02% | 0.00% | 16.76% |
| 2016-Q1 | 0.27% | 0.03% | 0.00% | 8.60% |
| 2016-Q2 | 0.22% | 0.02% | 0.00% | 0.00% |
| 2016-Q3 | 0.23% | 0.02% | 0.00% | 13.25% |
| 2016-Q4 | 0.20% | 0.03% | 0.00% | 11.16% |
| 2017-Q1 | 0.29% | 0.04% | 0.00% | 6.39% |
| 2017-Q2 | 0.23% | 0.02% | 0.00% | 0.53% |
| 2017-Q3 | 0.26% | 0.04% | 0.01% | 13.02% |
| 2017-Q4 | 0.20% | 0.72% | 0.00% | 0.07% |
| 2018-Q1 | 0.16% | 0.43% | 0.00% | 0.14% |
| 2018-Q2 | 0.22% | 0.32% | 0.00% | 0.53% |
| 2018-Q3 | 0.24% | 0.35% | 0.00% | 0.92% |
| 2018-Q4 | 0.29% | 1.17% | 0.00% | 0.14% |
| 2019-Q1 | 0.24% | 0.35% | 0.00% | 0.27% |
| 2019-Q2 | 0.24% | 0.36% | 0.00% | 0.00% |
| 2019-Q3 | 0.25% | 0.03% | 0.00% | 0.00% |

5 years of historical static default rates - first time 3m+ default definition (Source: European DataWarehouse)

The following table shows the cumulative default rate, calculated by dividing: (i) the sum of, in respect of each mortgage loan which has at any point been 3m+ in arrears, the principal balance of that mortgage loan at the point such mortgage loan first became 3m+ in arrears; by (ii) the sum of the principal balance of all mortgage loans at the time of securitisation.

| Quarters after securitisation | Year of Securitisation | | | | | |
|-------------------------------|------------------------|-------|-------|-------|-------|-------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| 0 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 1 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 2 | 0.00% | 0.01% | 0.02% | 0.00% | 0.00% | 0.00% |
| 3 | 0.00% | 0.02% | 0.03% | 0.02% | 0.00% | |
| 4 | 0.03% | 0.06% | 0.03% | 0.03% | 0.03% | |
| 5 | 0.03% | 0.10% | 0.04% | 0.04% | 0.05% | |
| 6 | 0.04% | 0.14% | 0.05% | 0.10% | | |
| 7 | 0.07% | 0.18% | 0.06% | 0.15% | | |
| 8 | 0.07% | 0.20% | 0.07% | 0.19% | | |
| 9 | 0.08% | 0.22% | 0.09% | | | |
| 10 | 0.09% | 0.23% | 0.10% | | | |
| 11 | 0.14% | 0.25% | 0.13% | | | |
| 12 | 0.15% | 0.28% | 0.13% | | | |
| 13 | 0.17% | 0.29% | 0.13% | | | |
| 14 | 0.21% | 0.31% | 0.15% | | | |
| 15 | 0.22% | 0.35% | | | | |
| 16 | 0.26% | 0.35% | | | | |
| 17 | 0.26% | 0.36% | | | | |
| 18 | 0.31% | | | | | |
| 19 | 0.33% | | | | | |

5 years of historical static repurchase rates (Source: European Data Warehouse)

The following table shows the cumulative repurchase rate, calculated by dividing: (i) the sum of the principal balance of each repurchased mortgage loan at the point such mortgage loan was repurchased; by (ii) the sum of the principal balance of all mortgage loans at the time of securitisation.

| Quarters after securitisation | Year of Securitisation | | | | | |
|-------------------------------|------------------------|--------|--------|--------|--------|-------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| 0 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 1 | 3.64% | 0.89% | 4.12% | 1.90% | 2.22% | 0.10% |
| 2 | 6.83% | 1.98% | 7.63% | 4.60% | 4.60% | 0.31% |
| 3 | 9.76% | 2.94% | 13.13% | 6.97% | 7.40% | |
| 4 | 12.94% | 4.30% | 17.19% | 11.03% | 10.20% | |
| 5 | 15.88% | 6.17% | 22.03% | 15.49% | | |
| 6 | 18.94% | 7.96% | 26.25% | 18.10% | | |
| 7 | 22.05% | 9.63% | 29.25% | 21.22% | | |
| 8 | 26.21% | 11.88% | 32.77% | 24.20% | | |
| 9 | 29.38% | 13.80% | 36.54% | | | |
| 10 | 33.75% | 15.33% | 40.07% | | | |
| 11 | 36.47% | 16.82% | 42.77% | | | |
| 12 | 38.55% | 18.06% | 44.53% | | | |
| 13 | 41.41% | 19.87% | 46.03% | | | |
| 14 | 42.92% | 21.64% | 47.40% | | | |
| 15 | 45.54% | 23.29% | | | | |
| 16 | 48.52% | 25.02% | | | | |
| 17 | 50.83% | 26.79% | | | | |
| 18 | 52.86% | | | | | |
| 19 | 54.08% | | | | | |

The following table shows the cumulative repurchase rate of delinquent mortgage loans, calculated by dividing: (i) the sum of the principal balance of each delinquent mortgage loan at the point such delinquent mortgage loan was repurchased; by (ii) the sum of the principal balance of all mortgage loans at the time of securitisation.

| Quarters after securitisation | Year of Securitisation | | | | | |
|-------------------------------|------------------------|-------|-------|-------|-------|-------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| 0 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 1 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 2 | 0.00% | 0.00% | 0.01% | 0.00% | 0.00% | 0.00% |
| 3 | 0.00% | 0.00% | 0.01% | 0.00% | 0.00% | |
| 4 | 0.00% | 0.00% | 0.01% | 0.00% | 0.00% | |
| 5 | 0.00% | 0.00% | 0.02% | 0.00% | 0.00% | |
| 6 | 0.00% | 0.00% | 0.02% | 0.00% | | |
| 7 | 0.01% | 0.00% | 0.02% | 0.03% | | |
| 8 | 0.03% | 0.00% | 0.04% | 0.03% | | |
| 9 | 0.03% | 0.00% | 0.04% | | | |

| | | | | | | |
|----|-------|-------|-------|--|--|--|
| 10 | 0.03% | 0.00% | 0.04% | | | |
| 11 | 0.05% | 0.00% | 0.06% | | | |
| 12 | 0.06% | 0.00% | 0.06% | | | |
| 13 | 0.07% | 0.00% | 0.06% | | | |
| 14 | 0.08% | 0.02% | 0.06% | | | |
| 15 | 0.08% | 0.03% | | | | |
| 16 | 0.09% | 0.03% | | | | |
| 17 | 0.09% | 0.04% | | | | |
| 18 | 0.09% | | | | | |
| 19 | 0.09% | | | | | |

CHARACTERISTICS OF THE UNITED KINGDOM 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 United Kingdom mortgage market. No assurance can be given that the 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 loans contained in the Provisional Portfolio (from which the Portfolio will be selected), see further the section of this Prospectus headed *Characteristics of the Provisional Portfolio*.

Industry CPR rates

In the following tables, quarterly industry constant repayment rate ("**industry CPR**") data was calculated by dividing the amount of scheduled and unscheduled 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 and building societies and other specialist mortgage lenders in the United Kingdom. These quarterly repayment rates were then annualised using standard methodology.

| Quarter | Industry CPR Rate for the Quarter (%) | 12-month rolling average (%) |
|----------------|--|-------------------------------------|
| September 2005 | 22.63% | - |
| December 2005 | 22.78% | - |
| March 2006 | 20.54% | - |
| June 2006 | 22.20% | 22.04% |
| September 2006 | 23.13% | 22.16% |
| December 2006 | 22.84% | 22.18% |
| March 2007 | 21.36% | 22.38% |
| June 2007 | 22.51% | 22.46% |
| September 2007 | 22.72% | 22.36% |
| December 2007 | 20.63% | 21.81% |
| March 2008 | 18.73% | 21.15% |
| June 2008 | 19.21% | 20.32% |
| September 2008 | 17.31% | 18.97% |
| December 2008 | 13.82% | 17.27% |
| March 2009 | 11.08% | 15.36% |
| June 2009 | 10.34% | 13.14% |
| September 2009 | 11.29% | 11.63% |
| December 2009 | 11.21% | 10.98% |
| March 2010 | 9.63% | 10.62% |
| June 2010 | 10.63% | 10.69% |
| September 2010 | 11.13% | 10.65% |
| December 2010 | 10.79% | 10.55% |

| | | |
|----------------|--------|--------|
| March 2011 | 9.88% | 10.61% |
| June 2011 | 10.49% | 10.57% |
| September 2011 | 11.80% | 10.74% |
| December 2011 | 11.26% | 10.86% |
| March 2012 | 10.41% | 10.99% |
| June 2012 | 10.66% | 11.03% |
| September 2012 | 11.00% | 10.83% |
| December 2012 | 11.25% | 10.83% |
| March 2013 | 10.89% | 10.95% |
| June 2013 | 12.50% | 11.41% |
| September 2013 | 14.11% | 12.19% |
| December 2013 | 14.50% | 13.00% |
| March 2014 | 13.20% | 13.58% |
| June 2014 | 13.92% | 13.93% |
| September 2014 | 14.85% | 14.12% |
| December 2014 | 14.52% | 14.12% |
| March 2015 | 13.20% | 14.12% |
| June 2015 | 14.27% | 14.21% |
| September 2015 | 15.48% | 14.37% |
| December 2015 | 15.71% | 14.67% |
| March 2016 | 15.44% | 15.23% |
| June 2016 | 15.13% | 15.44% |
| September 2016 | 15.95% | 15.56% |
| December 2016 | 15.47% | 15.50% |
| March 2017 | 14.99% | 15.39% |
| June 2017 | 14.89% | 15.33% |
| September 2017 | 16.15% | 15.38% |
| December 2017 | 16.42% | 15.61% |
| March 2018 | 15.26% | 15.68% |
| June 2018 | 15.42% | 15.81% |
| September 2018 | 16.86% | 15.99% |
| December 2018 | 16.42% | 15.99% |
| March 2019 | 14.67% | 15.84% |
| June 2019 | 14.65% | 15.65% |
| September 2019 | 15.36% | 15.27% |

Source of repayment and outstanding mortgage information: Bank of England via Haver Analytics, UK Finance

Repossession Rate

The table below sets out the repossession rate of residential properties in the United Kingdom since 1985.

| <u>Year</u> | <u>Repossessions (%)</u> | <u>Year</u> | <u>Repossessions (%)</u> | <u>Year</u> | <u>Repossessions (%)</u> |
|-------------|--------------------------|-------------|--------------------------|-------------|--------------------------|
| 1985 | 0.25% | 1996..... | 0.40% | 2007 | 0.22% |
| 1986 | 0.30% | 1997..... | 0.31% | 2008 | 0.34% |
| 1987 | 0.32% | 1998..... | 0.31% | 2009 | 0.43% |
| 1988 | 0.22% | 1999..... | 0.27% | 2010 | 0.34% |
| 1989 | 0.17% | 2000..... | 0.20% | 2011 | 0.33% |
| 1990 | 0.47% | 2001..... | 0.16% | 2012 | 0.30% |
| 1991 | 0.77% | 2002..... | 0.11% | 2013 | 0.26% |
| 1992 | 0.69% | 2003..... | 0.07% | 2014 | 0.19% |
| 1993 | 0.58% | 2004..... | 0.07% | 2015 | 0.09% |
| 1994 | 0.47% | 2005..... | 0.12% | 2016 | 0.07% |
| 1995 | 0.47% | 2006..... | 0.18% | 2017 | 0.07% |
| | | | | 2018 | 0.06% |

Source: UK Finance

House Price to Earnings Ratio

The following table shows the ratio for each year of the average annual value of houses compared to the average annual salary in the United Kingdom. The average annual earnings figures are constructed using the annual survey of hours and earnings figures published by the Office for National Statistics referring to weekly earnings in April of each year for those male employees whose earnings were not affected by their absence from work. 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.

| <u>Year</u> | <u>House Price to Earnings Ratio</u> | <u>Year</u> | <u>House Price to Earnings Ratio</u> |
|-------------|--------------------------------------|-------------|--------------------------------------|
| 1994 | 4.57 | | |
| 1995 | 4.39 | | |
| 1996 | 4.35 | 2007..... | 8.47 |
| 1997 | 4.48 | 2008..... | 7.81 |
| 1998 | 4.63 | 2009..... | 7.13 |
| 1999 | 4.94 | 2010..... | 7.37 |
| 2000 | 5.51 | 2011..... | 7.09 |
| 2001 | 5.66 | 2012..... | 7.03 |
| 2002 | 6.37 | 2013..... | 7.13 |
| 2003 | 7.14 | 2014..... | 7.61 |
| 2004 | 7.66 | 2015..... | 7.87 |
| 2005 | 7.86 | 2016..... | 8.24 |
| 2006 | 8.09 | 2017..... | 8.42 |
| | | 2018..... | 8.44 |

Source: UK Finance, Land Registry /Office for National Statistics via Haver Analytics

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 |
| March 1989..... | 111.7 | 7.7% | 118.8 | 32.03% |
| June 1989..... | 114.9 | 8.2% | 124.2 | 27.20% |
| September 1989..... | 116 | 7.7% | 125.2 | 15.51% |
| December 1989..... | 118.3 | 7.6% | 122.7 | 7.42% |
| March 1990..... | 120.4 | 7.8% | 118.9 | 0.09% |
| June 1990..... | 126 | 9.6% | 117.7 | -5.24% |
| September 1990..... | 128.1 | 10.4% | 114.2 | -8.82% |
| December 1990..... | 130.1 | 10.0% | 109.6 | -10.69% |
| March 1991..... | 130.8 | 8.7% | 108.8 | -8.46% |
| June 1991..... | 133.6 | 6.0% | 110.6 | -6.04% |
| September 1991..... | 134.2 | 4.8% | 109.5 | -4.09% |
| December 1991..... | 135.5 | 4.2% | 107 | -2.34% |
| March 1992..... | 136.2 | 4.1% | 104.1 | -4.33% |
| June 1992..... | 139.1 | 4.1% | 105.1 | -4.97% |
| September 1992..... | 139 | 3.6% | 104.2 | -4.85% |
| December 1992..... | 139.6 | 3.1% | 100.1 | -6.46% |
| March 1993..... | 138.7 | 1.8% | 100 | -3.94% |
| June 1993..... | 140.9 | 1.3% | 103.6 | -1.41% |
| September 1993..... | 141.3 | 1.6% | 103.2 | -0.95% |
| December 1993..... | 141.8 | 1.6% | 101.8 | 1.76% |
| March 1994..... | 142 | 2.4% | 102.4 | 2.39% |
| June 1994..... | 144.5 | 2.6% | 102.5 | -1.07% |
| September 1994..... | 144.6 | 2.3% | 103.2 | -0.03% |
| December 1994..... | 145.5 | 2.6% | 104 | 2.08% |
| March 1995..... | 146.8 | 3.4% | 101.9 | -0.47% |
| June 1995..... | 149.5 | 3.4% | 103 | 0.53% |
| September 1995..... | 149.9 | 3.7% | 102.4 | -0.77% |
| December 1995..... | 150.1 | 3.2% | 101.6 | -2.27% |

| Quarter | Retail Price Index | | Nationwide Index | House Price |
|----------------|--------------------|-----------------|------------------|-----------------|
| | Index | % annual change | Index | % annual change |
| March 1996 | 150.9 | 2.8% | 102.5 | 0.55% |
| June 1996 | 152.8 | 2.2% | 105.8 | 2.71% |
| September 1996 | 153.1 | 2.1% | 107.7 | 5.21% |
| December 1996 | 154 | 2.6% | 110.1 | 8.32% |
| March 1997 | 154.9 | 2.7% | 111.3 | 8.65% |
| June 1997 | 156.9 | 2.6% | 116.5 | 10.13% |
| September 1997 | 158.4 | 3.5% | 121.2 | 12.49% |
| December 1997 | 159.7 | 3.7% | 123.3 | 12.07% |
| March 1998 | 160.2 | 3.4% | 125.5 | 12.71% |
| June 1998 | 163.2 | 4.0% | 130.1 | 11.68% |
| September 1998 | 163.7 | 3.3% | 132.4 | 9.24% |
| December 1998 | 164.4 | 3.0% | 132.3 | 7.25% |
| March 1999 | 163.7 | 2.2% | 134.6 | 7.27% |
| June 1999 | 165.5 | 1.4% | 139.7 | 7.34% |
| September 1999 | 165.6 | 1.2% | 144.4 | 9.03% |
| December 1999 | 166.8 | 1.5% | 148.9 | 12.55% |
| March 2000 | 167.5 | 2.3% | 155 | 15.15% |
| June 2000 | 170.6 | 3.1% | 162 | 15.99% |
| September 2000 | 170.9 | 3.2% | 161.5 | 11.85% |
| December 2000 | 172 | 3.1% | 162.8 | 9.37% |
| March 2001 | 171.8 | 2.6% | 167.5 | 8.08% |
| June 2001 | 173.9 | 1.9% | 174.8 | 7.93% |
| September 2001 | 174 | 1.8% | 181.6 | 12.50% |
| December 2001 | 173.8 | 1.0% | 184.6 | 13.36% |
| March 2002 | 173.9 | 1.2% | 190.2 | 13.55% |
| June 2002 | 176 | 1.2% | 206.5 | 18.10% |
| September 2002 | 176.6 | 1.5% | 221.1 | 21.73% |
| December 2002 | 178.2 | 2.6% | 231.3 | 25.30% |
| March 2003 | 179.2 | 3.0% | 239.3 | 25.78% |
| June 2003 | 181.3 | 3.0% | 250.1 | 21.14% |
| September 2003 | 181.8 | 2.94% | 258.9 | 17.08% |
| December 2003 | 182.9 | 2.64% | 267.1 | 15.49% |
| March 2004 | 183.8 | 2.6% | 277.3 | 15.92% |
| June 2004 | 186.3 | 2.8% | 296.2 | 18.41% |
| September 2004 | 187.4 | 3.1% | 306.2 | 18.28% |
| December 2004 | 189.2 | 3.4% | 304.1 | 13.86% |
| March 2005 | 189.7 | 3.2% | 304.8 | 9.90% |
| June 2005 | 191.9 | 3.0% | 314.2 | 6.08% |

| Quarter | Retail Price Index | | Nationwide House Price Index | |
|----------------------|--------------------|-----------------|------------------------------|-----------------|
| | Index | % annual change | Index | % annual change |
| September 2005 | 192.6 | 2.8% | 314.4 | 2.70% |
| December 2005 | 193.7 | 2.4% | 314 | 3.23% |
| March 2006 | 194.2 | 2.4% | 319.8 | 4.93% |
| June 2006 | 197.6 | 3.0% | 329.2 | 4.79% |
| September 2006 | 199.3 | 3.5% | 336.1 | 6.87% |
| December 2006 | 201.4 | 4.0% | 343.2 | 9.33% |
| March 2007 | 203 | 4.5% | 350.2 | 9.50% |
| June 2007 | 206.3 | 4.4% | 362.7 | 10.16% |
| September 2007 | 207.1 | 3.9% | 367.3 | 9.30% |
| December 2007 | 209.8 | 4.2% | 367 | 6.91% |
| March 2008 | 211.1 | 4.0% | 357.8 | 2.17% |
| June 2008 | 215.3 | 4.4% | 348.1 | -4.01% |
| September 2008 | 217.4 | 5.0% | 329.5 | -10.29% |
| December 2008 | 215.5 | 2.7% | 312.9 | -14.75% |
| March 2009 | 210.9 | -0.1% | 298.7 | -16.53% |
| June 2009 | 212.6 | -1.3% | 307.3 | -11.72% |
| September 2009 | 214.4 | -1.4% | 319.5 | -3.04% |
| December 2009 | 216.9 | 0.6% | 323.4 | 3.37% |
| March 2010 | 219.3 | 4.0% | 324.9 | 8.80% |
| June 2010 | 223.5 | 5.1% | 336.6 | 9.51% |
| September 2010 | 224.5 | 4.7% | 333.9 | 4.49% |
| December 2010 | 227 | 4.7% | 325.1 | 0.53% |
| March 2011 | 230.9 | 5.3% | 323.9 | -0.31% |
| June 2011 | 234.9 | 5.1% | 332.7 | -1.16% |
| September 2011 | 236.2 | 5.2% | 332.3 | -0.45% |
| December 2011 | 238.6 | 5.1% | 328.7 | 1.11% |
| March 2012 | 239.6 | 3.8% | 324.6 | 0.21% |
| June 2012 | 242.2 | 3.1% | 329.1 | -1.08% |
| September 2012 | 243.1 | 2.9% | 327 | -1.61% |
| December 2012 | 246 | 3.1% | 325 | -1.13% |
| March 2013 | 247.4 | 3.3% | 325.3 | 0.21% |
| June 2013 | 249.7 | 3.1% | 333.7 | 1.42% |
| September 2013 | 250.9 | 3.2% | 341 | 4.28% |
| December 2013 | 252.5 | 2.6% | 348 | 7.07% |
| March 2014 | 253.9 | 2.6% | 355.3 | 9.24% |
| June 2014 | 256 | 2.5% | 372.1 | 11.51% |
| September 2014 | 256.9 | 2.4% | 376.7 | 10.47% |
| December 2014 | 257.4 | 1.9% | 377 | 8.34% |

| Quarter | Retail Price Index | | Nationwide House Price Index | |
|----------------------|---------------------------|------------------------|-------------------------------------|------------------------|
| | Index | % annual change | Index | % annual change |
| March 2015 | 256.4 | 1.0% | 376.2 | 5.86% |
| June 2015 | 258.5 | 1.0% | 387.5 | 4.14% |
| September 2015 | 259.3 | 0.9% | 390.5 | 3.67% |
| December 2015 | 260 | 1.0% | 393.1 | 4.26% |
| March 2016 | 260 | 1.4% | 396.1 | 5.30% |
| June 2016 | 262.2 | 1.4% | 407.4 | 5.14% |
| September 2016 | 264.2 | 1.9% | 411.6 | 5.42% |
| December 2016 | 265.8 | 2.2% | 410.8 | 4.51% |
| March 2017 | 267.7 | 3.0% | 412.3 | 4.08% |
| June 2017 | 271.5 | 3.5% | 418.9 | 2.81% |
| September 2017 | 274.2 | 3.8% | 422.3 | 2.58% |
| December 2017 | 276.4 | 4.0% | 421.8 | 2.67% |
| | | | | |
| | | | | |
| March 2018 | 277.5 | 3.7% | 422.5 | 2.48% |
| June 2018 | 280.6 | 3.4% | 428.1 | 2.19% |
| September 2018 | 283.3 | 3.3% | 431.1 | 2.09% |
| December 2018 | 284.9 | 3.1% | 427.3 | 1.30% |
| March 2019 | 284.4 | 2.5% | 424.3 | 0.43% |
| June 2019 | 289.0 | 3.0% | 430.7 | 0.62% |
| September 2019 | 290.7 | 2.6% | 432.5 | 0.33% |

Source: Office for National Statistics and Nationwide Building Society, respectively

All information contained in this Prospectus in respect of the Nationwide House Price Index has been reproduced from information published by Nationwide Building Society, which is available on their website, <http://www.nationwide.co.uk/hpi/>, but which is not incorporated by reference into this Prospectus. The Issuer confirms that all information in this Prospectus in respect of the Nationwide House Price Index has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by Nationwide Building Society, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Note, however, that the Issuer has not participated in the preparation of that information or made any enquiry with respect to that information. Neither the Issuer nor Nationwide Building Society makes any representation as to the accuracy of the information or has any liability whatsoever to you in connection with that information. Anyone relying on the information does so at their own risk.

INFORMATION ON THE STANDARD VARIABLE RATES

The below table provides information on how the Standard Variable Rate has changed each month since 4 August 2016, as compared to each of SONIA (not compounded) and the Bank of England Base Rate at the relevant time, in order to allow an assessment of the Standard Variable Rate in relation to other market rates.

"SONIA" means the Sterling Overnight Index Average (not compounded) at the relevant date.

"Bank of England Base Rate" means the base rate quoted by the Bank of England at the relevant date.

| Date | Atom Bank SVR | Bank of England Base Rate | SONIA (not compounded) |
|-------------|----------------------|----------------------------------|-------------------------------|
| Aug-16 | 3.75% | 0.25% | 0.24% |
| Sep-16 | 3.75% | 0.25% | 0.22% |
| Oct-16 | 3.75% | 0.25% | 0.21% |
| Nov-16 | 3.75% | 0.25% | 0.21% |
| Dec-16 | 3.75% | 0.25% | 0.21% |
| Jan-17 | 3.75% | 0.25% | 0.21% |
| Feb-17 | 3.75% | 0.25% | 0.21% |
| Mar-17 | 3.75% | 0.25% | 0.21% |
| Apr-17 | 3.75% | 0.25% | 0.21% |
| May-17 | 3.75% | 0.25% | 0.21% |
| Jun-17 | 3.75% | 0.25% | 0.21% |
| Jul-17 | 3.75% | 0.25% | 0.21% |
| Aug-17 | 3.75% | 0.25% | 0.21% |
| Sep-17 | 3.75% | 0.25% | 0.21% |
| Oct-17 | 3.75% | 0.25% | 0.21% |
| Nov-17 | 3.75% | 0.50% | 0.46% |
| Dec-17 | 3.75% | 0.50% | 0.47% |
| Jan-18 | 3.75% | 0.50% | 0.46% |
| Feb-18 | 3.75% | 0.50% | 0.46% |
| Mar-18 | 3.75% | 0.50% | 0.46% |
| Apr-18 | 3.75% | 0.50% | 0.46% |
| May-18 | 3.75% | 0.50% | 0.46% |
| Jun-18 | 3.75% | 0.50% | 0.45% |
| Jul-18 | 3.75% | 0.50% | 0.45% |

| | | | |
|---------|-------|-------|-------|
| Aug-18 | 3.75% | 0.75% | 0.70% |
| Sep-18 | 3.75% | 0.75% | 0.70% |
| Oct-18 | 4.00% | 0.75% | 0.70% |
| Nov-18 | 4.00% | 0.75% | 0.70% |
| Dec-18 | 4.00% | 0.75% | 0.70% |
| Jan-19 | 4.00% | 0.75% | 0.70% |
| Feb-19 | 4.00% | 0.75% | 0.71% |
| Mar-19 | 4.00% | 0.75% | 0.71% |
| Apr-19 | 4.00% | 0.75% | 0.71% |
| May-19 | 4.00% | 0.75% | 0.71% |
| Jun-19 | 4.00% | 0.75% | 0.71% |
| Jul-19 | 4.00% | 0.75% | 0.71% |
| Aug-19 | 4.00% | 0.75% | 0.71% |
| Sept-19 | 4.00% | 0.75% | 0.71% |

SUMMARY OF THE KEY TRANSACTION DOCUMENTS

Mortgage Sale Agreement

Under a mortgage sale agreement entered into on or around the Closing Date between, among others, the Seller, the Issuer, the Security Trustee and the Servicer (the "**Mortgage Sale Agreement**"), on the Closing Date the Seller shall (in consideration for payment of the Initial Consideration and the issuance by the Issuer of the Certificates):

- (a) sell to the Issuer pursuant to the Mortgage Sale Agreement certain English and Welsh residential mortgage loans each secured by an English Mortgage and, where applicable, other Related Security (the "**English Loans**"); and
- (b) sell to the Issuer pursuant to the Mortgage Sale Agreement certain Scottish residential mortgage loans each secured by a Scottish Mortgage and, where applicable, other Related Security (the "**Scottish Loans**") to be held on trust under a Scottish Declaration of Trust for the benefit of the Issuer.

The English Loans and their Related Security comprised in the Portfolio will be assigned by way of equitable assignment to the Issuer while the Scottish Loans and their Related Security comprised in the Portfolio will be held on trust by the Seller for the Issuer under (in respect of the Scottish Loans and their Related Security comprised in the Portfolio) a Scottish Declaration of Trust dated the Closing Date, in each case referred to as the "**sale**" by the Seller to the Issuer of the Loans and Related Security. The Loans and Related Security and all monies derived therefrom from time to time are referred to herein as the "**Portfolio**".

The consideration due to the Seller in respect of the sale of the Portfolio shall be:

- (a) the Initial Consideration, which is due and payable on the Closing Date; and
- (b) ongoing payment by the Issuer of Residual Payments (if any) under the Certificates issued to the Seller representing its right to receive deferred consideration.

The Seller shall transfer to the Issuer within two Business Days of the Closing Date an amount equal to all Collections received on the Loans from (but excluding) the Cut-Off Date to (but including) the Closing Date.

The Portfolio does not contain transferrable securities as defined in point (44) of Article 4(1) of Directive 2014/65/EU, derivative instruments or securitisation positions.

Title to the Mortgages, Registration and Notifications

The completion of the transfer, or, in the case of Scottish Loans and their Related Security, assignment, of the Loans and their Related Security (and, where appropriate, their registration or recording) to the Issuer is, save in the limited circumstances referred to below, deferred. Legal title to the Loans and their Related Security therefore remains with the Seller until the occurrence of a Perfection Event. Notice of the sale of the Loans and their Related Security to the Issuer will not be given to any Borrower until the occurrence of a Perfection Event.

The transfers to the Issuer will be completed by or on behalf of the Seller on or before the 20th Business Day after any of the following Perfection Events occurs:

- (a) the Seller being required by an order of a court of competent jurisdiction or by a regulatory authority which has jurisdiction over the Seller or by any organisation of which the Seller is a member, or whose members comprise (but are not necessarily limited to) mortgage lenders and

with whose instructions it is customary for the Seller to comply, to perfect legal title to the Loans and their Related Security; or

- (b) it becoming necessary by law to do any or all of the acts referred to in paragraph (a) above; or
- (c) a material breach by the Seller of its obligations under the Transaction Documents (to which it is party), where such breach remains unremedied for a period of 30 days following the Seller becoming aware of such breach; or
- (d) the security created under or pursuant to the Deed of Charge or any material part of that security being, in the reasonable opinion of the Security Trustee, in jeopardy; or
- (e) the Seller calling for perfection by serving notice in writing to that effect on the Issuer and the Security Trustee; or
- (f) an Insolvency Event occurring in relation to the Seller; or
- (g) the Seller determines, as at any date, that its CET1 Ratio has fallen below 7 per cent., where "**CET1 Ratio**" means the ratio (expressed as a percentage) of Common Equity Tier 1 as at such date to the Risk Weighted Assets as at the same date, in each case calculated by the Seller on an individual consolidated basis (as referred to in Article 9 of the CRR) or, as the context requires, a consolidated basis, "**Common Equity Tier 1**" means, as at any date, the sum of all amounts that constitute common equity tier 1 capital of the Seller as at such date, less any deductions from common equity tier 1 capital required to be made as at such date, in each case as calculated by the Seller on an individual consolidated basis (as referred to in Article 9 of the CRR) or, as the context requires, a consolidated basis, in each case in accordance with the then prevailing capital requirement regulations but without taking into account any transitional, phasing-in or similar provisions and "**Risk Weighted Assets**" means, as at any date, the aggregate amount of the risk weighted assets of the Seller as at such date, as calculated by the Seller on an individual consolidated basis (as referred to in Article 9 of the CRR) or, as the context requires, a consolidated basis, in each case in accordance with the then prevailing capital requirement regulations; or
- (h) it becoming unlawful in any applicable jurisdiction for the Seller to hold legal title in respect of any Loan or its Related Security in the Portfolio,

(each of the events set out in paragraphs (a) to (h) inclusive being a "**Perfection Event**").

An "**Insolvency Event**" will occur in respect of an entity in the following circumstances:

- (a) an order is made or an effective resolution passed for the winding-up of the relevant entity (or it proposes or makes any composition or arrangement with its creditors); or
- (b) the relevant entity stops or threatens to stop payment to its creditors generally or the relevant entity ceases or threatens to cease to carry on its business or substantially the whole of its business; or
- (c) an encumbrancer takes possession or a Receiver is appointed to the whole or any material part of the undertaking, property and assets of the relevant entity or a distress, diligence or execution is levied or enforced upon or sued out against the whole or any material part of the chattels or property of the relevant entity and, in the case of any of the foregoing events, is not discharged within 30 days; or

- (d) the relevant entity is unable to pay its debts as they fall due or it is deemed under section 123 of the Insolvency Act 1986 to be unable to pay its debts or announces an intention to suspend making payments with respect to any class of undisputed debts; or
- (e) if proceedings are initiated against the relevant entity under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the relevant entity or, as the case may be, in relation to the whole or any part of the undertaking or assets of the relevant entity, and in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order), unless initiated by the relevant entity, not discharged within 30 days.

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).

Save for Title Deeds held at the Land Registry or Registers of Scotland (as applicable) and Title Deeds existing in dematerialised forms, Title Deeds relating to each of the Loans and their Related Security are held by, or are under the control of the Seller, the Servicer or the Seller's solicitors, licensed conveyancers or (in Scotland) qualified conveyancers to the order of the Seller.

Neither the Security Trustee nor the Issuer has made or has caused to be made on its behalf any enquiries, searches or investigations, but each is relying entirely on the representations and warranties made by the Seller contained in the Mortgage Sale Agreement.

"Title Deeds" means, in relation to each Loan, and its Related Security and the Property relating thereto, all conveyancing deeds, certificates and all other documents which relate to the title to the Property and the security for the Loan and all searches and enquiries undertaken in connection with the grant by the relevant Borrower of the related Mortgage.

"Loan Files" means the file or files relating to each Loan (including files kept in microfiche format or similar electronic data retrieval system or the substance of which is transcribed and held on an electronic data retrieval system) containing, *inter alia*, correspondence between the Borrower and the Seller and including mortgage documentation applicable to each Loan, each letter of offer for that Loan, the Valuation Report (if applicable), any MHA/CP Documentation and, to the extent available, the solicitor's or licensed or qualified conveyancer's certificate of title.

"Valuation Report" means the valuation report or reports for mortgage purposes, in the form of one of the pro forma contained in the Standard Documentation, obtained by the Seller from a valuer in respect of each Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a Prudent Mortgage Lender and which has been approved by the relevant officers of the Seller.

"Prudent Mortgage Lender" means a reasonable prudent residential mortgage lender lending to borrowers in England and Wales and Scotland who generally satisfy the lending criteria of traditional sources of residential mortgage capital.

Conditions to Sale

The sale of Loans and their Related Security to the Issuer will be subject to various conditions being satisfied on the Closing Date.

Representations and Warranties

On the Closing Date, the Loan Warranties (described below in *Representations and Warranties*) will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer on that day. For the avoidance of doubt, the Loan Warranties are given in relation to the Portfolio and not the Provisional Portfolio.

The warranties that will be given to the Issuer and separately to the Security Trustee by the Seller pursuant to the Mortgage Sale Agreement (the "**Loan Warranties**") include, *inter alia*, (defined terms having the meaning given to them in the Mortgage Sale Agreement), and see also *The Loans - Insurance Contracts* above:

- (a) The particulars of the Loans set out in Part 1 of Annex A to the Mortgage Sale Agreement and the Scottish Declaration of Trust are true, complete and accurate in all material respects.
- (b) The Seller was, at the time of the origination of each Loan, a credit institution as defined in paragraph (1) of Article 4(1) of Regulation (EU) No 575/2013.
- (c) Each Loan was (i) originated by the Seller as principal in the ordinary course of business pursuant to underwriting standards that are no less stringent than those the Seller applied at the time of origination to similar exposures that are not included in the Portfolio and (ii) originated, and is denominated, in Sterling.
- (d) No Loan sold by the Seller had, at the time of such sale, a Current Balance (as at 23:59:59 hours on the date immediately prior to the date of the relevant sale) of more than £1,000,000.
- (e) Each Loan sold by the Seller was made no earlier than September 2017 and each Loan in the Portfolio matures for repayment no later than two years prior to the Final Maturity Date of the Notes, the Class VRR Notes and the Certificates.
- (f) No lien or right of set-off or counterclaim or other right of deduction has, to the knowledge of the Seller, arisen between any Borrower and the Seller or any other party which would entitle such Borrower to reduce the amount of any payment otherwise due under the Loan.
- (g) Prior to the making of the Initial Advance in respect of each Loan prior to the Closing Date, the Lending Criteria of the Seller and all preconditions to the making of any Loan were satisfied in all material respects subject only to such exceptions as are made on a case by case basis and which would be acceptable to a Prudent Mortgage Lender.
- (h) The Loans and their Related Security are not subject, either totally or partially, to any lien, assignment, charge or pledge to any third parties or are otherwise in a condition that could be foreseen to adversely affect the enforceability of the sale to the Issuer.
- (i) Each Loan was made and its Related Security taken or received on the terms of the Standard Documentation without any material variation thereto and nothing has been done subsequently to add to, lessen, modify or otherwise vary the express provisions of any of the same in any material respects subject only to such exceptions as are made on a case by case basis and which would be acceptable to a Prudent Mortgage Lender.
- (j) The application forms, offers, offer conditions and marketing material, if any, distributed by the Seller to the Borrower when offering a Loan to a Borrower:

- (i) do not conflict in any material respect with the terms applicable to the relevant Loan and its Related Security at the time that the Loan was entered into; and
- (ii) do not conflict with, and would not prohibit or otherwise limit the terms of, the Standard Documentation or the Transaction Documents or the matters contemplated thereby.
- (k) Each Borrower has paid at least one Monthly Instalment.
- (l) Other than with respect to Monthly Instalments, the Borrower is not, and has not been, since the date of the relevant Mortgage and so far as the Seller is aware, in material breach of any obligation owed in respect of the relevant Loan or under the Related Security and accordingly no steps have been taken by the Seller to enforce any Related Security and the Seller is not aware of any fraud in relation to any Loan or Related Security.
- (m) The Seller has full recourse to the relevant Borrower under the relevant Loan.
- (n) The total amount of Arrears of Interest or principal, together with any fees, commissions and premiums payable at the same time as such interest payment or principal repayment, on any Loan is not as at the Cut-Off Date in respect of such Loan more than the Monthly Instalment payable in respect of such Loan in respect of the month in which such date falls.
- (o) No Loan is considered by the Seller as being in default within the meaning of Article 178(1) of Regulation (EU) No.575/2013 (the "**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 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 CRR.
- (p) The Current Balance on each Loan and its Related Security constitutes a valid debt due to the Seller from the relevant Borrower and the terms of each Loan and its Related Security constitute legal, valid, binding and enforceable obligations of the Borrower and each Loan and its Related Security is non-cancellable (except that (i) the Seller makes no representation as to the fairness or otherwise of terms which relate to its ability to vary the rate of interest; (ii) enforceability may be limited by bankruptcy, insolvency or other similar laws of general applicability affecting the enforcement of creditors' rights generally and the courts' discretion in relation to equitable remedies and, for the avoidance of doubt, such laws include but are not limited to, the CRA; and (iii) this representation shall not apply in respect of any early repayment charges or redemption fees).
- (q) Interest on each Loan is charged and paid by the relevant Borrower in accordance with the provisions of the Standard Documentation and is payable monthly in arrears.
- (r) No agreement for any Loan or variation of such agreement is or includes a regulated credit agreement (as defined in Article 60B of the RAO) or constitutes any other agreement regulated or partly regulated by the CCA (other than Sections 140A to 140C of the CCA) or, to the extent that it is so regulated or partly regulated, all the requirements of the CCA have been complied with in all material respects (or to the extent of any non-compliance, such non-compliance would not be such as to prevent enforcement of that Loan or any of its material terms by the Seller).
- (s) All of the Borrowers are individuals and were aged 18 years or older at the date of entering into the relevant Loan and its Related Security and the identity of each

Borrower has been verified by the Seller in accordance with procedures which would be acceptable to a Prudent Mortgage Lender.

- (t) The whole of the Current Balance (as at 23:59:59 hours on the date immediately prior to the Closing Date) of each Loan and interest, fees, costs, expenses and any other amounts payable under or in respect of such Loan are secured by a Mortgage over a residential property.
- (u) The Mortgage Conditions for each Loan do not permit payment holidays.
- (v) Each Mortgage constitutes a valid and subsisting first ranking charge by way of legal mortgage (in relation to the English Loans) or first priority standard security (in relation to the Scottish Loans) over the relevant Property.
- (w) Each Mortgage has first priority for the whole of the Current Balance (as at 23:59:59 hours on the date immediately prior to the Closing Date) on the Loan and interest on such Current Balance and all fees, costs, expenses and other amounts payable under or in respect of such Loan or Mortgage.
- (x) Neither the Seller nor its assignees are under an obligation to make further amounts available or to release retentions or to pay fees or other sums relating to any Loan or its Related Security to any Borrower.
- (y) All of the Properties are residential properties situated in England, Wales or Scotland.
- (z) Each Property is either freehold, leasehold or commonhold or, in Scotland, owned and if a Property is leasehold, written notice has been given to the landlord of the creation of the relevant Mortgage.
- (aa) In respect of each Loan secured on leasehold Property, the relevant leasehold interest had, as at the date when the Loan was originated, an unexpired term left to run of not less than 30 years after the maturity of the relevant Loan.
- (bb) Every person who, at the date upon which a Mortgage over property situated in England and Wales was granted, and was in or about to be in actual occupation of the relevant property, other than where the Seller has acted as a Prudent Mortgage Lender in respect of owner occupied mortgage loans in making such Loan, is either named as a Borrower or has signed a deed of consent in the form of the pro forma contained in the Standard Documentation and, in relation to each Mortgage over property situated in Scotland, all necessary MHA/CP Documentation has been obtained so as to ensure that neither the relevant property nor the relevant Mortgage is subject to or affected by any statutory right of occupancy.
- (cc) To the best of the Seller's knowledge, each Borrower has a good and marketable title to the Property free from any encumbrance which:
 - (i) would materially adversely affect such title; and
 - (ii) a Prudent Mortgage Lender would regard as unacceptable for security purposes.
- (dd) Not more than 6 months prior to the granting of each Mortgage, the Seller received a Valuation Report from a Valuer on the relevant Property (or such other form of valuation as would be acceptable to a Prudent Mortgage Lender), the contents of which were such as would be acceptable to a Prudent Mortgage Lender.

- (ee) Prior to the inception of each Mortgage, the Seller:
 - (i) instructed a solicitor or licensed conveyancer or (in Scotland) qualified conveyancer to carry out an investigation of title to the relevant Property and to undertake such other searches, investigation, enquiries and other actions on behalf of the Seller as are set out in the instructions which the Seller issued to the relevant solicitor, licensed conveyancer or qualified conveyancer or as set out in a contract between the Seller and Legal Marketing Services Limited and, in the case of English Loans, in the UK Finance Mortgage Lenders' Handbook for England and Wales or, in the case of Scottish Loans, in the UK Finance Mortgage Lenders' Handbook for Scotland (or such comparable, predecessor or successor instructions and/or guidelines as may for the time being be in place), subject only to such variations as would have been acceptable to a Prudent Mortgage Lender at the relevant time; and
 - (ii) received a Certificate of Title from the solicitor or licensed conveyancer or (in Scotland) qualified conveyancer in paragraph (i) above, relating to such Property the contents of which were such as would have been acceptable to a Prudent Mortgage Lender at that time.
- (ff) Each Property was at the time of inception of the Mortgage insured to an amount not less than the full reinstatement cost as determined by the relevant valuer under:
 - (i) a Buildings Insurance Policy arranged by the Borrower in accordance with the Mortgage Conditions; or
 - (ii) with respect to leasehold Properties, a Buildings Insurance Policy arranged by the relevant landlord,

and in all cases: (A) against risks usually covered by a comprehensive building insurance policy; and (B) the Seller has received no notice from the Borrower that any Property has ceased to be insured.
- (gg) The Seller has good title to, and is the absolute unencumbered legal and beneficial owner of, all property, interests, rights and benefits agreed to be sold and/or assigned by the Seller to the Issuer free and clear of all Security, claims and equities (including, without limitation, rights of set off or counterclaim).
- (hh) All steps necessary to perfect the Seller's title to the Loans and the Related Security were duly taken at the appropriate time or are in the process of being taken, in each case (where relevant, and to the best of the Seller's knowledge) within any applicable priority periods, protected periods, or time limits for registration with all due diligence and without undue delay.
- (ii) Save for Title Deeds held at the Land Registry or Registers of Scotland (as applicable) and Title Deeds existing in dematerialised forms, Title Deeds relating to each of the Loans and their Related Security are held by, or are under the control of, the Seller, the Servicer or the Seller's solicitors, licensed conveyancers or (in Scotland) qualified conveyancers to the order of the Seller.
- (jj) Neither the entry by the Seller into the Mortgage Sale Agreement nor any transfer or assignment or creation of trust contemplated by the Mortgage Sale Agreement affects or will adversely affect any of the Loans and their Related Security and, subject, where the 2016 Scottish Mortgage Conditions apply, to giving at least five days' notice of a transfer following a Perfection Event to relevant Borrowers in respect of Scottish

Loans, the Seller may freely assign or otherwise transfer its interests therein without breaching any term or condition applying to any of them.

- (kk) The Seller has not knowingly waived or acquiesced in any breach of any of its rights in respect of a Loan, Mortgage or its Related Security, other than waivers and acquiescence such as a Prudent Mortgage Lender might make.
- (ll) The Issuer will not have any liability for costs or fees payable by the Seller in connection with the making of the Loan or the granting of the Related Security.
- (mm) The Seller has, since the making of each Loan, kept or procured the keeping of full and proper accounts, books and records showing clearly all transactions, payments, receipts, proceedings and notices relating to such Loan and all such accounts, books and records are up to date and in the possession of the Seller or held to its order.
- (nn) Neither the Seller nor, as far as the Seller is aware, any of its agents has received written notice of any litigation or dispute (subsisting, threatened or pending) in respect of any Borrower, a Property, Loan, Related Security or the Insurance Policy which (if adversely determined) might have a material adverse effect on the value of any Loan.
- (oo) There are no authorisations, approvals, licences or consents required as appropriate for the Seller to enter into or perform its obligations under the Mortgage Sale Agreement to render the Mortgage Sale Agreement legal, valid, binding, enforceable and admissible in evidence and, with the exception, where the 2016 Scottish Mortgage Conditions apply, of giving at least five days' notice of a transfer following a Perfection Event to relevant Borrowers in respect of Scottish Loans, and sending notification of assignment or assignation to the Borrowers, all formal approvals, consents and other steps necessary to permit a legal transfer of the Loans and their Related Security to be sold under the Mortgage Sale Agreement have been obtained or taken.
- (pp) To the best of the knowledge and belief of the Seller, no corporate action has been taken or is pending, no other steps have been taken and no legal proceedings have been commenced or are threatened or are pending for (i) the winding-up, liquidation, dissolution, administration or reorganisation of the Seller, (ii) the Seller to enter into any composition or arrangement with its creditors generally or (iii) the appointment of a receiver, administrative receiver, trustee or other similar officer in respect of the Seller or any of its property, undertaking or assets, and no documents have been filed with the court for the appointment of an administrator and no notice of intention to appoint an administrator has been served, and no steps have been taken by the Seller with a view to obtaining a moratorium in respect of any indebtedness of the Seller or for the purpose of proposing a company voluntary arrangement, and no event equivalent to any of the foregoing has occurred in or under the laws of any relevant jurisdiction applicable to the Seller.
- (qq) The Seller is and has been in material compliance with the requirements of MCOB in so far as they apply to any of the Loans, Related Security or the Insurance Policy at all relevant times, and the Seller has at all relevant times held all authorisations, approvals, licences, consents and orders required by it under the FSMA in connection with the Loans, Related Security and the Insurance Policy.
- (rr) To the extent that any Loan and its Related Security and any guarantee in relation to that Loan is subject to UTCCR or the CRA 2015 no official proceedings have been taken by the FCA or by a qualifying body as defined in the 1999 Regulations against the Seller, pursuant to the UTCCR or by the CMA or other relevant regulator under the

CRA 2015 or otherwise which might prevent or restrict the use in such agreement of any material term or the enforcement of any such term.

- (ss) No action has been taken by any official body in relation to any Loan (whether on its own or taken together with any related agreement) under which it is alleged that such Loan gives rise to an unfair relationship under Sections 140A to 140C of the CCA.
- (tt) No Loan was marketed and underwritten on the premise that the loan applicant or, as applicable, any intermediary, was made aware that the information provided might not be verified by the Seller.
- (uu) The Loans sold by the Seller to the Issuer pursuant to the Mortgage Sale Agreement are financial assets as defined in International Accounting Standard 32 (IAS 32).
- (vv) No Loan and no Related Security or Ancillary Right in respect of a Loan is stock or a marketable security (as such terms are defined for the purposes of section 122 of the Stamp Act 1891), a chargeable security (as such term is defined for the purposes of section 99 of the Finance Act 1986) or a chargeable interest (as such term is defined for the purposes of section 48 of the Finance Act 2003 and section 4 of the Land and Buildings Transaction Tax (Scotland) Act 2013 or Section 4 of the Welsh Land Transaction Tax and Anti-avoidance of Devolved Taxes Act 2017).
- (ww) No Loan has a fixed term reversion date falling later than 30 June 2024.
- (xx) To the best of the Seller's knowledge, at the time of origination of the relevant Loan, no Borrower either (i) appeared on a register available to the Seller of persons with an adverse credit history or (ii) had a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made was significantly higher than for comparable exposures held by the Seller which are not included in the Portfolio.
- (yy) To the best of the Seller's knowledge, no Borrower has filed for bankruptcy, been sequestrated, entered into an individual voluntary arrangement or debt arrangement scheme (in terms of the Debt Arrangement and Attachment (Scotland) Act 2002 and the Debt Arrangement Scheme (Scotland) Regulations 2011, both as amended), or had a non-appealable county court judgment, Scottish court decree for payment or bankruptcy order entered or made against them within six years prior to the Closing Date, or has incurred material damages as a result of a missed payment within six years prior to the Closing Date or has undergone a debt restructuring process with regard to his/her non-performing exposures within six years prior to the Closing Date.
- (zz) The Related Security consists solely of mortgages, insurance policies, guarantees, rights under certain documents relating to the Loans and rights against certain persons in connection with the origination and completion of the Loans.
- (aaa) The Mortgages and any Related Security are interests or rights (other than a rent charge) held for the purposes of securing the payment of money or the performance of another obligation.
- (bbb) No Loan is a help to buy loan, a buy to let loan, a right to buy loan, an interest-only loan, a Self-Certified Loan, or a Flexible Loan.
- (ccc) All Loans are either Fixed Rate Loans or Loans with SVRs.
- (ddd) (So long as the Offer Conditions do not expressly allow the Borrower to Port its Loan) the Seller is under no obligation to agree to Port a Loan.

- (eee) The Seller is under no obligation to agree to a redraw of any overpaid balance or a Further Advance.
- (fff) All Loans are granted for the purposes of facilitating the acquisition by the relevant Borrower of a main residence.
- (ggg) All Loans subject to the fees-assisted re-mortgage conveyancing process benefit from the Insurance Policy.
- (hhh) No Borrower is an employee of the Seller.
- (iii) As at the Closing Date the loans are classified as secured by residential mortgages or fully guaranteed residential loans per Article 129(1)(e) and, under the Standardised Approach the Portfolio has a risk weight equal to or smaller than 40 per cent.

Neither the Security Trustee, the Arranger nor the Lead Manager have undertaken any additional due diligence in respect of the application of the Lending Criteria and have relied entirely upon the representations and warranties referred to above which will be made by the Seller to the Issuer and the Security Trustee pursuant to the Mortgage Sale Agreement.

"**Cut-Off Date**" means 31 October 2019.

"**Flexible Loan**" means a Loan the conditions of which give the Borrower the ability to make unlimited overpayments without incurring an Early Repayment Charge, re-borrow amounts previously overpaid, use previous overpayments to fund underpayments or apply for a payment holiday.

"**Further Advance**" means, in relation to a Loan, any advance of further money to the relevant Borrower made by the Seller in the ordinary course of its mortgage origination and servicing businesses (in accordance with the standards of a Prudent Mortgage Lender) and following the advance of the initial principal amount by the Seller to the relevant Borrower under a Loan ("**Initial Advance**") which is secured by the same Mortgage as the Initial Advance, but does not include the amount of any retention advanced to the relevant Borrower as part of the Initial Advance after completion of the Mortgage.

"**Port**" means the transfer of the Mortgage in respect of a Loan from an existing Property to a new Property where the new Property provides replacement security for the repayment by the Borrower of the relevant Loan.

"**Product Switch**" means: (A) a transfer of equity in respect of a Property; (B) consent being granted to the relevant Borrower to let or sub-let the Property; (C) a second charge being granted over the relevant Property; and (D) any variation in the financial terms and conditions applicable to a Loan other than any variation, each carried out in the ordinary course of the Seller's mortgage origination and servicing business (in accordance with the standards of a Reasonable, Prudent Residential Mortgage Servicer):

- (a) agreed with a Borrower to control or manage actual or anticipated arrears on the Loan;
- (b) agreed with a Borrower as part of debt rehabilitation in relation to the Loan;
- (c) agreed with a Borrower to extend the maturity date of the Loan (unless the maturity date would be extended to a date later than three years before the Final Maturity Date in which case such variation will constitute a Product Switch);
- (d) imposed by statute; or

- (e) in the rate of interest payable in respect of a Loan (i) as a result of any variation in the SVR or (ii) where the terms of the Mortgage change the rate of interest payable by a Borrower on termination of an interest discount for a fixed period of time or the terms of the Loan otherwise change the interest rate payable.

"**Self-Certified Loan**" means a Loan where the application was taken on, and marketed with, the understanding that evidence of the declared income would not be required in order to underwrite the loan.

"**Significant Deposit Loan**" means a Loan where (i) the Seller holds the legal title, and (ii) the relevant Borrower has a deposit account with the Seller and the balance of such deposit account exceeds the maximum amount covered under the Financial Services Compensation Scheme.

Repurchase by the Seller

In the event of any breach of these representation and warranties in relation to a Loan and/or its Related Security which could (having regard to, but without limitation, whether a loss is likely to be incurred in respect of that Loan and/or its Related Security to which the breach relates after taking into account the likelihood of recoverability or otherwise of any sums under any applicable insurance policies) have a Material Adverse Effect on the value of that Loan and/or its Related Security (an "**Affected Loan**"), and which, if capable of remedy, is not so remedied by the Seller within 30 Business Days of notification of such breach to the Seller, the Seller is required to repurchase such Affected Loan and its Related Security for a consideration in cash equal to the Repurchase Price. Completion of such repurchase shall take place no later than 30 days after receipt by the Seller of a notice (a "**Loan Repurchase Notice**") or such other later date as the Servicer on behalf of the Issuer or, if applicable, the Security Trustee (as the case may be) may direct in the Loan Repurchase Notice.

If an Affected Loan has never existed, or has ceased to exist, such that it is not outstanding on the date on which it is due to be repurchased, the Seller will not be obliged to repurchase that Affected Loan, but shall instead indemnify the Issuer against any loss suffered by reason of any representation or warranty relating to or otherwise affecting that Affected Loan being untrue or incorrect.

Any Collections received by the Issuer after the date on which the relevant Loan is repurchased will be transferred to the Seller upon the repurchase of the Loan. Performance of the obligation to repurchase will be in satisfaction of all liabilities of the Seller in respect thereof.

Ported Loans shall be redeemed and shall not be repurchased.

The Seller will repurchase, in accordance with the Mortgage Sale Agreement, all Loans and their Related Security in respect of which there has been a Further Advance or Product Switch in the month following the month in which such Further Advance or Product Switch took place. The Seller will make Further Advances in accordance with the standards of a Prudent Mortgage Lender and Product Switches in accordance with the standards of a Reasonable, Prudent Residential Mortgage Servicer. Further Advances and Product Switches will be made only in the ordinary course of the Seller's mortgage origination and servicing business.

In relation to all Loans and their Related Security in respect of which there has been a Further Advance or Product Switch which the Seller is required to repurchase, the Servicer shall send to the Issuer and the Seller a report which identifies such Loans (the "**Repurchase Report**") by the sixth Business Day following the end of the calendar month in which such Loans were identified (the "**Repurchase Report Date**"). The Seller will then be required, in accordance with the terms of the Mortgage Sale Agreement, to repurchase the relevant Loans within a period of 10 Business Days commencing on the Repurchase Report Date. The payment of the consideration shall be made by the Seller on the Repurchase Date when the Seller shall pay such consideration into the Citi Transaction Account or, at the option of the Seller, to the Elavon Transaction Account.

The Seller has no discretionary rights of repurchase in relation to any Loans or their Related Security and the Seller has no right or obligation to substitute or sell any of the Loans or their Related Security included in the Portfolio.

For these purposes,

"Material Adverse Effect" means, in the context of any Loan and/or its Related Security, a material adverse effect on the interests of the Issuer or the Security Trustee in such Loan and/or its Related Security, or on the ability of the Issuer (or the Servicer on behalf of the Issuer) to collect amounts due on any Loan and/or its Related Security or on the ability of the Security Trustee to enforce its Security.

Repurchase price

In the case of a Loan and its Related Security in relation to which there has been a material breach of a Loan Warranty, a Product Switch or Further Advance, the consideration payable by the Seller in respect of the repurchase of such Loan and its Related Security shall be equal to the Current Balance (including Accrued Interest) as at 23:59:59 hours on the date immediately prior to the date of any such repurchase, of such Loan (disregarding for the purposes of any such calculation the extent to which such Current Balance (including Accrued Interest) of such Loan has been reduced as a result of the exercise of any set-off right which the relevant Borrower has against the Seller), plus the Issuer's costs and expenses (if any) associated with the transfer of such Loan and its Related Security to the Seller (the **"Repurchase Price"**).

As used in this Prospectus:

"Business Day" means a day (other than a Saturday or Sunday or a public holiday) on which banks are open for business in London.

"Calculation Date" means, in relation to a Collection Period, the day falling two Business Days before each Interest Payment Date.

"Certificate of Title" means, in respect of a Property, a solicitor's, licensed or (in Scotland) qualified conveyancer's report or certificate of title obtained by or on behalf of the Seller in respect of such Property substantially in the form of the pro forma set out in the Standard Documentation.

"Collection Period" means the quarterly period commencing on (and including) a Collection Period Start Date and ending on (and including) the immediately following Collection Period End Date, except that the first Collection Period will commence on (and exclude) the Cut-Off Date and end on (and include) the last day of the calendar month immediately preceding the first Interest Payment Date.

"Collection Period End Date" means the last day of the calendar month immediately preceding the immediately following Collection Period Start Date.

"Collection Period Start Date" means the first calendar day of February, May, August and November in each year, and the first Collection Period Start Date will be 1 November 2019.

"Enforced Loan" means a Loan in respect of which the Related Security has been enforced and the related Property has been sold.

"English Mortgage" means a first ranking legal charge over a Property located in England or Wales.

"Fixed Rate Loan" means a Loan to the extent that and for such time as the interest rate payable by the relevant Borrower on all or part of the Current Balance does not vary and is fixed for a certain period of time by the Seller.

"Insurance Policy" means with respect to the Mortgages, the Stewartplus title indemnity for remortgages block policy dated 14 December 2016 and taken out with Stewart Title Limited.

"MHA/CP Documentation" means an affidavit, declaration, consent or renunciation granted in terms of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 and/or the Civil Partnership Act 2004 in connection with a Scottish Mortgage or the Property secured thereby.

"Monthly Instalment" means the amount which the relevant Mortgage Conditions require a Borrower to pay on each monthly payment date in respect of that Borrower's Loan.

"Mortgage" means:

- (a) each English Mortgage, in respect of any English Loan; and
- (b) each Scottish Mortgage, in respect of any Scottish Loan,

which is, or is to be, sold, assigned or transferred by the Seller to the Issuer pursuant to:

- (i) the Mortgage Sale Agreement, in respect of any English Loan; or
- (ii) the Mortgage Sale Agreement and the Scottish Declaration of Trust, in respect of any Scottish Loan,

which secures the repayment of the relevant Loan pursuant to the Mortgage Conditions applicable to it.

"Mortgage Conditions" means in respect of an English Loan, all the terms and conditions applicable to such Loan, including those set out in Mortgage Terms and Conditions (T&Cs) (version 1.1, effective from 30/08/17), Mortgage Terms and Conditions (T&Cs) (version 1.2, effective from 14/11/17) and Mortgage Terms and Conditions (T&Cs) (version 1.3, effective from 16/03/18), each as varied from time to time by the relevant loan agreement, the relevant Mortgage Deed and the Offer Conditions and in respect of a Scottish Loan, the terms and conditions applicable to such Loan set out in whichever of the Mortgage Terms and Conditions registered in the Books of Council and Session on 25 October 2016 (the **"2016 Scottish Mortgage Conditions"**) or the Mortgage Terms and Conditions registered in the Books or Council and Session on 14 January 2019 is referred to in the relevant Mortgage Deed and all other terms and conditions applicable to such Loan including those set out in the relevant Offer Conditions.

"Mortgage Deed" means, in respect of any Mortgage, the deed in written form creating that Mortgage (being in respect of any Scottish Loans, a standard security).

"Offer Conditions" means in respect of a Loan, the terms and conditions applicable to such Loan as set out in the mortgage offer to the relevant Borrower.

"Property" means (in England and Wales) a freehold, leasehold or commonhold property or (in Scotland) a heritable property or property held under a long lease which is, in each case, subject to a Mortgage.

"Receiver" means any person or persons appointed (and any additional person or persons appointed or substituted) as an administrative receiver, receiver, manager, or receiver and manager of the Charged Assets by the Security Trustee pursuant to the Deed of Charge.

"Related Security" means, in relation to a Loan, the security granted for the repayment of that Loan by the relevant Borrower including the relevant Mortgage and all rights, remedies or benefits related thereto including:

- (a) the benefit of all affidavits, consents, renunciations, guarantees, indemnities, waivers and postponements (including any deed of consent and MHA/CP Documentation) from occupiers and other persons having an interest in or rights in connection with the relevant Property;
- (b) each right of action of the Seller against any person (including any solicitor, licensed conveyancer, qualified conveyancer, valuer, registrar or registry or other person) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion (including each Certificate of Title and Valuation Report) given or received in connection with all or part of any Loan and its Related Security or affecting the decision of the Seller to make or offer to make all or part of the relevant Loan; and
- (c) the benefit of (including the rights as the insured person under and as notations of interest on, and returns of premium and proceeds of claims under) insurance and assurance policies (taken out by or on behalf of the relevant Borrower) deposited, charged, obtained, or held in connection with the relevant Loan, Mortgage and/or Property and relevant Loan Files.

"Scottish Mortgage" means a first ranking standard security over a Property located in Scotland.

"Standard Documentation" means the standard documentation of the Seller, a list or CD of which is set out in or appended as Part 2 of Annex A to the Mortgage Sale Agreement, or any update or replacement therefor as permitted by the terms of the Mortgage Sale Agreement.

Governing Law

The Mortgage Sale Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by the laws of England and Wales (other than those terms of the Mortgage Sale Agreement specific to the law of Scotland relating to the Scottish Loans and their Related Security, which are governed by Scots law).

Servicing Agreement

Introduction

The Issuer, the Security Trustee, the Seller, the Servicer and the Standby Servicer Facilitator will enter into, on or around the Closing Date, an agreement pursuant to which the Servicer agrees to service the Loans and their Related Security (the "**Servicing Agreement**"). The services to be provided by the Servicer are set out in the Servicing Agreement, and may include any services incidental thereto as may be agreed to in writing by the Issuer, the Seller, the Security Trustee and the Servicer (the "**Services**").

On or about the Closing Date, the Servicer will be appointed by the Issuer and, as applicable, the Seller (including in its capacity as a trustee) of the trust declared and created by the Scottish Declaration of Trust) to be its agent to service the Loans and their Related Security. The Servicer must comply with any proper directions and instructions that the Issuer or, following the Security Trustee notifying the Servicer that an Enforcement Notice has been served, the Security Trustee may from time to time give to it in accordance with the provisions of the Servicing Agreement.

The Servicer's actions in servicing the Loans and their Related Security in accordance with the terms of the Servicing Agreement (including the procedures of the Servicer set out therein) are binding on the Issuer.

The Servicer may, in some circumstances, delegate or subcontract some or all of its responsibilities and obligations under the Servicing Agreement. However, the Servicer will remain liable at all times for the administration of the Loans and for the acts or omissions of any delegate or subcontractor.

Powers

The Servicer has the power, among other things:

- (a) to exercise the rights, powers and discretions of the Issuer and the Seller in relation to the Loans and their Related Security and to perform its duties in relation to the Loans and their Related Security; and
- (b) to do or cause to be done any and all things which it reasonably considers necessary or convenient or incidental to the servicing of the Loans and their Related Security or the exercise of such rights, powers and discretions.

Undertakings by the Servicer

The Servicer has undertaken, among other things, to:

- (a) service the Loans and their Related Security sold by the Seller to the Issuer as if the same had not been sold to the Issuer (or, in respect of the Scottish Loans and their Related Security, held on trust under the trust declared and created by the Scottish Declaration of Trust) but had remained on the books of the Seller and in accordance with the Seller's procedures and administrations and enforcement policies, as they apply to those Loans;
- (b) provide the services to be undertaken by it under the Servicing Agreement in such manner and with the same level of skill, care and diligence as a Reasonable, Prudent Residential Mortgage Servicer;
- (c) comply with any proper directions, orders and instructions which the Issuer and/ or the Security Trustee may from time to time give to it in accordance with the provisions of the Servicing Agreement and, in the event of any conflict, those of the Security Trustee shall prevail;
- (d) maintain all approvals, authorisations, permissions, consents and licences required for itself in connection with the performance of its duties under the Servicing Agreement, and prepare and submit on a timely basis all necessary applications and requests for any further approvals, authorisations, permissions, consents and licenses required for itself in connection with the performance of its duties under the Servicing Agreement;
- (e) save as otherwise agreed with the Issuer, provide free of charge to the Issuer and the Seller, office space, facilities, equipment and staff sufficient to fulfil the obligations of the Issuer and the Seller under the Servicing Agreement;
- (f) not knowingly fail to comply with any legal requirements in the performance of its duties under the Servicing Agreement;
- (g) make all payments required to be made by it pursuant to the Servicing Agreement on the due date for payment thereof in Sterling (or as otherwise required under the Transaction Documents) in immediately available funds for value on such day without set-off (including, without limitation, in respect of any fees owed to it) or counterclaim but subject to any deductions required by law;
- (h) use reasonable endeavours to procure that the Seller makes payments in respect of the Loans into the Citi Transaction Account, or, at the election of the Seller, into the Elavon Transaction Account, not later than one Business Day following receipt of the same by the Seller;
- (i) not without the prior written consent of the Security Trustee amend or terminate any of the Transaction Documents in any material respect except in accordance with their terms;

- (j) forthwith upon becoming aware of any material event which, in its opinion, may reasonably give rise to an obligation of the Seller to repurchase any Loan pursuant to the Mortgage Sale Agreement, notify the Issuer and the Seller in writing of such event;
- (k) provide the Servicer Reports to the Cash Manager to enable the Cash Manager to prepare the Investor Report;
- (l) prepare and provide to the Cash Manager the Loan-Level Report;
- (m) ensure that at all times the relevant Loans comply with the material terms of the CCA (to the extent that such relevant Loans are regulated by that Act);
- (n) operate or give instructions to the Elavon Account Bank in relation to the Elavon Transaction Account in accordance with the Elavon Bank Account Agreement; and
- (o) operate or give instructions to the Swap Collateral Account Bank in relation to the Swap Collateral Account in accordance with the Swap Collateral Account Bank Agreement.

Ability to delegate

The Servicer may subcontract or delegate the performance of its duties under the Servicing Agreement, provided that it meets particular conditions, including that:

- (a) the Issuer consents to the proposed subcontracting or delegation;
- (b) written notification has been given to each of the Rating Agencies;
- (c) where the arrangements involve the custody or control of any customer files and/or title information documents, the subcontractor or delegate has executed a written acknowledgement that those customer files and/or title information documents are and will be held to the order of the Issuer and the Security Trustee;
- (d) where the arrangements involve or may involve the receipt by the subcontractor or delegate of moneys belonging to the Issuer which are to be paid into either Transaction Account, the subcontractor or delegate has executed a declaration that any such moneys are held on trust for the Issuer and will be paid forthwith into the relevant Transaction Account(s) in accordance with the terms of the Servicing Agreement;
- (e) the subcontractor or delegate has executed a written waiver of any security interest arising in connection with the delegated services;
- (f) the Issuer and the Security Trustee have no liability for any costs, charges or expenses in relation to the proposed subcontracting or delegation; and
- (g) the subcontractor or delegate has confirmed that it has and will maintain all approvals required for itself in connection with the fulfilment of its obligations under the agreement with the Administrator.

The provisos set out in paragraphs (a) and (b) above (among others) will not be required in respect of any delegation to (i) Atom Bank Plc, (ii) a wholly-owned subsidiary of Atom Bank Plc from time to time or (iii) persons such as receivers, lawyers or other relevant professionals.

Standby Servicer Facilitator

The Issuer will appoint the Standby Servicer Facilitator in accordance with the Servicing Agreement. If the Servicer's appointment is terminated, the Standby Servicer Facilitator shall use best efforts to

identify, on behalf of the Issuer, and assist the Issuer in the appointment of a suitable substitute servicer in accordance with the Servicing Agreement.

Setting of Interest Rates on the Loans

Subject to the terms of the Transaction Documents, the Issuer grants the Servicer (or any replacement servicer) full right, liberty and authority from time to time, in accordance with the relevant Mortgage Conditions, to determine and set the SVR in relation to the Loans sold by the Seller to the Issuer which have not at the relevant date of determination been repurchased by the Seller.

Subject to the terms of the Servicing Agreement, the Servicer shall, prior to a Perfection Event, not set the SVR in relation to the Loans included in the Portfolio which have not at the relevant date of determination been repurchased by the Seller, at a rate which is different from the SVR set by the Seller on loans originated by the Seller but which are not included in the Portfolio.

Subject to the terms of the Servicing Agreement and following the occurrence of a Perfection Event, the Servicer (or any replacement servicer) shall procure that any new legal title holder shall determine and set, in accordance with the relevant Mortgage Conditions, the SVR in relation to the Loans which have not at the relevant date of determination been repurchased by the Seller, provided that such interest rate will be set at a rate which is not lower than SONIA (or any replacement reference rate then in force plus and amount equal to the Note Rate Maintenance Adjustment (if any)) plus 2.5% and *provided* that if the resultant figure is less than 2.5%, then such figure shall be deemed to be 2.5% (the "**SVR Floor**").

Operation of Collection Account

Payments from Borrowers under the Loans included in the Portfolio are made into the Collection Account held by Atom Bank at the Collection Account Bank, which account is subject to the Collection Account Declaration of Trust (which the Issuer will accede to on the Closing Date pursuant to the Collection Account Declaration of Trust Accession Undertaking).

Cleared funds standing to the credit of the Collection Account representing moneys received from Borrowers during banking hours on any particular day are required to be transferred by the Servicer on the next Business Day into the Citi Transaction Account; the Servicer (on behalf of the Issuer) may from time to time instruct the Cash Manager to transfer some or all of the balance of the Citi Transaction Account into the Elavon Transaction Account.

If (i) Atom Bank becomes a direct member of the CHAPS and Cheque Clearing, and (ii) Atom Bank elects by irrevocable written notice to the Issuer, the Collection Account Bank, the Cash Manager and the Security Trustee to become the Collection Account Bank in place of the Collection Account Bank in accordance with the terms of the Collection Account Declaration of Trust, Atom Bank may direct that Collections are paid from the date specified in such notice into a designated account at Atom Bank (the "**New Collection Account**"), which account will be subject to a new Collection Account Declaration of Trust substantially in the form contained in the schedule to the Collection Account Declaration of Trust. Cleared funds standing to the credit of the New Collection Account will be transferred on the next Business Day into the Citi Transaction Account, from which they may, at the direction of the Servicer (on behalf of the Issuer) to the Cash Manager, be transferred into the Elavon Transaction Account.

The Servicer will operate the Collection Account, opened in the name of the Seller with the Collection Account Bank, in accordance with the terms of the Servicing Agreement and the Collection Account Declaration of Trust (as to which, see *The Collection Account Declaration of Trust Accession Undertaking* below). Revenue Receipts and Redemption Receipts arising in relation to the Loans will be paid directly into the Collection Account.

Compensation of the Servicer

The Servicer receives fees under the terms of the Servicing Agreement. In consideration for providing Services other than carrying out certain duties and obligations set out in the Servicing Agreement, the Issuer shall pay to the Servicer a fee (inclusive of VAT, if any) of up to an aggregate amount calculated on the basis of the number of days elapsed in each calendar month over a 365-day year (or over a 366-day year in a leap year) by applying a rate of 0.08% per annum on the aggregate Current Balance of the Loans (excluding any Enforced Loans) on the Collection Period Start Date at the start of the immediately preceding Collection Period (the "**Servicing Fee**").

The Servicing Fee is payable quarterly in arrear on each Interest Payment Date in the manner contemplated by and in accordance with the Pre-Enforcement Revenue Priority of Payments or, as the case may be, the Post-Enforcement Priority of Payments.

Removal or Resignation of the Servicer

If any of the following events (each a "**Servicer Termination Event**") shall occur and continue:

- (a) the Servicer defaults in the payment on the due date of any payment due and payable by it under the Servicing Agreement and the Servicer fails to remedy it for a period of 30 Business Days after: (i) where the failure to pay has arisen other than as a result of a Disruption Event, the Servicer becoming aware of such default and receipt by the Servicer (with a copy to the Standby Servicer Facilitator) of written notice from the Issuer or (after the service of an Enforcement Notice) the Security Trustee requiring the same to be remedied or (ii) where the failure to pay has arisen as a result of a Disruption Event, the cessation of the relevant Disruption Event or, if earlier, 60 Business Days following the Servicer becoming aware of such default and receipt by the Servicer (with a copy to the Standby Servicer Facilitator) of written notice from the Issuer or (after the service of an Enforcement Notice) the Security Trustee requiring the same to be remedied; or
- (b) material non-performance of its other covenants and obligations which in the opinion of the Note Trustee is materially prejudicial to the interests of the holders of the Most Senior Class and (except where, in the opinion of the Security Trustee, such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned be required) such default continues unremedied for a period of 30 days after the Servicer becomes aware of such event provided however that where the relevant default occurs as a result of a default by any person to whom the Servicer has sub-contracted or delegated part of its obligations hereunder, such default shall not constitute a Servicer Termination Event if within such 30-day period the Servicer has taken steps to remedy such default provided such default is actually remedied within 60 days after the Servicer becomes aware; or
- (c) an Insolvency Event occurring in respect of the Servicer; or
- (d) it becomes unlawful in any applicable jurisdiction for the Servicer to perform any of its obligations as contemplated by the Servicing Agreement, provided that this does not result or arise from compliance by the Servicer with any instruction from the Issuer or the Security Trustee,

then (prior to the service of an Enforcement Notice and with the prior written consent of the Security Trustee (with the Security Trustee acting on the instructions of the Note Trustee) the Issuer or (after the service of an Enforcement Notice) the Security Trustee acting on the instructions of the Note Trustee (in the case of (a) or (b)) may, at once or at any time thereafter while such default continues, and (in the case of (c) or (d)) shall, at once, by notice in writing to the Servicer terminate its appointment as Servicer under the Servicing Agreement with effect from a date (not earlier than the date of the notice) specified in the notice (which date shall be 90 days (or such other greater period agreed between the Issuer, the Servicer and the Standby Servicer (if appointed))), provided further that the Servicer's appointment shall

not be terminated until the appointment of a substitute servicer assuming, and performing all the material duties and obligations of the Servicer.

Subject to the fulfilment of a number of conditions (including the appointment of a substitute servicer), the Servicer may voluntarily resign by giving not less than three months' notice to the Issuer and the Security Trustee. The substitute servicer is required to have experience of administering mortgages in the United Kingdom and to enter into a servicing agreement with the Issuer, the Security Trustee and the Note Trustee substantially on the same terms as the relevant provisions of the Servicing Agreement.

If the appointment of the Servicer is terminated, the Servicer must deliver the title information documents and customer files relating to the Loans and Related Security to, or at the direction of, the Issuer.

Where a substitute servicer is appointed following the occurrence of a Servicer Termination Event, or the voluntary resignation by the Servicer, the Issuer's costs and expenses associated with the transfer of administration to the substitute servicer (the "**Transfer Costs**") will be paid by the Seller. Where the Seller fails to pay such Transfer Costs, the Issuer shall pay such Transfer Costs in accordance with the Pre-Enforcement Revenue Priority of Payments.

The administration fee payable to a substitute servicer will be agreed by the Issuer and the substitute servicer prior to its appointment.

Service Provider Refinancing Document Veto Notice

The Servicer shall have the right to resign following the service of Service Provider Refinancing Document Veto Notice, provided that such resignation shall not be effective until a replacement servicer has been appointed under a replacement servicing agreement substantially on the same terms as the Servicing Agreement. See "*Early Redemption of the Notes, Class VRR Notes and Certificates – Refinancing Option*".

Liability of the Servicer

The Servicer has agreed to indemnify each of the Issuer and the Security Trustee on an after-tax basis against all losses, liabilities, claims, expenses or damages incurred as a result of negligence, fraud or wilful default by the Servicer in carrying out its functions as servicer under the Servicing Agreement or any other Transaction Document to which it is party or as a result of a breach by the Servicer of the terms of the Servicing Agreement or the other Transaction Documents to which it is party (in such capacity).

Governing Law

The Servicing Agreement and any non-contractual obligations arising out of or in connection with the Servicing Agreement are governed by the laws of England and Wales, provided that any terms of the Servicing Agreement particular to Scots law will be construed in accordance with the laws of Scotland.

Standby Servicing Agreement

Introduction

On the Closing Date, the Issuer will appoint the Standby Servicer to perform Standby Services (as defined in the Standby Servicing Agreement) pursuant to a standby servicing agreement between, *inter alios*, the Issuer, the Servicer and the Standby Servicer dated on or prior to the Closing Date (the "**Standby Servicing Agreement**").

The Standby Servicer has agreed to perform certain standby servicing duties, which are set out in the Standby Servicing Agreement, and may include any services incidental thereto as may be agreed to in writing by the Issuer, the Seller, the Security Trustee and the Standby Servicer (the "**Standby Services**"), and include, but are not limited to, conducting annual operational reviews to include reviews of the Servicer's Systems.

Invocation

Upon delivery of a notice in accordance with the Servicing Agreement, the Issuer may deliver to the Standby Servicer a written notice (an "**Invocation Notice**") notifying it of the occurrence of a Servicer Termination Event. Following its invocation as the servicer (such date being the "**Invocation Date**") and subject to the terms of the Standby Servicing Agreement, the Standby Servicer will, subject to its receipt of the Invocation Fee (as described in the section of this Prospectus entitled *Transaction Overview - Fees*) perform certain activities as soon as reasonably practicable and in any event within 60 calendar days from the date of the Invocation Notice, including, but not limited to, the following:

- (a) provide a team of its employees to work with the relevant legal title holder of the Loans to transition the servicing of the Loans and Related Security from Atom Bank as legal title holder and Servicer to the Standby Servicer;
- (b) request from the legal title holder a file of certain mortgage administration data in a format agreed by the Standby Servicer;
- (c) effect the set-up of the Services (as defined in the section of this Prospectus entitled *Summary of the Key Transaction Documents – Servicing Agreement*) on the Standby Servicer's system and transfer and test certain data; and
- (d) recover all work in progress in relation to the Services and arrange for diversion of postal, telephonic and electronic communications to the Standby Servicer's offices.

Following assumption by the Standby Servicer of its appointment, and during the performance by the Standby Servicer of the Standby Services, the Issuer shall pay the Standby Servicing Fee and all costs and expenses associated with the provision of the Standby Services in arrear in accordance with the relevant Payments Priorities. The Issuer shall also pay the other Standby Servicer Fees (as described in the section of this Prospectus entitled *Transaction Overview - Fees*) in accordance with the Standby Servicing Agreement.

The Standby Servicer will perform its obligations pursuant to a replacement servicing agreement, the form of which is scheduled to the Standby Servicing Agreement.

Termination

Unless previously terminated, the appointment of the Standby Servicer under the Standby Servicing Agreement shall terminate (but without affecting any accrued rights and liabilities under the Standby Servicing Agreement) on the date on which Atom Bank no longer holds the legal title to the Loans and their Related Security.

The Standby Servicing Agreement may be terminated by the Issuer or the Standby Servicer on the expiry of not less than 12 months' prior written notice of termination (whereupon the Standby Servicer will be released from all obligations under the Standby Servicing Agreement) given by the Issuer or the Stand-by Servicer (as relevant) to each of the other parties to the Standby Servicing Agreement.

Additionally, if any of the following events shall occur:

- (a) Breach of obligations: default is made by the Standby Servicer in the performance or observance of any of its covenants and obligations under the Standby Servicing Agreement and such default continues unremedied for a period of 30 calendar days after the earlier of the Standby Servicer becoming aware of such default and receipt by the Standby Servicer of a Standby Servicer Termination Notice (as defined below) specifying the breach and requiring it to be remedied;
- (b) Unlawfulness: it is or will become unlawful for the Standby Servicer to perform or comply with any of its obligations under the Standby Servicing Agreement; or
- (c) Insolvency Event: an Insolvency Event occurs in relation to the Standby Servicer,

then the Issuer may, within 5 calendar days of becoming aware of the occurrence of such event (unless such event is remedied in the interim) deliver a notice (a "**Standby Servicer Termination Notice**") to the Standby Servicer to terminate its appointment as Standby Servicer under the Standby Servicing Agreement with effect from the date specified on the Standby Servicer Termination Notice (not being a date earlier than the date of the notice).

Additionally, if any of the following events shall occur:

- (a) Breach of obligations: either entity comprising the Owner is in material breach of the Standby Servicing Agreement (or commits a series of breaches which together constitute a material breach of the Standby Servicing Agreement) which is either: (i) incapable of being remedied; or (ii) is capable of being remedied and remains unremedied by the relevant Owner within thirty (30) days' after receipt by that Owner of a written notice from the Standby Servicer specifying the breach and requiring it to be remedied; or
- (b) Failure to pay: any party to the Standby Servicing Agreement fails to pay any sum which is due under the Standby Servicing Agreement to the Standby Servicer and that sum remains unpaid for (5) Business Days after its receipt of a written notice from the Stand-by Servicer specifying the failure to pay and requiring it to be remedied; or
- (c) Unlawfulness: it is or will become unlawful for the Standby Servicer to perform or comply with any of its obligations under the Standby Servicing Agreement;
- (d) Cessation of business: any entity comprising the Owner ceases to carry on the whole or substantially the whole of its business; or
- (e) Compliance with obligations: the Owner shall fail to comply with its obligations under the Standby Servicing Agreement, which failure has a material adverse effect on the Standby Servicer's ability to comply with its obligations under the Standby Servicing Agreement or on its business (including its servicer ratings, its relationship with any competent authority or its reputation in the market or the media); or
- (f) Insolvency: there is an Insolvency Event in relation to an entity comprising the Owner or the Servicer,

then the Standby Servicer may, within 5 calendar days of becoming aware of the occurrence of such event (unless such event is remedied in the interim) deliver a notice (an "**Owner Termination Notice**") to each entity comprising the Owner to terminate its appointment as Standby Servicer under the Standby Servicing Agreement with effect from the date specified on the Owner Termination Notice (not earlier than the date of the notice).

Atom Bank as legal title holder and the Issuer, or either of them, for the purpose of the Standby Servicing Agreement are each be considered an "**Owner**".

Governing Law

The Standby Servicing Agreement and any non-contractual obligations arising out of or in connection with the Servicing Agreement are governed by the laws of England and Wales.

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, the Class VRR Noteholders and the Certificateholders):

- (a) a charge by way of first fixed charge (subject to the subsisting rights of redemption of the relevant Borrowers) of Issuer's Benefit in the Loans (other than the Scottish Loans) and their Related Security comprised in the Portfolio;
- (b) a charge by way of first fixed charge of all indebtedness comprising an obligation or liability to pay money secured by each registered charge of which it is registered as proprietor at the Land Registry;
- (c) a charge by way of first fixed charge of the Benefit of each Authorised Investment;
- (d) a charge by way of first fixed charge of the Issuer's Benefit in each of the Elavon Transaction Account, the Citi Transaction Account, each Swap Collateral Account and any bank or other accounts (including any Securities Custody Account) in which the Issuer may at any time have or acquire any Benefit and (to the extent of its interest) all balances now or in the future standing to the credit of or accrued or accruing on such accounts;
- (e) an assignment by way of first fixed security of the Issuer's Benefit in the Insurance Policy;
- (f) an assignment by way of first fixed security of the Issuer's Benefit under each Transaction Document except (i) for any Transaction Document which is governed by Scots law and (ii) that the assignment by way of security of the Benefit of the Issuer under the Swap Agreement shall be subject to any rights of set-off or netting provided for thereunder;
- (g) an assignment by way of first fixed security (and to the extent not assigned by way of first fixed charge) (but subject to the right of reassignment) of the Issuer's Benefit under the Collection Account Trust;
- (h) an assignation in security of the Issuer's beneficial interest in the Scottish Loans and their Related Security (comprising the Issuer's beneficial interest under the trust declared by the Seller over such Scottish Loans and their Related Security for the benefit of the Issuer pursuant to the Scottish Declaration of Trust); and
- (i) 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 referred to above as aforesaid).

"**Ancillary Rights**" means in relation to a Right, all ancillary rights, accretions and supplements to such Right, including any guarantees or indemnities in respect of such Right.

"**Authorised Investments**" means:

- (a) Sterling gilt-edged securities;
- (b) money market funds;
- (c) Sterling demand or time deposits and certificates of deposit; and
- (d) short-term debt obligations (including commercial paper),

provided that in all cases such investments will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto and such investments: (i) (aa) 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 (at the time of investment) are rated at least F1+ (short term) and/or AA- (long term) by Fitch, and A-1+ by S&P (and AA- (long term) by S&P if the investments have a long-term rating) (or, as applicable, AAmmf by Fitch, in respect of money market funds or AAAM by S&P, in respect of money market funds), or (bb) have a maturity date of 30 days or less and mature on or before the next Interest Payment Date or within 30 days, whichever is the sooner, and (at the time of investment) are rated at least F1 (short term) and A (long term) by Fitch, and A-1 by S&P (or, as applicable, AAmmf by Fitch, in respect of money market funds or AAAM by S&P, in respect of money market funds), and (ii) may be broken or demanded by the Issuer (at no cost to the Issuer) on or before the next following Interest Payment Date or within 30 to 90 days, whichever is sooner, as specified in (i) above, save that where such investments would result in the recharacterisation of the programme, the Notes or any transaction under the Transaction Documents as a re-securitisation or a synthetic securitisation as defined in Articles 4(63) and 242(11), respectively, of Regulation (EU) No 575/2013 (as amended and/or supplemented from time to time), such investments shall not qualify as authorised investments.

In no event shall the Cash Manager be responsible for monitoring the ongoing compliance of any Authorised Investments with the relevant rating requirements in the definition of Authorised Investments.

"**Benefit**" in respect of any asset, agreement, property or right (each a "**Right**" for the purpose of this definition) held, assigned, conveyed, transferred, charged, sold or disposed of by any person shall be construed so as to include:

- (a) all right, title, interest and benefit, present and future, actual and contingent (and interests arising in respect thereof) of such person in, to, under and in respect of such Right and all Ancillary Rights in respect of such Right;
- (b) all monies and proceeds payable or to become payable under, in respect of, or pursuant to such Right or its Ancillary Rights and the right to receive payment of such monies and proceeds and all payments made including, in respect of any bank account, all sums of money which may at any time be credited to such bank account together with all interest accruing from time to time on such money and the debts represented by such bank account;
- (c) the benefit of all covenants, undertakings, representations, warranties and indemnities in favour of such person contained in or relating to such Right or its Ancillary Rights;

- (d) the benefit of all powers of and remedies for enforcing or protecting such person's right, title, interest and benefit in, to, under and in respect of such Right or its Ancillary Rights, including the right to demand, sue for, recover, receive and give receipts for proceeds of and amounts due under or in respect of or relating to such Right or its Ancillary Rights; and
- (e) all items expressed to be held on trust for such person under or comprised in any such Right or its Ancillary Rights, all rights to deliver notices and/or take such steps as are required to cause payment to become due and payable in respect of such Right and its Ancillary Rights, all rights of action in respect of any breach of or in connection with any such Right and its Ancillary Rights and all rights to receive damages or obtain other relief in respect of such breach.

"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 Class VRR Noteholders, the Certificateholders, the Seller, the Servicer, the Standby Servicer, the Standby Servicer Facilitator, the Cash Manager, the Swap Provider, the Citi Transaction Account Bank, the Elavon Account Bank, the Swap Collateral Account Bank, the Custodian, the Corporate Services Provider, the Paying Agents, the Registrar, the Agent Bank, the Collection Account Bank, the SR Reporting Provider (if any) and any other person who is expressed in any deed supplemental to the Deed of Charge to be a secured creditor.

"Transaction Documents" means the Servicing Agreement, the Agency Agreement, the Citi Bank Account Agreement, the Elavon Bank Account Agreement, the Swap Collateral Account Agreement, the Securities Custody Agreement, the Collection Account Declaration of Trust Accession Undertaking, the Cash Management Agreement, the Corporate Services Agreement, the Deed of Charge, the Scottish Supplemental Charge, the Swap Agreement, a share trust deed dated 10 October 2019 (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"**), an incorporated terms memorandum signed for the purposes of identification by, among others, the Issuer, the Seller and the Security Trustee (the **"Incorporated Terms Memorandum"**), the Mortgage Sale Agreement, the Scottish Declaration of Trust, the power of attorney granted by the Seller in favour of the Issuer and the Security Trustee on the Closing Date (the **"Seller Power of Attorney"**), the Trust Deed, the Standby Servicing Agreement, the Securities Custody 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, Class VRR Notes and 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 Redemption Priority of Payments

Prior to the Note Trustee serving an Enforcement Notice on the Issuer pursuant to Note Condition 11 (*Events of Default*) and Class VRR Note Condition 11 (*Events of Default*), declaring the Notes to be immediately due and payable, the Cash Manager (on behalf of the Issuer) shall apply monies standing to the credit of each Transaction Account as described in *Cashflows – Application of Available Revenue Receipts prior to the service of an Enforcement Notice on the Issuer, Application of Available Redemption Receipts prior to the service of an Enforcement Notice on the Issuer* below and *Application*

of Monies released from the Liquidity Reserve Fund 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 Note Condition 11 (*Events of Default*) and Class VRR Note Condition 11 (*Events of Default*), declaring the Notes to be immediately due and payable, the Security Trustee (or the Cash Manager on its behalf) or any Receiver appointed by it shall apply the monies standing to the credit of each Transaction Account in accordance with the Post-Enforcement Priority of Payments defined in *Cashflows – Distributions following the service of an Enforcement Notice on the Issuer* below and apply the monies standing to the credit of the Swap Collateral Account in accordance with the Swap Collateral Account Priority of Payments defined in *Cashflows – Swap Collateral* below.

The Security will become enforceable after an Enforcement Notice has been served on the Issuer pursuant to Note Condition 11 (*Events of Default*) and Class VRR Note Condition 11 (*Events of Default*), provided that, if the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Security Trustee will not be entitled to dispose of the assets comprised in the Security or any part thereof unless either (a) a sufficient amount would be realised to allow discharge in full on a *pro rata* and *pari passu* basis of all amounts owing to the Noteholders (and all persons ranking in priority to the Noteholders as set out in the Post-Enforcement Priority of Payments), or (b) the Security Trustee is of the opinion, which shall be binding on the Secured Creditors, reached after considering at any time and from time to time the advice of any financial adviser (or such other professional advisers selected by the Security Trustee for the purpose of giving such advice), that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing: (i) to the Noteholders (and all persons ranking in priority to the Noteholders in the order of priority set out in the Post-Enforcement Priority of Payments); and (ii) once all the Noteholders (and all such prior ranking persons) have been repaid, to the remaining Secured Creditors in the order of priority set out in the Post-Enforcement Priority of Payments.

The fees and expenses of the 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 without further enquiry and shall incur no liability to any person for so doing.

No provision of the Deed of Charge, or any other Transaction Document, will require the automatic liquidation of the Portfolio on or following the service of an Enforcement Notice.

Service Provider Refinancing Document Veto Notice

The Security Trustee shall have the right to resign following the service of Service Provider Refinancing Document Veto Notice, provided that such resignation shall not be effective until a replacement security trustee has been appointed under a replacement deed of charge substantially on the same terms as the Deed of Charge. See "*Early Redemption of the Notes, Class VRR Notes and Certificates – Refinancing Option*".

Governing Law

The Deed of Charge and any non-contractual obligations arising out of or in connection with it will be governed by the laws of England and Wales and aspects relating to Scottish Loans and their Related Security (including each Scottish Supplemental Charge entered into pursuant thereto) will be governed by Scots law.

Trust Deed

On or about the Closing Date, the Issuer, the Security Trustee and the Note Trustee will enter into the Trust Deed pursuant to which the Issuer and the Note Trustee will agree that the Notes, the Class VRR Notes and the Certificates are subject to the provisions in the Trust Deed. The Note Conditions and the forms of each Class of Notes, the Class VRR Note Conditions and the form of the Class VRR Notes and the Certificate Conditions and the form of the Certificates are each constituted by, and set out in, the Trust Deed.

The Note Trustee will agree to hold the benefit of the Issuer's covenant to pay amounts due in respect of (A) the Notes, on trust for the Noteholders, and (B) the Class VRR Notes, on trust for the Class VRR Noteholders, and (C) the Certificates, on trust for the Certificateholder.

In accordance with the terms of the Trust Deed, the Issuer will pay a fee to the Note Trustee for its services under the Trust Deed at the rate and times agreed between the Issuer and the Note Trustee (exclusive of VAT) together with payment of any liabilities incurred by the Note Trustee in relation to the Note Trustee's performance of its obligations under or in connection with the Trust Deed and the other Transaction Documents.

Retirement of Note Trustee

The Note Trustee may retire at any time upon giving not less than 60 days' notice in writing to the Issuer without giving any reason therefor and without being responsible for any liabilities occasioned by such retirement. The holders of the Most Senior Class may, by Extraordinary Resolution, remove all trustees (but not some only) for the time being who are acting pursuant to the Trust Deed and the Deed of Charge. The retirement of the Note Trustee shall not become effective unless there remains a trust corporation entitled by rules made under the Public Trustee Act 1906 to carry out the functions of a custodian trustee (a "**Trust Corporation**") in office after such retirement or removal by Extraordinary Resolution. The Issuer will agree in the Trust Deed that, in the event of the sole trustee or the only trustee under the Trust Deed giving notice of its retirement, it shall use its best endeavours to procure a new trustee to be appointed as soon as practicable thereafter and if, after 60 days from the date the Note Trustee gives its notice of retirement or the applicable Extraordinary Resolution of the holders of the Most Senior Class, the Issuer is not able to find such replacement, the Note Trustee will be entitled to procure that a new trustee be appointed but no such appointment shall take effect unless previously approved by Extraordinary Resolution of the holders of the Most Senior Class.

Service Provider Refinancing Document Veto Notice

The Note Trustee shall have the right to resign following the service of Service Provider Refinancing Document Veto Notice, provided that such resignation shall not be effective until a replacement note trustee has been appointed under a replacement trust deed substantially on the same terms as the Trust Deed. See "*Early Redemption of the Notes, Class VRR Notes and Certificates – Refinancing Option*".

Governing Law

The Trust Deed and any non-contractual obligations arising out of or in connection with it will be governed by the laws of England and Wales.

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.

Service Provider Refinancing Document Veto Notice

The Principal Paying Agent, the Registrar and the Agent Bank shall have the right to resign following the service of Service Provider Refinancing Document Veto Notice, provided that such resignation shall not be effective until a replacement agent carrying out the same roles as the relevant resigning agent has been appointed under a replacement agency agreement substantially on the same terms as the Agency Agreement. See "*Early Redemption of the Notes, Class VRR Notes and Certificates – Refinancing Option*".

Governing Law

The Agency Agreement and any non-contractual obligations arising out of or in connection with it will be governed by the laws of England and Wales.

Cash Management Agreement

On the Closing Date, the Cash Manager, the Issuer, the Seller, the Servicer and the Security Trustee will enter into a cash management agreement (the "**Cash Management Agreement**").

Cash Management Services to be provided to the Issuer

Pursuant to the Cash Management Agreement, the Cash Manager will agree to provide certain cash management and other services to the Issuer or, upon the Security Trustee notifying the Cash Manager that an Enforcement Notice has been served on the Issuer, the Security Trustee. The Cash Manager's principal function will be effecting payments from the Citi Transaction Account. In addition, the Cash Manager will, among other things:

- (a) on each Interest Payment Date prior to the service of an Enforcement Notice, apply, or cause to be applied by another party, Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, Available Redemption Receipts in accordance with the Pre-Enforcement Redemption Priority of Payments;
- (b) on each Calculation Date determine if there would be a Revenue Deficit following the application of Available Revenue Receipts on the immediately following Interest Payment Date;
- (c) on each Calculation Date, determine whether the immediately following Interest Payment Date is the Final Redemption Date;
- (d) record credits to, and debits from, the Ledgers, as and when required; and
- (e) if required (i) during the Determination Period, calculate the Interest Determination Ratio, the Calculated Revenue Receipts and the Calculated Redemption Receipts; and (ii) following any Determination Period, upon receipt by the Cash Manager of the Servicer Reports in respect of such Determination Period, reconcile the calculations to the actual collections set out in the Servicer Reports by allocating the Reconciliation Amounts in accordance with Note Condition 6.10(c) (*Determinations and Reconciliation*) and the Cash Management Agreement.

In addition, the Cash Manager will also:

- (a) maintain the following ledgers (the "**Ledgers**") on behalf of the Issuer:
 - (i) the "**Start-up Expenses Ledger**", which shall be used on or around the Closing Date to record as a credit part of the proceeds of Notes and the Class VRR

Notes needed to pay any Start-up Expenses. "**Start-up Expenses**" means in respect of the Closing Date, the expenses incurred or to be incurred by the Issuer in connection with the purchase of the Portfolio and the issue of Notes, Class VRR Notes and Certificates on or about such date, the fees payable to the Note Trustee, the Security Trustee and the Rating Agencies and the fees (including the fees, costs and expenses payable in respect of their legal counsel) payable to the Lead Manager, the Note Trustee, the Security Trustee, the Cash Manager, the Citi Transaction Account Bank, the Elavon Account Bank, the Swap Collateral Account Bank, the Custodian, the Collection Account Bank, the Agents and third parties including any verification agent retained in relation to verifying compliance with the provisions of the Securitisation Regulation;

- (ii) the "**Redemption Ledger**", which will record all Redemption Receipts received by the Issuer and the distribution of the Redemption Receipts in accordance with the Pre-Enforcement Redemption Priority of Payments or the Post-Enforcement Priority of Payments (as applicable);
- (iii) the "**Revenue Ledger**", which will record all Revenue Receipts, any Swap Collateral Account Surplus and the distribution of the Revenue Receipts and the distribution of any other relevant amounts recorded on the Revenue Ledger in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) or by way of Third Party Amounts;
- (iv) the "**Liquidity Reserve Fund Ledger**", which will record amounts credited to, and debited from, the liquidity reserve fund (the "**Liquidity Reserve Fund**"). On the Closing Date, the Liquidity Reserve Fund will be deposited in the Citi Transaction Account (with a corresponding credit being made to the Liquidity Reserve Fund Ledger). The Liquidity Reserve Fund will be funded initially by the proceeds of the issuance of the Notes and the Class VRR Notes in an amount equal to the Liquidity Reserve Fund Target Level on the Closing Date, and on each Interest Payment Date up to and including the earlier of: (i) the redemption in full of the Class B Notes, and (ii) the Final Redemption Date (prior to the service of an Enforcement Notice), from amounts to be applied to the Liquidity Reserve Fund in accordance with the Pre-Enforcement Revenue Priority of Payments up to an amount equal to the Liquidity Reserve Fund Target Level.

On each Interest Payment Date (including the Final Redemption Date) up to and including the earlier of: (i) the redemption in full of the Class B Notes, and (ii) the service of an Enforcement Notice, the Cash Manager will, apply (on behalf of the Issuer) the amount equal to the amounts recorded under items (b) and (c) of the definition of Available Revenue Receipts to the credit of the Liquidity Reserve Fund Ledger as Available Revenue Receipts pursuant to the Pre-Enforcement Revenue Priority of Payments, and will then credit to the Liquidity Reserve Fund Ledger an amount of the Available Revenue Receipts applied on such Interest Payment Date needed to replenish the Liquidity Reserve Fund up to the Liquidity Reserve Fund Target Level pursuant to items (f)(iv) and (g)(iv) of the Pre-Enforcement Revenue Priority of Payments.

On the Refinancing Date the Liquidity Reserve Fund will be replenished in an amount equal to the Liquidity Reserve Fund Target Level in accordance with the Post-Enforcement Priority of Payments.

"Liquidity Reserve Fund Target Level" means on the Closing Date, 1.5% of the Current Balance of the Portfolio as at the Cut-Off Date. On each Interest Payment Date the Liquidity Reserve Fund Target Level will be 1.5% of the Current Balance of the Portfolio as at the end of the Collection Period relating to the relevant Interest Payment Date (including the Final Redemption Date) up to and including the earlier of: (i) the redemption in full of the Class B Notes, and (ii) the service of an Enforcement Notice when the Liquidity Reserve Fund Target Level will be zero;

- (v) the **"General Reserve Ledger"**, which will record amounts credited to, and debited from, the general reserve fund (the **"General Reserve Fund"**). The General Reserve Fund Ledger will be a ledger of the Citi Transaction Account. The General Reserve Fund will be funded on each Interest Payment Date up to and including the Interest Payment Date immediately prior to the Interest Payment Date on which the Rated Notes are redeemed in full (prior to the service of an Enforcement Notice), from amounts to be applied to the General Reserve Fund in accordance with the Pre-Enforcement Revenue Priority of Payments up to an amount equal to the General Reserve Fund Target Level.

On each Interest Payment Date up to and including the Interest Payment Date immediately prior to the Interest Payment Date on which the Rated Notes are redeemed in full (prior to the service of an Enforcement Notice), the Cash Manager will, apply (on behalf of the Issuer) the amount equal to the amount recorded to the credit of the General Reserve Fund Ledger as Available Revenue Receipts and will then credit to the General Reserve Fund Ledger an amount of the Available Revenue Receipts applied on such Interest Payment Date needed to replenish the General Reserve Fund up to the General Reserve Fund Target Level in accordance with items (f)(xv) and (g)(xv) of the Pre-Enforcement Revenue Priority of Payments (and on the Refinancing Date only, the General Reserve Fund will be replenished up to the General Reserve Fund Target Level in accordance with items (f)(ix) and (g)(ix) of the Post-Enforcement Priority of Payments).

"General Reserve Fund Target Level" means:

- A) On the Closing Date, zero;
- B) On each Interest Payment Date up to and including the earlier of:
- (i) the service of an Enforcement Notice; and
 - (ii) the Interest Payment Date immediately prior to the Interest Payment Date on which the Rated Notes are redeemed in full,

the General Reserve Fund Target Level shall be 1.5% of the Current Balance of the Portfolio as at the Cut-Off Date *minus* the then applicable Liquidity Reserve Fund Target Level, **except that**, after the date on which it is notified in the Investor Report that the Current Balance of the Portfolio is less than 10% of the Current Balance of the Portfolio as at the Cut-Off Date, the General Reserve Fund Target Level may be modified in a manner notified to the Issuer, the Cash Manager, the Servicer, the Security Trustee, and the Note Trustee by the Certificateholder(s) holding or representing in aggregate not less than 50 per cent. of the total number of Certificates then outstanding,

without the requirement for consent from any of the Noteholders,
provided that:

either:

- (x) the relevant Certificateholder(s) obtains from each of the Rating Agencies, a Rating Agency Confirmation (or certifies in writing to the Issuer, the Note Trustee and the Security Trustee that no Rating Agency Confirmation has been received within 60 days of a written request for such 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 Rated Notes by such Rating Agency and would not result in any Rating Agency placing any Rated Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer, the Note Trustee, and the Security Trustee;

or

- (y) the relevant Certificateholder(s) certifies in writing to the Issuer, the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent);

and

- (z) the relevant Certificateholder(s) instigating the modification pays all costs and expenses (including legal fees) incurred in connection with such modification, including the procurement of the Rating Agency Confirmations; or

C) On the earlier of;

- (i) the service of an Enforcement Notice; and
- (ii) the Interest Payment Date on which the Rated Notes are redeemed in full,

the General Reserve Fund Target Level will be zero.

- (vi) the "**Principal Deficiency Ledger**", which will record on the appropriate sub-ledger as a debit, deficiencies arising from Losses on the Portfolio (on the date the Cash Manager is informed of such Losses by the Servicer) and Principal Addition Amounts (on the Calculation Date on which such Principal Addition Amounts are determined by the Cash Manager) and record as a credit Available

Revenue Receipts applied as Available Redemption Receipts pursuant to the Pre-Enforcement Revenue Priority of Payments (if any) on each Interest Payment Date (see *Credit Structure – Principal Deficiency Ledger* below);

- (vii) the "**Issuer Profit Ledger**", which shall record as a credit any amounts retained by the Issuer as profit in accordance with the Pre-Enforcement Revenue Priority of Payments and the Post-Enforcement Priority of Payments and as a debit any amount used to discharge any tax liability of the Issuer; and
 - (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, and (D) Swap Tax Credits. Amounts and securities standing to the credit of each Swap Collateral Account (including interest, distributions and redemption or sale proceeds thereon or thereof) and recorded on the Swap Collateral Ledger will be applied by the Cash Manager in accordance with the Swap Collateral Account Priority of Payments;
- (b) calculate on each Calculation Date (prior to the service of an Enforcement Notice) the amount of Available Revenue Receipts and Available Redemption 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 Redemption Priority of Payments (as applicable);
 - (c) 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 applying an amount equal to the amount recorded to the credit of the Liquidity Reserve Fund Ledger as Available Revenue Receipts (only up to and including the earlier of: (i) the redemption in full of the Class B Notes, and (ii) the service of an Enforcement Notice)) 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 Redemption Receipts on such Interest Payment Date;
 - (d) prepare the Investor Report and publish the Securitisation Regulation Investor Reports as set out in more detail in the section *Certain Regulatory Disclosures – Transparency and reporting under the Securitisation Regulation* above; and
 - (e) as soon as reasonably practicable upon receiving a request from the Issuer and/or the Security Trustee 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) an estimate of the likely amount of the Refinancing Proceeds;
 - (ii) the final definitive amount of required Refinancing Proceeds by the date falling not less than 2 Business Days prior to the relevant Refinancing Date;
 - (iii) an estimate of the likely amount of the Portfolio Call Option Purchase Price;
 - (iv) the final definitive amount of Portfolio Call Option Purchase Price by the date falling not less than 2 Business Days prior to the relevant Portfolio Call Option Completion Date; and

- (v) the final definitive amount of 10 Per Cent. Clean-up Call Purchase Price by the date falling not less than 2 Business Days prior to the date on which the Notes and Class VRR Notes are redeemed and the Certificates are cancelled following the exercise of the 10 Per Cent. Clean-Up Call.

At the direction of the Servicer, the Cash Manager, on behalf of and in the name of the Issuer, may invest monies standing from time to time to the credit of the Citi Transaction Account in Authorised Investments as determined by the Servicer, 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 and reasonably incurred in making, changing or otherwise disposing of any investment in any Authorised Investments will be reimbursed to the Cash Manager 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 Citi Transaction Account.

The Cash Manager shall not be responsible (save where any loss results from the Cash Manager's 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 Cash Management Agreement. In no event shall the Cash Manager be responsible for monitoring the ongoing compliance of any Authorised Investments with the relevant rating requirements in the definition of Authorised Investments.

Investor Reporting

See the section *Certain Regulatory Disclosures – Transparency and reporting under the Securitisation Regulation* above for more details.

Cash Manager and Directions from the Security Trustee

The Cash Manager will act upon the direction of the Security Trustee (given in accordance with the terms and provisions of the Deed of Charge) upon the Security Trustee notifying the Cash Manager that an Enforcement Notice has been served on the Issuer.

Remuneration of Cash Manager

The Cash Manager will be paid a cash management fee for its cash management services under the Cash Management Agreement. Such fees will be determined under a separate fee letter between the Issuer and the Cash Manager. Any sum (or other consideration) payable (or provided) by the Issuer to the Cash Manager in respect of that fee shall be deemed to be exclusive of VAT, if any, chargeable on any supply for which the cash management fee is the consideration (in whole or in part) for VAT purposes. The cash management fee is payable 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 Manager

If any of the following events (the "**Cash Manager Termination Events**") shall occur:

- (a) default is made by the Cash Manager in the payment, on the due date, of any payment due and payable by it under the Cash Management Agreement and such default continues unremedied

for a period of three Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or (following the service of an Enforcement Notice) the Security Trustee, as the case may be, requiring the same to be remedied; or

- (b) default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under the Cash Management Agreement, which in the opinion of the Note Trustee as notified to the Security Trustee is materially prejudicial to the interests of the Noteholders, and such default continues unremedied for a period of 30 Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or (following the service of an Enforcement Notice) the Security Trustee, as the case may be, requiring the same to be remedied; or
- (c) an Insolvency Event occurs in respect of the Cash Manager; or
- (d) it becomes unlawful for the Cash Manager to perform its obligations under the Cash Management Agreement or under any other Transaction Document,

then prior to the service of an Enforcement Notice, the Issuer (with the written consent of the Security Trustee), or following the service of an Enforcement Notice, the Security Trustee, may, at once or at any time thereafter while such default continues, by notice in writing to the Cash Manager (with a copy to the Security Trustee if such notice is delivered by the Issuer), terminate its appointment as Cash Manager under the Cash Management Agreement with effect from a date (not earlier than the date of the notice) specified in such notice. In determining whether to give or withhold consent to the termination of the Cash Manager by the Issuer, the Security Trustee will have regard to factors including, *inter alia*, the availability of a substitute cash manager. Upon termination of the appointment of the Cash Manager, the Issuer shall use reasonable endeavours to appoint a substitute cash manager that satisfies the conditions set out below.

Any substitute cash manager:

- (a) must agree to enter into an agreement with the Issuer on terms commercially acceptable in the market, pursuant to which the substitute cash manager agrees to assume and perform all material duties and obligations of the Cash Manager under the Cash Management Agreement;
- (b) must be a party that the Rating Agencies have previously confirmed by whatever means such Rating Agencies consider appropriate (provided that the Issuer is permitted to and does confirm in writing (including by email) to the Security Trustee that such confirmation has been obtained) the appointment of which will not cause the then current ratings of the Notes to be adversely affected; and
- (c) will be subject to the prior written approval of the Security Trustee.

For the avoidance of doubt, upon termination of the appointment of the Cash Manager, if the Issuer is unable to find a suitable third party willing to act as a substitute cash manager, this shall not constitute any breach of the provisions of the Cash Management Agreement.

Resignation of the Cash Manager

The Cash Manager may resign on giving not less than 45 days' written notice (or such shorter time as may be agreed between the Cash Manager, the Issuer, the Servicer and the Security Trustee) of its resignation to the Issuer, the Servicer, the Seller and the Security Trustee, provided that:

- (a) a substitute cash manager shall be appointed by the Issuer, such appointment to be effective not later than the date of such termination;

- (b) such substitute cash manager has the requisite cash management experience to perform the functions to be given to it under the Cash Management Agreement and is approved by the Issuer and the Security Trustee;
- (c) such substitute cash manager enters into a cash management agreement with the Issuer on terms commercially acceptable in the market, pursuant to which the substitute cash manager agrees to assume and perform all material duties and obligations of the Cash Manager under the Cash Management Agreement; and
- (d) (if Notes remain outstanding) the then current ratings of the Rated Notes are not adversely affected as a result thereof, unless the Security Trustee (acting on the instructions of the Note Trustee) or the holders of each Class of Rated Notes then outstanding (acting by way of an Extraordinary Resolution) otherwise agree

Service Provider Refinancing Document Veto Notice

The Cash Manager shall have the right to resign following the service of Service Provider Refinancing Document Veto Notice, provided that such resignation shall not be effective until a replacement cash manager has been appointed under a replacement cash management agreement substantially on the same terms as the Cash Management Agreement. See "*Early Redemption of the Notes, Class VRR Notes and Certificates – Refinancing Option*".

Governing Law

The Cash Management Agreement and any non-contractual obligations arising out of or in connection with it will be governed by the laws of England and Wales.

The Bank Account Agreements

Each of the Issuer Account Banks is required to have the Account Bank Required Minimum Rating.

Pursuant to the terms of a bank account agreement entered into on or about the Closing Date between the Issuer, the Citi Transaction Account Bank, the Cash Manager and the Security Trustee (the "**Citi Bank Account Agreement**"), the Issuer will maintain with the Citi Transaction Account Bank the Citi Transaction Account which will be operated in accordance with the Citi Bank Account Agreement, the Cash Management Agreement and the Deed of Charge. At the direction of the Servicer, the Cash Manager, on behalf of and in the name of the Issuer, may invest monies standing from time to time to the credit of the Citi Transaction Account in Authorised Investments as determined by the Servicer, 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 and reasonably incurred in making, changing or otherwise disposing of any investment in any Authorised Investments will be reimbursed to the Cash Manager 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 Citi Transaction Account.

Pursuant to the terms of a bank account agreement entered into on or about the Closing Date between the Issuer, the Elavon Account Bank, the Servicer and the Security Trustee (the "**Elavon Bank Account Agreement**"), the Issuer will maintain with the Elavon Account Bank the Elavon Transaction Account which will be operated in accordance with the Elavon Bank Account Agreement, the Cash Management Agreement and the Deed of Charge. The Servicer, on behalf of and in the name of the Issuer, may direct

the investment of monies standing from time to time to the credit of the Elavon Transaction Account in Authorised Investments as determined by the Servicer, 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 and reasonably incurred in making, changing or otherwise disposing of any investment in any Authorised Investments will be reimbursed to the Servicer 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 Elavon Transaction Account.

In no event shall the Cash Manager be responsible for monitoring the ongoing compliance of any Authorised Investments with the relevant rating requirements in the definition of Authorised Investments.

Pursuant to the terms of a bank account agreement entered into on or about the Closing Date between the Issuer, the Swap Collateral Account Bank, the Servicer and the Security Trustee (the "**Swap Collateral Account Agreement**", together with the Citi Bank Account Agreement and the Elavon Bank Account Agreement, the "**Bank Account Agreements**" and each a "**Bank Account Agreement**"), the Issuer will maintain with the Swap Collateral Account Bank a cash Swap Collateral Account which will be operated in accordance with the Swap Collateral Account Agreement, the Cash Management Agreement, the Deed of Charge and the Swap Agreement.

If at any time the Citi Transaction Account Bank fails to maintain the required Account Bank Required Minimum Rating (or its appointment is terminated in accordance with the terms of the Citi Bank Account Agreement), the balance standing to the credit of the Citi Transaction Account shall, unless the Servicer (on behalf of the Issuer) instructs the Cash Manager otherwise, be transferred to the Elavon Transaction Account and/or another account held at the Elavon Account Bank (provided that at such time the Elavon Account Bank maintains the required Account Bank Required Minimum Rating).

If at any time the Elavon Account Bank fails to maintain the required Account Bank Required Minimum Rating (or its appointment is terminated in accordance with the terms of the Elavon Bank Account Agreement), the balance standing to the credit of the Elavon Transaction Account shall, unless the Servicer (on behalf of the Issuer) determines otherwise, be transferred to the Citi Transaction Account and/or another account held at the Citi Transaction Account Bank (provided that at such time the Citi Transaction Account Bank maintains the required Account Bank Required Minimum Rating).

If at any time the Citi Transaction Account Bank and the Elavon Account Bank fail to maintain the required Account Bank Required Minimum Rating (or if their respective appointments are terminated in accordance with the terms of the Citi Bank Account Agreement or the Elavon Bank Account Agreement, as relevant), the balance standing to the credit of the Citi Transaction Account and the Elavon Transaction Account shall following instructions of the Servicer (acting on behalf of the Issuer) be transferred to an account/accounts held at a bank or banks which has/have the required Account Bank Required Minimum Rating.

"Issuer Account Bank" means the Citi Transaction Account Bank and/or the Elavon Account Bank.

Service Provider Refinancing Document Veto Notice

The Citi Transaction Account Bank shall have the right to resign following the service of Service Provider Refinancing Document Veto Notice, provided that such resignation shall not be effective until a replacement account bank has been appointed under a replacement account bank agreement substantially on the same terms as the Citi Bank Account Agreement. See "*Early Redemption of the Notes, Class VRR Notes and Certificates – Refinancing Option*".

Interest

If any amount is standing to the credit of an Issuer Account, such amount will bear interest at a rate and as agreed from time to time in writing between the Issuer and the relevant Issuer Account Bank.

Governing Law

Each Bank Account Agreement and any non-contractual obligations arising out of or in connection with each of them will be governed by the laws of England and Wales.

Securities Custody Agreement

Although the Issuer will enter into the Securities Custody Agreement on the Closing Date, a Securities Custody Account will not be opened on the Closing Date but only in the circumstances described below. If the Swap Provider is downgraded below the relevant initial rating requirements (as specified in more detail above) and is required to post collateral under the terms of the Swap Agreement, then the Issuer and the Swap Provider shall use reasonable efforts to open a securities account (a "**Securities Custody Account**") pursuant to a securities custody agreement (the "**Securities Custody Agreement**") promptly and in any event within 30 days of the Swap Provider's downgrade. Such Securities Custody Account shall be used to hold collateral posted in the form of securities (if any).

Governing Law

The Securities Custody Agreement and any non-contractual obligations arising out of or in connection with each of them will be governed by the laws of England and Wales.

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 the laws of England and Wales.

The Collection Account Declaration of Trust Accession Undertaking

On or prior to the Closing Date, the Issuer, the Collection Account Bank, the Seller and the Security Trustee will enter into an accession undertaking (the "**Collection Account Declaration of Trust Accession Undertaking**") in relation to a collection account declaration of trust dated 17 October 2018 (the "**Collection Account Declaration of Trust**"). Under the Collection Account Declaration of Trust, the Seller (as trustee) declared a trust over all of its rights, title, interest and benefit, present and future, in the Collection Account, including all amounts standing to the credit of the Collection Account, (as to both capital and income) (the "**Collection Account Trust**") in favour of (a) itself (as a beneficiary),

(b) Elvet Mortgages 2018-1 Plc, and (c) any New Beneficiary (as defined in the Collection Account Declaration of Trust). The Issuer will, pursuant to the Collection Account Declaration of Trust Accession Undertaking, accede to the Collection Account Declaration of Trust as a New Beneficiary. The Issuer's share of the Collection Account Trust will be equal to the aggregate of the Daily Mortgage Loan Amounts paid into the Collection Account from (and including) the Closing Date, to (and including) such date of determination, less an amount equal to the total amount of any Daily Mortgage Loan Amounts paid out of the Collection Account and into any Issuer Account from (and including) the Closing Date to (and including) such date.

Governing Law

The Collection Account Declaration of Trust and any non-contractual obligations arising out of or in connection with it is governed by the laws of England and Wales, and the Collection Account Declaration of Trust Accession Undertaking and any non-contractual obligations arising out of or in connection with it will be governed by the laws of England and Wales.

Other Agreements

For a description of the Swap Agreement, see *Credit Structure* below.

CREDIT STRUCTURE

The Notes are obligations of the Issuer only. The Notes are not obligations of, or the responsibility of, or guaranteed by, any person other than the Issuer. In particular, the Notes are not obligations 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 and Class VRR Notes provided by Available Revenue Receipts

It is anticipated that, during the life of the Notes and the Class VRR Notes, the interest payable by Borrowers on the Loans will, assuming that all of the Loans are fully performing, be sufficient so that the Available Revenue Receipts will be sufficient to pay the amounts due and payable under items (a) to (f)(xiv) (inclusive) and items (g)(i) to (g)(xiv) (inclusive) of the Pre-Enforcement Revenue Priority of Payments.

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 also from the application of Available Redemption Receipts as Principal Addition Amounts to cure any Revenue Deficit in accordance with item (a) of the Pre-Enforcement Redemption Priority of Payments.

2. General Reserve Fund and General Reserve Fund Ledger

On the Closing Date, the Issuer will establish the General Reserve Fund to provide liquidity support for the Rated Notes. On the Closing Date the General Reserve Fund Target Level will be zero.

The General Reserve Fund will be funded on each Interest Payment Date up to and including the Interest Payment Date immediately prior to the Interest Payment Date on which the Rated Notes are redeemed in full (prior to the service of an Enforcement Notice), from amounts to be applied to the General Reserve Fund in accordance with the Pre-Enforcement Revenue Priority of Payments up to an amount equal to the General Reserve Fund Target Level.

On each Interest Payment Date up to and including the Interest Payment Date immediately prior to the Interest Payment Date on which the Rated Notes are redeemed in full (prior to the service of an Enforcement Notice), the Cash Manager will, apply (on behalf of the Issuer) the amount equal to the amount recorded to the credit of the General Reserve Fund Ledger as Available Revenue Receipts and will then credit to the General Reserve Fund Ledger an amount of the Available Revenue Receipts applied on such Interest Payment Date needed to replenish the General Reserve Fund up to the General Reserve Fund Target Level in accordance with items (f)(xv) and (g)(xv) of the Pre-Enforcement Revenue Priority of Payments (and on the Refinancing Date only, the General Reserve Fund will be replenished up to the General Reserve Fund Target Level in accordance with items (f)(ix) and (g)(ix) of the Post-Enforcement Priority of Payments).

The Cash Manager will maintain the General Reserve Fund Ledger pursuant to the Cash Management Agreement to record the balance from time to time of the General Reserve Fund.

3. Liquidity Reserve Fund and Liquidity Reserve Fund Ledger

On the Closing Date, the Liquidity Reserve Fund will be deposited in the Citi Transaction Account (with a corresponding credit being made to the Liquidity Reserve Fund Ledger).

The Liquidity Reserve Fund will be funded initially by the proceeds of the issuance of the Notes and the Class VRR Notes in an amount equal to the Liquidity Reserve Fund Target Level on the Closing Date. On each Interest Payment Date (including the Final Redemption Date) up to and including the earlier of: (i) the redemption in full of the Class B Notes, and (ii) the service of an Enforcement Notice, the Cash Manager will, apply (on behalf of the Issuer) the amount equal to the amounts recorded under items (b) and (c) of the definition of Available Revenue Receipts to the credit of the Liquidity Reserve Fund Ledger as Available Revenue Receipts pursuant to the Pre-Enforcement Revenue Priority of Payments, and will then credit to the Liquidity Reserve Fund Ledger an amount of the Available Revenue Receipts applied on such Interest Payment Date needed to replenish the Liquidity Reserve Fund up to the Liquidity Reserve Fund Target Level pursuant to items (f)(iv) and (g)(iv) of the Pre-Enforcement Revenue Priority of Payments.

On the Refinancing Date the Liquidity Reserve Fund will be replenished in an amount equal to the Liquidity Reserve Fund Target Level in accordance with the Post-Enforcement Priority of Payments.

On the Final Redemption Date all amounts recorded to the credit of the Liquidity Reserve Fund Ledger will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments.

For more information about the application of the amounts recorded to the credit of the Liquidity Reserve Fund Ledger, see the section *Summary of the Key Transaction Documents – Cash Management Agreement* above.

The Cash Manager will maintain the Liquidity Reserve Fund Ledger pursuant to the Cash Management Agreement to record the balance from time to time of the Liquidity Reserve Fund.

4. Use of Available Redemption Receipts to pay Revenue 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 Manager will calculate whether there will be a shortfall of Available Revenue Receipts in meeting a Revenue Deficit on such Interest Payment Date. If the Cash Manager determines that there will be a Revenue Deficit, then pursuant to item (a) of the Pre-Enforcement Redemption Priority of Payments, the Cash Manager on behalf of the Issuer shall apply an amount of Available Redemption Receipts equal to the lesser of:

- (a) the amount of Available Redemption Receipts available for application pursuant to the Pre-Enforcement Redemption Priority of Payments on such Interest Payment Date; and
- (b) the amount of a Revenue Deficit,

(such amount being the "**Principal Addition Amounts**"), in meeting such Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in accordance with the Pre-Enforcement Revenue Priority of Payments.

The "**Revenue Deficit**" shall be, on any Interest Payment Date, an amount equal to any shortfall in Available Revenue Receipts to pay items (a) to (e) (inclusive) (and item (f)(i) and subject to the relevant PDL Condition, items (f)(iii), (f)(vi), (f)(viii), (f)(x) and (f)(xii)) *multiplied by* (100/95) of the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date, as determined by the Cash Manager on the immediately preceding Calculation Date.

Any Available Redemption Receipts applied as Principal Addition Amounts will be recorded as a debit on the Principal Deficiency Ledger (as further described below).

For more information about the application of Available Redemption Receipts to pay Revenue Deficits, see the section *Cashflows – Application of Available Redemption Receipts to cure a Revenue Deficit*.

5. PDL Condition

"PDL Condition" means for each Interest Payment Date:

- (a) unless the Class B Notes are the Most Senior Class, in respect of interest on the Class B Notes, the debit balance of the Class B Principal Deficiency Sub-Ledger (as at the relevant Interest Determination 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;
- (b) unless the Class C Notes are the Most Senior Class, in respect of interest on the Class C Notes, the debit balance of the Class C Principal Deficiency Sub-Ledger (as at the relevant Interest Determination 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;
- (c) unless the Class D Notes are the Most Senior Class, in respect of interest on the Class D Notes, the debit balance of the Class D Principal Deficiency Sub-Ledger (as at the relevant Interest Determination 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;
- (d) unless the Class E Notes are the Most Senior Class, in respect of interest on the Class E Notes, the debit balance of the Class E Principal Deficiency Sub-Ledger (as at the relevant Interest Determination 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;

unless the Class F Notes are the Most Senior Class, in respect of interest on the Class F Notes, the debit balance of the Class F Principal Deficiency Sub-Ledger (as at the relevant Interest Determination 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.

6. Principal Deficiency Ledger

A Principal Deficiency Ledger, comprising one sub-ledger for each of the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class Z Notes and Class VRR Notes, will be established on the Closing Date. The Principal Deficiency Ledger will record as debit items any deemed principal losses in respect of the Portfolio, including the following:

- (a) any Losses on the Loans in the Portfolio; and/or
- (b) Principal Addition Amounts.

Any Losses on the Portfolio and/or Principal Addition Amounts recorded as a debit (on the date that the Cash Manager is informed of such Losses by the Servicer, or such Principal Addition

Amounts are determined by the Cash manager (as applicable)) on the Class A Principal Deficiency Sub-Ledger shall be recorded in respect of the Class A Notes. Losses and/or Principal Addition Amounts recorded on the Class B Principal Deficiency Sub-Ledger shall be recorded in respect of the Class B Notes. Losses and/or Principal Addition Amounts recorded on the Class C Principal Deficiency Sub-Ledger shall be recorded in respect of the Class C Notes. Losses and/or Principal Addition Amounts recorded on the Class D Principal Deficiency Sub-Ledger shall be recorded in respect of the Class D Notes. Losses and/or Principal Addition Amounts recorded on the Class E Principal Deficiency Sub-Ledger shall be recorded in respect of the Class E Notes. Losses and/or Principal Addition Amounts recorded on the Class F Principal Deficiency Sub-Ledger shall be recorded in respect of the Class F Notes. Losses and/or Principal Addition Amounts recorded on the Class Z Principal Deficiency Sub-Ledger shall be recorded in respect of the Class Z Notes. Losses and/or Principal Addition Amounts recorded on the Class VRR Principal Deficiency Sub-Ledger shall be recorded in respect of the Class VRR Notes.

Any debits will be recorded as a debit to the Principal Deficiency Ledger as follows:

- (i) *first*, up to the PDL Maximum Amount in respect of the Class Z Notes, as debits on the on the Class Z Principal Deficiency Sub-Ledger and the Class VRR Principal Deficiency Sub-Ledger in proportions such that the amounts debited to the Class VRR Principal Deficiency Sub-Ledger under this item (i) shall equal the VRR Proportion of amounts debited to the Class Z Principal Deficiency Sub-Ledger under this item (i);
- (ii) *second*, up to the PDL Maximum Amount in respect of the Class F Notes, as debits on the on the Class F Principal Deficiency Sub-Ledger and the Class VRR Principal Deficiency Sub-Ledger in proportions such that the amounts debited to the Class VRR Principal Deficiency Sub-Ledger under this item (ii) shall equal the VRR Proportion of amounts debited to the Class F Principal Deficiency Sub-Ledger under this item (ii);
- (iii) *third*, up to the PDL Maximum Amount in respect of the Class E Notes, as debits on the on the Class E Principal Deficiency Sub-Ledger and the Class VRR Principal Deficiency Sub-Ledger in proportions such that the amounts debited to the Class VRR Principal Deficiency Sub-Ledger under this item (iii) shall equal the VRR Proportion of amounts debited to the Class E Principal Deficiency Sub-Ledger under this item (iii);
- (iv) *fourth*, up to the PDL Maximum Amount in respect of the Class D Notes, as debits on the on the Class D Principal Deficiency Sub-Ledger and the Class VRR Principal Deficiency Sub-Ledger in proportions such that the amounts debited to the Class VRR Principal Deficiency Sub-Ledger under this item (iv) shall equal the VRR Proportion of amounts debited to the Class D Principal Deficiency Sub-Ledger under this item (iv);
- (v) *fifth*, up to the PDL Maximum Amount in respect of the Class C Notes, as debits on the on the Class C Principal Deficiency Sub-Ledger and the Class VRR Principal Deficiency Sub-Ledger in proportions such that the amounts debited to the Class VRR Principal Deficiency Sub-Ledger under this item (v) shall equal the VRR Proportion of amounts debited to the Class C Principal Deficiency Sub-Ledger under this item (v);
- (vi) *sixth*, up to the PDL Maximum Amount in respect of the Class B Notes, as debits on the on the Class B Principal Deficiency Sub-Ledger and the Class VRR Principal Deficiency Sub-Ledger in proportions such that the amounts

debited to the Class VRR Principal Deficiency Sub-Ledger under this item (vi) shall equal the VRR Proportion of amounts debited to the Class B Principal Deficiency Sub-Ledger under this item (vi); and

- (vii) *seventh*, up to the PDL Maximum Amount in respect of the Class A Notes, as debits on the on the Class A Principal Deficiency Sub-Ledger and the Class VRR Principal Deficiency Sub-Ledger in proportions such that the amounts debited to the Class VRR Principal Deficiency Sub-Ledger under this item (vi) shall equal the VRR Proportion of amounts debited to the Class A Principal Deficiency Sub-Ledger under this item (vii).

Amounts allocated to the Principal Deficiency Ledger shall be reduced to the extent of Pre-Enforcement Revenue Note Share available for such purpose on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments as follows:

- (i) *first*, to the Class A Principal Deficiency Sub-Ledger to reduce the debit balance thereon to zero;
- (ii) *second*, to the Class B Principal Deficiency Sub-Ledger to reduce the debit balance thereon to zero;
- (iii) *third*, to the Class C Principal Deficiency Sub-Ledger to reduce the debit balance thereon to zero;
- (iv) *fourth*, to the Class D Principal Deficiency Sub-Ledger to reduce the debit balance thereon to zero;
- (v) *fifth*, to the Class E Principal Deficiency Sub-Ledger to reduce the debit balance thereon to zero;
- (vi) *sixth*, to the Class F Principal Deficiency Sub-Ledger to reduce the debit balance thereon to zero; and
- (vii) *seventh*, to the Class Z Principal Deficiency Sub-Ledger to reduce the debit balance to zero.

Amounts allocated to the Principal Deficiency Ledger shall be reduced to the extent of Pre-Enforcement Revenue VRR Share available for such purpose on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments to the Class VRR Principal Deficiency Sub-Ledger to reduce the debit balance to zero.

"Class A Principal Deficiency Sub-Ledger" means the sub-ledger of the Principal Deficiency Ledger relating to the Class A Notes.

"Class B Principal Deficiency Sub-Ledger" means the sub-ledger of the Principal Deficiency Ledger relating to the Class B Notes.

"Class C Principal Deficiency Sub-Ledger" means the sub-ledger of the Principal Deficiency Ledger relating to the Class C Notes.

"Class D Principal Deficiency Sub-Ledger" means the sub-ledger of the Principal Deficiency Ledger relating to the Class D Notes.

"Class E Principal Deficiency Sub-Ledger" means the sub-ledger of the Principal Deficiency Ledger relating to the Class E Notes.

"Class F Principal Deficiency Sub-Ledger" means the sub-ledger of the Principal Deficiency Ledger relating to the Class F Notes.

"Class VRR Principal Deficiency Sub-Ledger" means the sub-ledger of the Principal Deficiency Ledger relating to the Class VRR Notes.

"Class Z Principal Deficiency Sub-Ledger" means the sub-ledger of the Principal Deficiency Ledger relating to the Class Z Notes.

"PDL Maximum Amount" means, in respect of a Class of Notes, the Principal Amount Outstanding of such Class of Notes multiplied by (100/95).

7. Available Revenue Receipts and Available Redemption Receipts

Available Revenue Receipts and Available Redemption Receipts shall be applied on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Redemption 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, any amounts standing to the credit of the Liquidity Reserve Fund Ledger 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 and Class VRR Notes outstanding, the Issuer has insufficient Available Revenue Receipts and insufficient 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 the Most Senior Class, then the Issuer will be entitled under Note Condition 18 (*Subordination by Deferral*) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date. Any such deferral in accordance with the deferral provisions contained in the Note Conditions will not constitute an Event of Default. However, failure to pay interest on the Most Senior Class (or the corresponding Class VRR Note payment) within any applicable grace period in accordance with the Note Conditions shall constitute an Event of Default under the Notes which may result in the Security Trustee enforcing the Security.

8. Interest Rate Risk for the Notes and Class VRR Notes

Swap Agreement

On or about the Closing Date, the Issuer and the Swap Provider will enter into the ISDA Master Agreement, schedule, credit support annex and confirmation (as amended or supplemented from time to time) relating to the Swap Transaction (the "**Swap Agreement**").

"ISDA Master Agreement" means the 2002 ISDA Master Agreement, as published by the International Swaps and Derivatives Association, Inc..

Swap Transaction

Some of the Loans in the Portfolio pay or will pay a fixed rate of interest for an initial period of time. However, the Issuer's liabilities with respect to interest under 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 are based on SONIA.

To provide a hedge against the possible variance between:

- (a) the fixed rates of interest payable on the Fixed Rate Loans in the Portfolio; and

- (b) the rate of interest under the 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 corresponding payments under the Class VRR Notes) being calculated by reference to SONIA,

the Issuer will enter into the Swap Transaction with the Swap Provider under the Swap Agreement on the Closing Date.

Under the Swap Transaction, for each Swap Calculation Period falling prior to the termination date of the Swap Transaction, the following amounts will be calculated:

- (a) the amount produced by applying SONIA to the Notional Amount (as defined below) of the Swap Transaction for the relevant Swap Calculation Period and multiplying the resulting amount by the Day Count Fraction (as defined below) (the "**Swap Provider Swap Amount**"); and
- (b) the amount produced by applying a Fixed Rate (as defined in the Swap Agreement) to the Notional Amount of the Swap Transaction for the relevant Swap Calculation Period and multiplying the resulting amount by the Day Count Fraction (the "**Issuer Swap Amount**").

After these two amounts are calculated in relation to a Swap Payment Date, and subject as provided below in relation to circumstances where the Swap Provider Swap Amount is negative for any Swap Calculation Period, 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.

If for any Swap Calculation Period SONIA is negative, the Issuer will be required to pay to the Swap Provider the absolute value of the relevant Swap Provider Swap Amount determined using the applicable negative SONIA rate (the "**Issuer Swap Additional Amount**"). In this situation and in respect of the relevant Swap Calculation Period, the Issuer will be required to pay to the Swap Provider the scheduled Issuer Swap Amount (subject to the terms of the Swap Agreement) plus the Issuer Swap Additional Amount. The Swap Provider would not be required to make any payment to the Issuer in respect of the Swap Provider Swap Amount.

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 to the Swap Transaction and based on the expected repayment profile of the Fixed Rate Loans assuming a 0% constant prepayment rate on the Current Balance of the Fixed Rate Loans in the Portfolio as at the Cut-Off Date.

For the purposes of determining the amounts payable under the Swap Transaction the following definitions apply:

"Day Count Fraction" means in respect of any Swap Calculation Period, the number of calendar days in that Swap Calculation Period divided by 365;

"Swap Calculation Period" means (other than the first Swap Calculation Period), each period that commences on (and includes) a Swap Payment Date and ends on (but excludes) the immediately following Swap Payment Date and in respect of the first Swap Calculation Period, means the period commencing on (and including) the Closing Date and ending on (but excluding) the Swap Payment Date falling on 24 February 2020;

"Swap Payment Date" means the 22nd day of February, May, August and November in each year and ending on the termination date of the Swap Transaction, in each case subject to adjustment in accordance with the following business day convention as set out in the Swap Agreement.

The Swap Transaction may not fully hedge the Issuer's interest rate risk as discussed under the section entitled *Risk Factors – Interest Rate Risk* above. However, the Swap Transaction has been entered into with the aim of significantly mitigating the Issuer's exposure to increases in SONIA.

General

If a payment is made by the Swap Provider (other than any amounts which are not to be applied as Available Revenue Receipts in accordance with the Swap Collateral Account Priority of Payments, including for the avoidance of doubt, (i) Swap Collateral, (ii) any Replacement Swap Premium paid to the Issuer, and (iii) amounts in respect of Swap Tax Credits on such Interest Payment Date other than, in each case, any Swap Collateral Account Surplus which is to be applied as Available Revenue Receipts in accordance with the Swap Collateral Account Priority of Payments), that payment will be included in the Available Revenue Receipts and will be applied on the relevant Swap Payment Date according to the applicable Priority of Payments. If a payment is to be made by the Issuer, it will be made according to the applicable Priority of Payments of the Issuer.

Under the terms of the Swap Agreement, in the event that the relevant rating(s) of the Swap Provider assigned by a Rating Agency falls below the required swap rating (the **"Required Swap Rating"**) (as to which see further the section of this Prospectus headed *Transaction Overview – Triggers Tables*), the Swap Provider will, in accordance with the Swap Agreement, be required to take certain remedial measures within the timeframe stipulated in the Swap Agreement and at its own cost which may include providing collateral for its obligations under the Swap Transaction, arranging for its obligations under the Swap Transaction to be transferred to an entity with the Required Swap Ratings or procuring another eligible entity with the Required Swap Ratings to become co-obligor or guarantor, as applicable, in respect of its obligations under the Swap Transaction. However, no assurance can be given that, at the time that such actions are required, sufficient collateral will be available to the Swap Provider for posting or that another entity with the Required Swap Rating will be available to become a replacement swap provider, co-obligor or guarantor or that the applicable Swap Provider will be able to take the requisite other action. If the remedial measures following a downgrade below the Required Swap Rating are not taken within the applicable time frames, this will in certain circumstances permit the Issuer to terminate the Swap Agreement early.

The Swap Transaction may be terminated in certain circumstances, including the following, each as more specifically defined in the Swap Agreement (an **"Early Termination Event"**):

- (a) if there is a failure by a party to pay amounts due under the Swap Agreement and any applicable grace period has expired;
- (b) if certain insolvency events occur with respect to the Swap Provider or the Issuer;

- (c) if a material misrepresentation is made by the Swap Provider under the Swap Agreement;
- (d) if a breach of a provision of the Swap Agreement by the Swap Provider is not remedied within the applicable grace period;
- (e) if a change of law results in the obligations of one of the parties becoming illegal;
- (f) if certain force majeure events occur and result in one of the parties being prevented from performing its obligations, receiving payments or complying with any material provision of the Swap Agreement;
- (g) in certain circumstances, if a deduction or withholding for or on account of taxes is imposed on payments under the Swap Transaction due to a change in law;
- (h) if the Swap Provider is downgraded and fails to comply with the requirements of the downgrade provisions contained in the Swap Agreement and described above;
- (i) service by the Note Trustee of an Enforcement Notice on the Issuer pursuant to Note Condition 11 (*Events of Default*) or Class VRR Note Condition 11 (*Events of Default*);
- (j) if there is a redemption in full of the Notes or Class VRR Notes pursuant to Note Condition 8.2 (*Mandatory Redemption prior to the service of an Enforcement Notice and prior to the exercise of the Refinancing Option or the Portfolio Call Option*), Note Condition 8.3(b) (*Portfolio Call Option*), Note Condition 8.3(c) (*Ten per-cent. clean up call*) or Note Condition 8.4 (*Redemption of the Notes, Class VRR Notes and Certificates for Taxation or Other Reasons*), Class VRR Note Condition 8.2 (*Mandatory Redemption prior to the service of an Enforcement Notice and prior to the exercise of the Refinancing Option or the Portfolio Call Option*), Class VRR Note Condition 8.3(b) (*Portfolio Call Option*), Class VRR Note Condition 8.3(c) (*Ten per-cent. clean up call*) or Class VRR Note Condition 8.4 (*Redemption of the Notes, Class VRR Notes and Certificates in Full*) (other than in relation to the Refinancing Option) or Class VRR Note Condition 8.4 (*Redemption of the Notes, Class VRR Notes and Certificates for Taxation or Other Reasons*), but not, for the avoidance of doubt, in circumstances where the Notes or the Class VRR Notes are redeemed pursuant to exercise of the Refinancing Option;
- (k) any provision of the Transaction Documents, the Note Conditions, the Class VRR Note Conditions or Certificate Conditions is modified, amended or supplemented without the Swap Provider's prior written consent (such consent not to be unreasonably withheld) and Party A (acting reasonably and in good faith) determines that such modification, amendment or supplement would be materially prejudicial to any Swap Provider Entrenched Rights;
- (l) without prejudice to limb (k) above, if a Refinancing Option is exercised, a Refinancing Date occurs following service by the Swap Provider on the Issuer of a Service Provider Refinancing Document Veto Notice relating to such Refinancing Option; and
- (m) if the Issuer ceases to be a non-financial counterparty under the clearing threshold for the purposes of EMIR as a result of a change in law after the date of 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 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.

Under the Swap Agreement, the Issuer must notify the Swap Provider in writing of any proposed modification, amendment or supplement to any provisions of the Transaction Documents, the Note Conditions, the Class VRR Note Conditions or Certificate Conditions that may be materially prejudicial to any of the Swap Provider Entrenched Rights at least 30 days (exclusive of the day on which the notice is given and of the day that the modification, amendment or supplement is intended to be effected) prior to such modification, amendment or supplement being effected. If, in the Swap Provider's opinion (acting reasonably and in good faith), such modification, amendment or supplement would be materially prejudicial to any Swap Provider Entrenched Rights, the Swap Provider may notify the Issuer.

If the Issuer:

- receives notification (the "**Notification**") from the Swap Provider that the Swap Provider has determined (acting reasonably and in good faith) that the modification, amendment or supplement would not encroach on any Swap Provider Entrenched Rights or that the Swap Provider otherwise consents to such modification, amendment or supplement, such modification, amendment or supplement may take effect at any time from and including the date of receipt of the Notification; or
- does not receive any such determination or a Notification within 30 days of the Swap Provider's receipt of the notice referred to above, the Swap Provider shall be deemed to have consented to such modification, amendment or supplement and the Swap Provider shall not be able to exercise the right of early termination set out in limb (k) of the definition of Early Termination Event above.

If the Swap Provider has not received notice of a proposed modification, amendment or supplement, the proposed modification, amendment or supplement will not be effective.

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.

Upon termination of the Swap Agreement, the Servicer (on behalf of the Issuer) shall procure a replacement swap transaction, although no guarantees of such replacement can be given.

The Issuer is not obliged under the Swap Agreement to gross up payments made by it if a withholding or deduction for or on account of taxes is imposed on payments made under the Swap Transaction.

The Swap Provider will generally be obliged to gross up payments made by it to the Issuer if a withholding or deduction for or on account of tax is imposed on payments made by it under the Swap Agreement.

The Swap Agreement and any non-contractual obligations arising out of or in connection with it will be governed by the laws of England and Wales.

CASHFLOWS

Definition of Revenue Receipts

"**Revenue Receipts**" means (a) payments of interest and other fees due from time to time under the Loans (including any Early Repayment Charges) and other amounts received by the Issuer in respect of the Loans and their Related Security, (b) recoveries of interest from defaulting Borrowers under Loans being enforced, (c) recoveries of all amounts from defaulting Borrowers under Loans following enforcement and sale of the relevant property, and (d) the proceeds of repurchase attributable to Accrued Interest and Arrears of Interest only of any Loan repurchased by the Seller from the Issuer pursuant to the Mortgage Sale Agreement.

Definition of Available Revenue Receipts

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

- (a) all Revenue Receipts or, if in a Determination Period, any Calculated Revenue Receipts, in each case excluding any Reconciliation Amounts to be applied as Available Redemption Receipts on that Interest Payment Date, received by the Issuer (including amounts representing amounts received in respect of any repurchases of Loans and their Related Security by the Seller pursuant to the Mortgage Sale Agreement attributable to Accrued Interest and Arrears of Interest at the relevant repurchase date) during the immediately preceding Collection Period;
- (b) the lower of the amount recorded to the credit of the Liquidity Reserve Fund Ledger and a shortfall in paying items (a), (b), (c), (d), (e), (f)(i)(multiplied by 100/95) and (f)(iii)(multiplied by 100/95) of the Pre-Enforcement Revenue Priority of Payments using all amounts of Available Revenue Receipts except those under limbs (b), (c), (j) and (k) of the definition of Available Revenue Receipts. Amounts under this limb (b) can only be applied towards items (a), (b), (c), (d), (e), (f)(i), (f)(iii), (g)(i) and (g)(iii) of the Pre-Enforcement Revenue Priority of Payments;
- (c) on each Interest Payment Date (prior to the service of an Enforcement Notice), all amounts recorded to the credit of the Liquidity Reserve Fund Ledger in excess of the Liquidity Reserve Fund Target Level taking into account (b) above;
- (d) on each Interest Payment Date (prior to the service of an Enforcement Notice), all amounts standing to the credit of the General Reserve Fund Ledger;
- (e) 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);
- (f) amounts received or to be received by the Issuer on or before such Interest Payment Date under or in connection with the Swap Agreement, including any early termination amount received in connection with the Swap Agreement and which is not required to fund a Replacement Swap Premium payable by the Issuer, and any Swap Collateral Account Surplus which is to be applied as Available Revenue Receipts in accordance with the Swap Collateral Account Priority of Payments (other than any amounts which are not to be applied as Available Revenue Receipts in accordance with the Swap Collateral Account Priority of Payments, including for the avoidance of doubt, (i) Swap

Collateral, (ii) any Replacement Swap Premium paid to the Issuer, and (iii) amounts in respect of Swap Tax Credits on such Interest Payment Date);

- (g) on each Interest Payment Date following a Determination Period, any Reconciliation deemed to be Available Revenue Receipts in accordance with Note Condition 6.10(c) (*Determinations and Reconciliation*);
- (h) in respect of any Interest Payment Date falling in a Determination Period amounts credited to the Citi Transaction Account (including, for the avoidance of doubt, any amounts transferred from the Elavon Transaction Account by or at the request of the Servicer (acting on the instruction of the Issuer) with such request given directly to the Elavon Account Bank), on the previous Interest Payment Date in accordance with item (f)(xvii) and then (g)(xvii) of the Pre-Enforcement Revenue Priority of Payments;
- (i) other net income of the Issuer received during the immediately preceding Collection Period, excluding any Redemption Receipts;
- (j) amounts determined to be applied as Available Revenue Receipts in accordance with limb (a) of the Pre-Enforcement Redemption Priority of Payment. Such amounts should not be applied to top up the Liquidity Reserve Fund under items (f)(iv) to (g)(iv) of the Pre-Enforcement Revenue Priority of Payments;
- (k) on the first Interest Payment Date, any and all amounts recorded to the credit of the Start-up Expenses Ledger;

less:

- (l) amounts applied from time to time during the immediately preceding Collection Period in making payment of certain monies which properly belong to third parties (including the Seller) such as (but not limited to):
 - (i) payments of certain insurance premiums in respect of the Insurance Policy (to the extent referable to the Loans);
 - (ii) amounts under a Direct Debit which are repaid to the bank making the payment if such bank is unable to recoup or recall such amount itself from its customer's account or is required to refund an amount previously debited; and
 - (iii) 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 (l) being collectively referred to herein as "**Third Party Amounts**");
- (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; and
- (n) (taking into account any amount paid by way of Third Party Amounts) amounts to remedy any overdraft in relation to the Collection Account.

Application of Monies released from the Liquidity Reserve Fund

See the section entitled *Summary of the Key Transaction Documents – Cash Management Agreement* above.

Application of Available Redemption Receipts to cure a Revenue Deficit

Prior to the service of an Enforcement Notice on the Issuer, if the Cash Manager calculates that there will be a Revenue Deficit on the immediately following Interest Payment Date (after taking into account items (b) and (c) of the definition of Available Revenue Receipts), the Issuer shall apply Available Redemption Receipts (to the extent available) as Principal Addition Amounts to meet any Revenue Deficit on such Interest Payment Date against the relevant items in the Pre-Enforcement Revenue Priority of Payments in accordance with the Pre-Enforcement Revenue Priority of Payments.

If any Principal Addition Amounts are applied on any Interest Payment Date in accordance with item (a) of the Pre-Enforcement Redemption Priority of Payments, the Issuer (or the Cash Manager on its behalf) will make a corresponding debit entry in the Principal Deficiency Ledger.

Payments on Business Days other than Interest Payment Dates

On each Business Day during a Collection Period (other than an Interest Payment Date) prior to the service of an Enforcement Notice, the Cash Manager shall, on behalf of the Issuer, (and following notification from the Servicer or the Issuer of the relevant payments and amounts) effect payment from monies in the Transaction Accounts and recorded in the Revenue Ledger and the Start-Up Expenses Ledger, of the amounts due and payable by the Issuer on such Business Day in relation to the following matters in the amounts required (provided that payments to be made from and including any Collection Period Start Date to and including the immediately following Interest Payment Date shall only be made from amounts paid into the Transaction Accounts during the Collection Period in which that payment falls) (but in no order of priority, as described immediately below):

- (a) any amount payable by the Issuer and/or the Seller (as legal title holder) (i) to a Borrower under the terms of the Mortgage Conditions or by operation of law including (without limitation) amounts overpaid by a Borrower or proceeds of enforcement which exceed the amounts outstanding in respect of the Loan (but subject to any right to refuse or withhold payment of such amount or any right of set off that has arisen by reason of such Borrower's breach of the terms of the relevant Loan Files) or (ii) to any other person in respect of a payment relating to a Loan which has not been accepted by the Seller (as legal title holder) or the Servicer (a "**Borrower Repayment Amount**") of a revenue nature, to be paid into the Collection Account;
- (b) any tax payment and any amount due in respect of VAT at the rate applicable from time to time;
- (c) any cost any amounts due and payable by the Issuer to third parties (not being Secured Creditors) 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), provided that the relevant third parties have provided the Issuer with a valid invoice for such amounts;
- (d) any amount necessary to be paid to the Collection Account to remedy an overdraft in relation to the Collection Account caused by a payment from the Collection Account by the Collection Account Bank to satisfy any of its obligations and/or liabilities properly incurred under the Direct Debiting Scheme or in respect of other unpaid sums (including but not limited to cheques and payment reversals) in each case relating to Borrowers under the Loans, or to pay any amounts due or owing to the Collection Account Bank.

On each Business Day during a Collection Period (other than an Interest Payment Date) prior to the service of an Enforcement Notice, the Cash Manager shall, on behalf of the Issuer, effect payment from monies in the Transaction Accounts and recorded in the Redemption Ledger of the amounts due and payable by the Issuer on such Business Day in relation to the following matters in the amounts required (provided that payments to be made from and including any Collection Period Start Date to and including the immediately following Interest Payment Date shall only be made from amounts paid into

the Transaction Accounts during the Collection Period in which that payment falls) (but in no order of priority) any Borrower Repayment Amount of a principal nature to be paid to the Collection Account.

"**Direct Debiting Scheme**" means the system for the manual or automated debiting of bank accounts by Direct Debit operated in accordance with the principal rules of certain members of the Association for Payment Clearing Services.

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 Manager, on behalf of the Issuer, shall apply or provide for the application of the Available Revenue Receipts in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full, except that payments in respect of the Class VRR Notes shall be paid *pari passu* with, and not subordinated to, the corresponding amounts at items (f)(i) to (f)(xix) (inclusive)) (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 and payable to the Note Trustee and any Appointee under the provisions of the Trust Deed and the other Transaction Documents together with (if due and 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 and any Appointee under the provisions of the Deed of Charge and the other Transaction Documents together with (if due and payable) VAT thereon as provided therein;
- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof (in each case without double counting) of:
 - (i) any remuneration then due and payable to the Agent Bank, the Registrar and the Paying Agents and any fees, costs, charges, Liabilities and expenses then due and payable to them under the provisions of the Agency Agreement, together with (if due and payable) VAT thereon as provided therein;
 - (ii) any amounts then due and payable to the Cash Manager and any fees, costs, charges, Liabilities and expenses then due and payable under the provisions of the Cash Management Agreement, together with (if due and payable) VAT thereon as provided therein;
 - (iii) any amounts then due and payable to the Servicer and any fees (including the Servicing Fee), costs, charges, Liabilities and expenses then due and payable under the provisions of the Servicing Agreement, together with (if due and payable) VAT thereon as provided therein;
 - (iv) any amounts then due and payable to the Corporate Services Provider and any fees, costs, charges, Liabilities and expenses then due and payable under the provisions of the Corporate Services Agreement, together with (if due and payable) VAT thereon as provided therein;

- (v) any amounts then due and payable to the Custodian and any fees, costs, charges, Liabilities and expenses then due and payable under the provisions of the Securities Custody Agreement, together with (if due and payable) VAT thereon as provided therein; and
 - (vi) any amounts then due and payable to the Citi Transaction Account Bank and any fees, costs, charges, Liabilities and expenses then due and payable under the Citi Bank Account Agreement, together with (if due and payable) VAT thereon as provided therein;
 - (vii) any amounts then due and payable to the Elavon Account Bank and any fees, costs, charges, Liabilities and expenses then due and payable under the Elavon Bank Account Agreement, together with (if due and payable) VAT thereon as provided therein;
 - (viii) any amounts then due and payable to the Swap Collateral Account Bank and any fees, costs, charges, Liabilities and expenses then due and payable under the Swap Collateral Account Agreement, together with (if due and payable) VAT thereon as provided therein;
 - (ix) any amounts then due and payable to the Collection Account Bank and any fees, costs, charges, Liabilities and expenses then due and payable under the collections account arrangements, together with (if due and payable) VAT thereon as provided therein;
 - (x) any amounts then due and payable to the Standby Servicer Facilitator and any fees, costs, charges, Liabilities and expenses then due and payable under the provisions of the Standby Servicing Agreement, together with (if due and payable) VAT thereon as provided therein;
 - (xi) any amounts then due and payable to the Standby Servicer and any fees, costs, charges, Liabilities and expenses then due and payable under the provisions of the Standby Servicing Agreement, together with (if due and payable) VAT thereon as provided therein; and
 - (xii) any amounts then due and payable to any SR Reporting Provider and any fees, costs, charges, Liabilities and expenses then due and payable under the provisions of any document between the Issuer and the SR Reporting Provider setting out the terms of the SR Reporting Provider's appointment, together with (if due and payable) VAT thereon as provided therein;
- (c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
- (i) any amounts due and payable by the Issuer to third parties and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) provided that the relevant third parties have provided the Issuer with a valid invoice for such amounts, 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 as Issuer Profit Amounts under item (d) below); and
 - (ii) any Transfer Costs which the Servicer has failed to pay pursuant to Clause 18.3 of the Servicing Agreement;
- (d) *fourth*, to pay the Issuer an amount equal to £300 in respect of the prior Interest Period to be retained by the Issuer as profit in respect of the business of the Issuer (the "**Issuer Profit**

Amount") (which may be used by the Issuer to pay or discharge any liability of the Issuer for corporation tax thereon);

- (e) *fifth*, to provide for amounts due and payable on the relevant Swap Payment Date, to pay, in or towards satisfaction of any amounts due and payable 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 Swap Subordinated Amounts payable under item (f)(xvi) and item (g)(xvi) below;
- (f) *sixth, pari passu* with amounts payable under limb (g), in an amount up to the Pre-Enforcement Revenue Note Share:
 - (i) to pay, *pro rata* and *pari passu*, all amounts (other than in respect of principal amounts) due and payable on the Class A Notes;
 - (ii) to credit the Class A Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Redemption Receipts);
 - (iii) to pay, *pro rata* and *pari passu*, all interest (including any Deferred Interest and Additional Interest due and payable on the Class B Notes) due and payable on the Class B Notes;
 - (iv) to replenish the Liquidity Reserve Fund Ledger up to 95 per cent. of the Liquidity Reserve Fund Target Level;
 - (v) 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 Redemption Receipts);
 - (vi) to pay, *pro rata* and *pari passu*, all interest (including any Deferred Interest and Additional Interest due and payable on the Class C Notes) due and payable on the Class C Notes;
 - (vii) 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 Redemption Receipts);
 - (viii) to pay, *pro rata* and *pari passu*, all interest (including any Deferred Interest and Additional Interest due and payable on the Class D Notes) due and payable on the Class D Notes;
 - (ix) 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 Redemption Receipts);
 - (x) to pay, *pro rata* and *pari passu*, all interest (including any Deferred Interest and Additional Interest due and payable on the Class E Notes) due and payable on the Class E Notes;
 - (xi) 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 Redemption Receipts);

- (xii) to pay, *pro rata* and *pari passu*, all interest (including any Deferred Interest and Additional Interest due and payable on the Class F Notes) due and payable on the Class F Notes;
 - (xiii) 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 Redemption Receipts);
 - (xiv) to credit the Class Z Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Redemption Receipts);
 - (xv) to replenish the General Reserve Fund Ledger up to 95 per cent. of the General Reserve Fund Target Level;
 - (xvi) to pay in accordance with the terms of the Swap Agreement to the Swap Provider 95 per cent. of any Swap 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);
 - (xvii) on any Interest Payment Date falling within a Determination Period, all remaining amounts to be credited to the Citi Transaction Account, or if advised by the Servicer (acting on the instruction of the Issuer) to the Elavon Transaction Account, to be applied on the next Interest Payment Date as Available Revenue Receipts;
 - (xviii) on the Interest Payment Date immediately after the Step-up Date and on each Interest Payment Date thereafter, and provided that the Class A Notes have not, on or before such Interest Payment Date, been redeemed in full, all remaining excess amounts to be applied as Available Redemption Receipts in accordance with the Pre-Enforcement Redemption Priority of Payments on such Interest Payment Date; and
 - (xix) all remaining excess amounts in payment *pro rata* and *pari passu* to the Certificateholders in respect of the Certificates;
- (g) *seventh, pari passu* with amounts payable under limb (f), in an amount up to the Pre-Enforcement Revenue VRR Share:
- (i) to pay, *pro rata* and *pari passu*, a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(i) above;
 - (ii) to credit the Class VRR Principal Deficiency Sub-Ledger in an amount up to the VRR Proportion of amounts paid under item (f)(ii) above;
 - (iii) to pay, *pro rata* and *pari passu*, a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(iii) above;
 - (iv) to replenish the Liquidity Reserve Fund Ledger up to 5 per cent. of the Liquidity Reserve Fund Target Level;

- (v) to credit the Class VRR Principal Deficiency Sub-Ledger in an amount up to the VRR Proportion of amounts paid under item (f)(v) above;
- (vi) to pay, *pro rata* and *pari passu*, a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(vi) above;
- (vii) to credit the Class VRR Principal Deficiency Sub-Ledger in an amount up to the VRR Proportion of amounts paid under item (f)(vii) above;
- (viii) to pay, *pro rata* and *pari passu*, a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(viii) above;
- (ix) to credit the Class VRR Principal Deficiency Sub-Ledger in an amount up to the VRR Proportion of amounts paid under item (f)(ix) above;
- (x) to pay, *pro rata* and *pari passu*, a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(x) above;
- (xi) to credit the Class VRR Principal Deficiency Sub-Ledger in an amount up to the VRR Proportion of amounts paid under item (f)(xi) above;
- (xii) to pay, *pro rata* and *pari passu*, a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(xii) above;
- (xiii) to credit the Class VRR Principal Deficiency Sub-Ledger in an amount up to the VRR Proportion of amounts paid under item (f)(xiii) above;
- (xiv) to credit the Class VRR Principal Deficiency Sub-Ledger in an amount up to the VRR Proportion of amounts paid under item (f)(xiv) above;
- (xv) to replenish the General Reserve Fund Ledger up to 5 per cent. of the General Reserve Fund Target Level;
- (xvi) to pay in accordance with the terms of the Swap Agreement to the Swap Provider 5 per cent. of any Swap 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);
- (xvii) on any Interest Payment Date falling within a Determination Period, all remaining amounts to be credited to the Citi Transaction Account, or if advised by the Servicer (acting on the instruction of the Issuer) to the Elavon Transaction Account, to be applied on the next Interest Payment Date as Available Revenue Receipts;
- (xviii) on the Interest Payment Date immediately after the Step-up Date and on each Interest Payment Date thereafter, and provided that the Class A Notes have not, on or before such Interest Payment Date, been redeemed in full, all remaining excess amounts to be applied as Available Redemption Receipts in accordance with the Pre-Enforcement Redemption Priority of Payments on such Interest Payment Date; and

- (xix) *pro rata* and *pari passu* a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(xix) above.

As used in this Prospectus:

"**Accrued Interest**" means in respect of a Loan as at any date the aggregate of all interest accrued but not yet due and payable on the Loan from (and including) the monthly payment date immediately preceding the relevant date to (but excluding) the relevant date.

"**Appointee**" means any attorney, manager, agent, delegate, nominee, custodian, financial adviser or other professional adviser or other person properly appointed by the Note Trustee under the Trust Deed or the Security Trustee under the Deed of Charge (as applicable) to discharge any of its functions.

"**Arrears of Interest**" means as at any date in respect of any Loan, the aggregate of all interest (other than Capitalised Amounts) on that Loan which is currently due and payable and unpaid on that date.

"**Securities Custody Agreement**" means the securities custody agreement dated on or around the Closing Date between the Issuer, the Custodian and the Security Trustee, in respect of any Securities Custody Account which may be opened from time to time by the Issuer, with the consent of the Security Trustee.

"**Early Repayment Charge**" means any charge (other than a Redemption Fee) which a Borrower is required to pay in the event that he or she repays all or any part of the relevant Loan before a specified date in the Mortgage Conditions.

"**Interest Period**" means the period from (and including) an Interest Payment Date (except in the case of the first Interest Period, which shall commence on (and include) the Closing Date) to (but excluding) the next following Interest Payment Date.

"**Liabilities**" means in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, decrees, actions, proceedings or other liabilities whatsoever (including by way of indemnity) including properly incurred legal fees and any Taxes and penalties incurred by that person.

"**Redemption Fee**" means the standard redemption fee charged to the Borrower by the Servicer where the Borrower makes a repayment of the full outstanding principal of a Loan on the maturity date of such Loan.

"**Replacement Swap Agreement**" means an agreement between the Issuer and a replacement swap provider to replace the Swap Transaction.

"**Replacement Swap Premium**" means an amount received by the Issuer from a replacement swap provider, or an amount paid by the Issuer to a replacement swap provider, upon entry by the Issuer into a Replacement Swap Agreement.

"**Servicing Fee**" means a fee (inclusive of VAT, if any) that the Issuer shall pay to the Servicer, of up to an aggregate amount calculated on the basis of the number of days elapsed in each calendar month over a 365 day year (or over a 366 day year in a leap year), by applying a rate of 0.08% per annum on the aggregate Current Balance of the Loans (excluding any Enforced Loans) on the Collection Period Start Date at the start of the immediately preceding Collection Period, in consideration for the Servicer providing Services, being the cash management and incidental administration element of the Services and carrying out the other duties and obligations on its part set out in the Servicing Agreement;

"Swap Collateral" means the collateral provided by the Swap Provider to the Issuer under the Swap Agreement and includes any interest and distributions in respect thereof.

"Swap Provider Default" means the occurrence of an Event of Default (as defined in the Swap Agreement) where the Swap Provider is the defaulting party (as defined in the Swap Agreement).

"Swap Provider Downgrade Event" means the occurrence of an Additional Termination Event (as defined in the Swap Agreement) following the failure by the Swap Provider to comply with the requirements of the ratings downgrade provisions set out in the Swap Agreement.

"Swap 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.

"Swap Tax Credits" means any credit, allowance, set-off or repayment received by the Issuer in respect of tax from the tax authorities of any jurisdiction relating to any deduction or withholding giving rise to an increased payment by the Swap Provider to the Issuer under the terms of the Swap Agreement.

"Transfer Costs" means the Issuer's costs and expenses associated with the transfer of servicing to a substitute servicer.

Definition of Redemption Receipts

"Redemption Receipts" means (a) principal repayments under the Loans (including payments of arrears of principal and Capitalised Amounts), (b) recoveries of principal from defaulting Borrowers under Loans being enforced, (c) recoveries of principal from defaulting Borrowers under Loans in respect of which enforcement procedures relating to the sale of the property have been completed (including the proceeds of sale of the relevant Property, to the extent such proceeds of sale are deemed to be principal but excluding all amounts received following a sale of the relevant Property), (d) any payment pursuant to any insurance policy in respect of a Property in connection with a Loan in the Portfolio, to the extent such payment is deemed to be principal, and (e) the proceeds of the repurchase of any Loan by the Seller from the Issuer pursuant to the Mortgage Sale Agreement (but for the avoidance of doubt, excluding amounts attributable to Accrued Interest and Arrears of Interest thereon as at the relevant repurchase date).

"Capitalised Amounts" means, in relation to a Loan, at any date, amounts which are due or overdue in respect of that Loan (other than any principal amounts) and which as at that date have been capitalised in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower and any other amounts (including fees and expenses), capitalised in accordance with the Collections Policy.

Definition of Available Redemption Receipts

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

- (a) all Redemption Receipts or, if in a Determination Period, any Calculated Redemption Receipts, in each case excluding an amount equal to any Reconciliation Amounts to be applied as Available Revenue Receipts on that Interest Payment Date (including amounts representing amounts received in respect of any repurchases of Loans and their Related Security that were repurchased by the Seller pursuant to the Mortgage Sale Agreement (but for the avoidance of doubt, excluding amounts attributable to Accrued Interest and Arrears of Interest thereon as at the relevant repurchase 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 the Principal Deficiency Ledger (and the corresponding Class VRR Principal Deficiency Sub-Ledger) is to be reduced on that Interest Payment Date;
- (c) any amounts deemed to be Available Redemption Receipts in accordance with item (f)(xviii) and item (g)(xviii) of the Pre-Enforcement Revenue Priority of Payments; and
- (d) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Redemption Receipts in accordance with Note Condition 6.10(c) (*Determinations and Reconciliation*).

Application of Available Redemption Receipts prior to the service of an Enforcement Notice on the Issuer

Prior to the service of an Enforcement Notice on the Issuer, the Cash Manager on behalf of the Issuer is required pursuant to the terms of the Cash Management Agreement to apply Available Redemption Receipts on each Interest Payment Date in the following order of priority (except that payments in respect of the Class VRR Notes shall be paid *pari passu* with, and not subordinated to, the corresponding amounts at items (b)(i) to (b)(viii) (inclusive)) (the "**Pre-Enforcement Redemption Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been paid in full):

- (a) *first*, any Principal Addition Amounts to be applied to meet any Revenue Deficit;
- (b) *second, pari passu* with amounts payable under limb (c) in an amount up to the Pre-Enforcement Redemption Note Share:
 - (i) to pay, *pro rata* and *pari passu*, all principal amounts due and payable on the Class A Notes until the Class A Notes have been redeemed fully;
 - (ii) to pay, *pro rata* and *pari passu*, all principal amounts due and payable on the Class B Notes until the Class B Notes have been redeemed fully;
 - (iii) to pay, *pro rata* and *pari passu*, all principal amounts due and payable on the Class C Notes until the Class C Notes have been redeemed fully;
 - (iv) to pay, *pro rata* and *pari passu*, all principal amounts due and payable on the Class D Notes until the Class D Notes have been redeemed fully;
 - (v) to pay, *pro rata* and *pari passu*, all principal amounts due and payable on the Class E Notes until the Class E Notes have been redeemed fully;
 - (vi) to pay, *pro rata* and *pari passu*, all principal amounts due and payable on the Class F Notes until the Class F Notes have been redeemed fully;
 - (vii) to pay, *pro rata* and *pari passu*, all principal amounts due and payable on the Class Z Notes until the Class Z Notes have been redeemed fully; and
 - (viii) all remaining excess amounts to be applied as Available Revenue Receipts;
- (c) *third, pari passu* with amounts payable under limb (b), amounts which are, in aggregate, not in excess of the Pre-Enforcement Redemption VRR Share:

- (i) *firstly*, to pay, to the VRR Proportion of the aggregate of the amounts paid under items (b)(i) to (b)(vii) (inclusive) above until the Class VRR Notes have been redeemed in full; and
- (ii) *secondly*, all remaining excess amounts to be applied as Available Revenue Receipts.

Distributions following the service of an Enforcement Notice on the Issuer and on the Refinancing Date (if any) or on the 10 Per Cent. Clean-up Call Date (if any) or on the Portfolio Call Option Completion Date (if any)

(A):

After an Enforcement Notice has been served on the Issuer, the Security Trustee (or the Cash Manager on its behalf or any Receiver appointed by the Security Trustee in connection with the enforcement of the Security) will apply all amounts received or recovered (including any amounts recorded to the credit of the Liquidity Reserve Fund Ledger and the General Reserve Fund Ledger) other than:

- (a) any amount standing to the credit of the Swap Collateral Account which will be applied in accordance with the Swap Collateral Account Priority of Payments (other than any amount to be applied as Swap Collateral Account Surplus in accordance with the Swap Collateral Account Priority of Payments); and
- (b) any amount standing to the credit of the Issuer Profit Ledger (which may be applied by the Issuer) to the extent necessary, in or towards satisfaction of any liability of the Issuer for corporation tax of the Issuer,

in the following order of priority (except that payments in respect of the Class VRR Notes shall be paid *pari passu* with, and not subordinated to, the corresponding amounts at items (f)(i) to (f)(x) (inclusive)) (in each case only if and to the extent that payments or provisions of a higher priority have been made in full); and

(B):

On the Refinancing Date (if any) or on the 10 Per Cent. Clean-up Call Date (if any) or on the Portfolio Call Option Completion Date (if any), the Cash Manager (on behalf of the Issuer) will apply the Refinancing Proceeds or, as relevant, the 10 Per Cent. Clean-Up Call Purchase Price, in each case together with any amounts standing to the credit of each of the Transaction Accounts (including any amounts recorded to the credit of the Liquidity Reserve Fund Ledger and the General Reserve Fund Ledger) other than:

- (a) any amount standing to the credit of the Swap Collateral Account which will be applied in accordance with the Swap Collateral Account Priority of Payments (other than any amount to be applied as Swap Collateral Account Surplus in accordance with the Swap Collateral Account Priority of Payments); and
- (b) any amount standing to the credit of the Issuer Profit Ledger (which may be applied by the Issuer) to the extent necessary, in or towards satisfaction of any liability of the Issuer for corporation tax of the Issuer,

in the following order of priority (except that payments in respect of the Class VRR Notes shall be paid *pari passu* with, and not subordinated to, the corresponding amounts at items (f)(i) to (f)(x) (inclusive)) (in each case only if and to the extent that payments or provisions of a higher priority have been made in full),

the "**Post-Enforcement Priority of Payments**" (and, together with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Redemption Priority of Payments, the "**Priorities of Payments**" and each, a **Priority of Payments**) (which, for the avoidance of doubt, applies to in the situations set out in both (A) and (B) above):

- (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 due and 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 due and payable) VAT thereon as provided therein;

- (b) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof of:
 - (i) any remuneration then due and payable to the Agent Bank, the Registrar and the Paying Agents and any costs, charges, Liabilities and expenses then due and payable to them under the provisions of the Agency Agreement, together with (if due and payable) VAT thereon as provided therein;
 - (ii) any amounts then due and payable to the Cash Manager and any fees, costs, charges, Liabilities and expenses then due and payable under the provisions of the Cash Management Agreement, together with (if due and payable) VAT thereon as provided therein;
 - (iii) any amounts then due and payable to the Servicer and any fees (including the Servicing Fee), costs, charges, Liabilities and expenses then due and payable under the provisions of the Servicing Agreement, together with (if due and payable) VAT thereon as provided therein;
 - (iv) 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 due and payable) VAT thereon as provided therein;
 - (v) any amounts then due and payable to the Custodian and any fees, costs, charges, Liabilities and expenses then due and payable under the provisions of the Securities Custody Agreement, together with (if due and payable) VAT thereon as provided therein;
 - (vi) any amounts then due and payable to the Citi Transaction Account Bank and any fees, costs, charges, Liabilities and expenses then due and payable under the Citi Bank Account Agreement, together with (if due and payable) VAT thereon as provided therein;
 - (vii) any amounts then due and payable to the Elavon Account Bank and any fees, costs, charges, Liabilities and expenses then due and payable under the Elavon Bank Account Agreement, together with (if due and payable) VAT thereon as provided therein;

- (viii) any amounts then due and payable to the Swap Collateral Account Bank and any fees, costs, charges, Liabilities and expenses then due and payable under the Swap Collateral Account Agreement, together with (if due and payable) VAT thereon as provided therein;
 - (ix) any amounts then due and payable to the Collection Account Bank and any fees, costs, charges, Liabilities and expenses then due and payable under the collections account arrangements, together with (if due and payable) VAT thereon as provided therein;
 - (x) any amounts then due and payable to the Standby Servicer Facilitator and any fees, costs, charges, Liabilities and expenses then due and payable under the provisions of the Servicing Agreement, together with (if due and payable) VAT thereon as provided therein;
 - (xi) any amounts then due and payable to the Standby Servicer and any fees, costs, charges, Liabilities and expenses then due and payable under the provisions of the Standby Servicing Agreement, together with (if due and payable) VAT thereon as provided therein; and
 - (xii) any amounts then due and payable to any SR Reporting Provider and any fees, costs, charges, Liabilities and expenses then due and payable under the provisions of any document between the Issuer and the SR Reporting Provider setting out the terms of the SR Reporting Provider's appointment, together with (if due and payable) VAT thereon as provided therein;
- (c) *third*, only on the Refinancing Date (if any), or on the 10 Per Cent. Clean-up Call Date (if any) or on the Portfolio Call Option Completion Date (if any) in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof of:
- (i) any amounts due and payable by the Issuer to third parties and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) provided that the relevant third parties have provided the Issuer with a valid invoice for such amounts, 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 as Issuer Profit Amounts under item (d) below); and
 - (ii) any Transfer Costs which the Servicer has failed to pay pursuant to Clause 18.3 of the Servicing Agreement;
- (d) *fourth* to pay the Issuer Profit Amount and any corporation tax of the Issuer not otherwise able to be paid from amounts standing to the credit of the Issuer Profit Ledger;
- (e) *fifth*, to pay in or towards satisfaction of any amounts due and payable 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 Swap Subordinated Amounts payable under item (f)(x) and item (g)(x) below;
- (f) *sixth*, *pari passu* with amounts payable under limb (g), in an amount up to the Post-Enforcement Note Share:
- (i) to pay, *pro rata* and *pari passu*, all amounts due and payable on the Class A Notes;

- (ii) to pay, *pro rata* and *pari passu*, all amounts due and payable on the Class B Notes;
 - (iii) only on the Refinancing Date (if any), to replenish the Liquidity Reserve Fund Ledger up to 95 per cent. of the target level applicable to the Liquidity Reserve Fund following such Refinancing Date;
 - (iv) to pay, *pro rata* and *pari passu*, all amounts due and payable on the Class C Notes;
 - (v) to pay, *pro rata* and *pari passu*, all amounts due and payable on the Class D Notes;
 - (vi) to pay, *pro rata* and *pari passu*, all amounts due and payable on the Class E Notes;
 - (vii) to pay, *pro rata* and *pari passu*, all amounts due and payable on the Class F Notes;
 - (viii) to pay, *pro rata* and *pari passu*, all amounts due and payable on the Class Z Notes;
 - (ix) only on the Refinancing Date (if any), to replenish the General Reserve Fund Ledger up to 95 per cent. of the target level applicable to the General Reserve Fund following such Refinancing Date;
 - (x) to pay in accordance with the terms of the Swap Agreement to the Swap Provider 95 per cent. of any Swap 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); and
 - (xi) all remaining excess amounts in payment *pro rata* and *pari passu* to the Certificateholders in respect of the Certificates; and
- (g) *seventh, pari passu* with amounts payable under limb (f), in an amount up to the Post-Enforcement VRR Share:
- (i) to pay, *pro rata* and *pari passu*, a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(i) above;
 - (ii) to pay, *pro rata* and *pari passu*, a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(ii) above;
 - (iii) only on the Refinancing Date (if any), to replenish the Liquidity Reserve Fund Ledger up to 5 per cent. of the target level applicable to the Liquidity Reserve Fund following such Refinancing Date;
 - (iv) to pay, *pro rata* and *pari passu*, a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(iv) above;

- (v) to pay, *pro rata* and *pari passu*, a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(v) above;
- (vi) to pay, *pro rata* and *pari passu*, a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(vi) above;
- (vii) to pay, *pro rata* and *pari passu*, a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(vii) above;
- (viii) to pay, *pro rata* and *pari passu*, a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(viii) above;
- (ix) only on the Refinancing Date (if any), to replenish the General Reserve Fund Ledger up to 5 per cent. of the target level applicable to the General Reserve Fund following such Refinancing Date;
- (x) to pay in accordance with the terms of the Swap Agreement to the Swap Provider 5 per cent. of any Swap 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); and
- (xi) *pro rata* and *pari passu* a Class VRR Note Payment to each Class VRR Noteholder in an amount equal to the VRR Proportion of amounts paid under item (f)(xi) above.

The Post-Enforcement Priority of Payments will also be used on the Refinancing Date (if any) and on the 10 Per Cent. Clean-up Call Date (if any) and on the Portfolio Call Option Completion Date (if any). In this case, the Security Trustee will not apply any money in accordance with the Post-Enforcement Priority of Payments and such money will be applied by the Cash Manager.

"**10 Per Cent. Clean-up Call Date**" means the Interest Payment Date on which the Notes are redeemed under Note Condition 8.3(c) (*10 per cent. clean-up call*).

Swap Collateral

In the event that the Swap Provider is required to transfer collateral to the Issuer in respect of its obligations under the Swap Agreement (the "**Swap Collateral**") in accordance with the terms of the Credit Support Annex of the Swap Agreement (the "**Swap Credit Support Annex**"), that Swap Collateral (and any interest and/or distributions earned thereon) will be credited to a separate swap collateral account (the "**Swap Collateral Account**") and credited to the Swap Collateral Ledger. In addition, upon any early termination of the Swap Agreement, (a) any Replacement Swap Premium received by the Issuer from a replacement swap provider, (b) any termination payment received by the Issuer from the outgoing Swap Provider which is required to fund any Swap Replacement Premium payable by the Issuer, and (c) any Swap Tax Credits will be credited to the Swap Collateral Account and recorded on the Swap Collateral Ledger.

If the Swap Provider is downgraded below the relevant initial rating requirements (as specified in more detail above) and is required to post collateral under the terms of the Swap Agreement, then the Issuer and the Swap Provider shall use reasonable efforts to open a securities account (a "**Securities Custody Account**") pursuant to the Securities Custody Agreement promptly and in any event within 30 days of

the Swap Provider's downgrade. Any such Securities Custody Account shall be used to hold collateral posted in the form of securities (if any) and shall constitute a "**Swap Collateral Account**" (and references to "the Swap Collateral" should be read as including any Securities Custody Account). Although the Issuer will enter into the Securities Custody Agreement on the Closing Date, a Securities Custody Account will not be opened on the Closing Date but only in the circumstances described above.

Amounts and securities 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 may be applied by the Cash Manager only in accordance with the following provisions in accordance with the instructions of the Swap Provider or the Servicer (the "**Swap Collateral Account Priority of Payments**"), and provided further that if the Swap Collateral Account Priority of Payments and any of the Priorities of Payments are to be operated on the same date, the Swap Collateral Account Priority of Payments shall be operated prior to any of the Priorities of Payments:

- (a) to pay, subject to the Swap Agreement, to the Swap Provider an amount equal to any Swap Tax Credits received by the Issuer;
- (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, Interest Amounts and Distributions (each as defined in the Swap Credit Support Annex), on any day, directly to the Swap Provider;
- (c) following the occurrence of an Early Termination Date in respect of the Swap Agreement where (A) such Early Termination Date has been designated following a Swap Provider Default or Swap Provider Downgrade Event, and (B) the Issuer enters into a Replacement Swap Agreement in respect of the Swap Agreement on or around the Early Termination Date of the Swap Agreement (and no later than 10 Business Days following such Early Termination Date), on the later of (1) the day on which such Replacement Swap Agreement is entered into, (2) (provided that the Cash Manager may apply such amounts on such earlier date (as notified by the Issuer to the Cash Manager) as the Issuer may determine appropriate if the Issuer reasonably believes that the Issuer will not receive the corresponding termination payment from the Swap Provider on the relevant due date under the Swap Agreement) the day on which a termination payment (if any) payable to the Issuer has been received, and (3) 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 Citi Transaction Account, or if advised by the Servicer (on behalf of the Issuer) to the Elavon Transaction Account, to be applied as Available Revenue Receipts;
- (d) following the occurrence 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) above, and (ii) the Issuer enters into a Replacement Swap Agreement in respect of the Swap Agreement on or around the Early Termination Date of the Swap Agreement (and no later than 10 Business Days following such Early Termination Date), on the later of (1) the day on which such Replacement Swap Agreement is entered into, (2) (provided that the Cash Manager may apply such amounts on such earlier date (as notified by

the Issuer to the Cash Manager) as the Issuer may determine appropriate if the Issuer reasonably believes that the Issuer will not receive the corresponding termination payment from the Swap Provider on the relevant due date under the Swap Agreement) the day on which a termination payment (if any) payable to the Issuer has been received, and (3) 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 Citi Transaction Account, or if advised by the Servicer (on behalf of the Issuer) to the Elavon Transaction Account, to be applied as Available Revenue Receipts;
- (e) following the occurrence of an Early Termination Date in respect of the Swap Agreement for any reason where the Issuer does not enter, or intend to enter, into a Replacement Swap Agreement within 10 Business Days of such Early Termination Date, then on the date on which the relevant payment is due, in or towards payment of any termination payment due to the outgoing Swap Provider; and
- (f) following payments of amounts due pursuant to (e) above, if amounts remain standing to the credit of a Swap Collateral Account, such amounts may be transferred to the Citi Transaction Account, or if advised by the Servicer (on behalf of the Issuer) to the Elavon Transaction Account, to be applied as Available Revenue Receipts, *provided* that for so long as the Issuer does not enter into a Replacement Swap Agreement with respect to the Swap Agreement, on each Swap Payment Date, the Issuer (or the Cash Manager on its behalf) will be permitted to withdraw an amount from the Swap Collateral Account (which shall be debited to the Swap Collateral Ledger), equal to the excess of the Swap Provider Swap Amount over the Issuer Swap Amount which would have been paid by the Swap Provider to the Issuer on such Swap Payment Date but for the designation of an Early Termination Date under the Swap Agreement, such surplus to be transferred to the Citi Transaction Account, or if advised by the Servicer (acting on the instruction of the Issuer) to the Elavon Transaction Account, to be applied as Available Revenue Receipts; and *provided further* that for so long as the Issuer does not enter into a Replacement Swap Agreement with respect to the 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 Note Condition 11 (*Events of Default*) or Class VRR Note Condition 11 (*Events of Default*); or
 - (C) the date on which the Current Balance (including Accrued Interest) of the Fixed Rate Loans (excluding any Enforced Loans) is reduced to zero,

then the amount standing to the credit of such Swap Collateral Account on such day shall be transferred to the Citi Transaction Account, or if advised by the Servicer (acting on the instruction of the Issuer) to the Elavon Transaction Account, to be applied as Available Revenue Receipts as soon as reasonably practicable thereafter.

"Swap Collateral Account Surplus" means the amounts applied as Available Revenue Receipts pursuant to the Swap Collateral Account Priority of Payments.

The Swap Collateral Account (including any Securities Custody Account) will be opened in the name of the Issuer and will be held at a financial institution which satisfies the Account Bank Required Minimum Rating. A Swap Collateral Ledger will be established and maintained in respect of the Swap Agreement. As security for the payment of all monies payable in respect of the Notes and the other Secured Obligations, the Issuer will grant a first fixed charge over the Issuer's interest in the Swap Collateral Account and the debts represented thereby (which may, however, take effect as a floating charge and therefore rank behind the claims of any preferential creditors of the Issuer).

DESCRIPTION OF THE GLOBAL NOTES

General

The Notes and the Class VRR Notes will, as at the Closing Date, be represented by Global Notes. All capitalised terms not defined in this paragraph shall be as defined in the Note Conditions or, as relevant, the Class VRR Note Conditions.

The Regulation S Notes of each Class and the Class VRR Notes sold outside the United States to Non-U.S. Persons in reliance on Regulation S will (in the case of the Notes), on issue, be represented by beneficial interests in one or more Regulation S Global Notes and will (in the case of the Class VRR Notes), on issue, be represented by beneficial interests in one Regulation S Class VRR Global Notes. The Regulation S Global Notes and the Regulation S Class VRR Global Note will be in fully registered form. The Rule 144A Notes of each Class sold in reliance on Rule 144A to persons who are QIBs will, on issue, be represented by beneficial interests in one or more Rule 144A Global Notes in fully registered form. The Global Notes will be registered in the name of the nominee for the Common Safekeeper for both Euroclear and Clearstream, Luxembourg. The Registrar will maintain a register in which it will register the nominee for the Common Safekeeper as the owner of the Global Notes.

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 relevant Global Note ("**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 by the Lead Manager. Ownership of Book-Entry Interests will be shown on, and transfers of Book-Entry Interests or the interests therein will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to the interests of their Participants) and on the records of Participants or Indirect Participants (with respect to the interests of Indirect Participants). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability to own, transfer or pledge Book-Entry Interests.

So long as a nominee for the Common Safekeeper is the registered holder of the Global Notes underlying the Book-Entry Interests, the nominee for the Common Safekeeper will be considered the sole Noteholder or, as relevant, the sole Class VRR Noteholder, of the relevant Global Note for all purposes under the Trust Deed and the Agency Agreement. Except as set out under *Issuance of Registered Definitive Notes*, below, Participants or Indirect Participants will not be entitled to have Notes or, as relevant, Class VRR Notes registered in their names, will not receive or be entitled to receive physical delivery of the Notes or, as relevant, the Class VRR Notes in registered definitive form and will not be considered the holders thereof under the Trust Deed. Accordingly, each person holding a Book-Entry Interest must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and Indirect Participants must rely on the procedures of the Participants or Indirect Participants through which such person owns its interest in the relevant Book-Entry Interests, to exercise any rights and obligations of a holder of the Notes or, as relevant, the Class VRR 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 or, as relevant, Class VRR Notes, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by the Issuer or consents or requests by the Issuer for waivers or other actions from Noteholders or, as relevant, Class VRR Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg, as the case may be, and, if applicable, their Participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Global Notes, 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 Note Conditions or the Class VRR Note 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 relevant 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 relevant Global Note. 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 each respective 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 Lead Manager, the Note Trustee, the Security Trustee or any of their respective agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective Participants or account holders of their respective obligations under the rules and procedures governing their operations.

Payments on the Global Notes

Payment of principal and interest on, and any other amount due in respect of, the Global Notes will be made in Sterling by or to the order of Citibank, N.A., acting through its 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 made without deduction or withholding for or on account of any taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made, then neither the Issuer, the Paying Agents nor any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Principal Paying Agent to the order of the Common Safekeeper, the respective systems will promptly credit their Participants' accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests as shown in the records of Euroclear or Clearstream, Luxembourg. On each record date (the "**Record Date**") Euroclear and Clearstream, Luxembourg will determine the identity of the Noteholders or, as relevant,

Class VRR Noteholders for the purposes of making payments to the Noteholders or, as relevant, Class VRR Noteholders. The Record Date in respect of the Notes or, as relevant, Class VRR Notes (i) where the Notes or, as relevant, Class VRR 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 or, as relevant, Class VRR Notes are in registered definitive form, shall be the date falling 15 days prior to the relevant Interest Payment Date. The Issuer expects that payments by Participants to owners of interests in Book-Entry Interests held through such Participants or Indirect Participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such Participants or Indirect Participants. None of the Issuer, any agent of the Issuer, the Arranger, the Lead Manager, the Note Trustee or the Security Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of a Participant's ownership of Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a Participant's ownership of Book-Entry Interests.

Information Regarding Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg have advised the Issuer as follows:

- Euroclear and Clearstream, Luxembourg each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of certificates and any risk from lack of simultaneous transfers of securities.
- Euroclear and Clearstream, Luxembourg each provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deal with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and of Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.
- Account holders in both Euroclear and Clearstream, Luxembourg are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.
- An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that under existing industry practices, if any of the Issuer, the Note Trustee or the Security Trustee requests any action of owners of Book-Entry Interests or if an owner of a Book-Entry Interest desires to give instructions or take any action that a holder is entitled to give or take under the Trust Deed or the Deed of Charge, Euroclear or Clearstream, Luxembourg as the case may be, would authorise the Participants owning the relevant Book-Entry Interests to give instructions or take such action, and such Participants would authorise Indirect Participants to give or take such action or would otherwise act upon the instructions of such Indirect Participants.

Redemption

In the event that a Global Note (or portion thereof) is redeemed, the Principal Paying Agent will deliver all amounts received by it in respect of the redemption of such Global Note to the order of the Common Safekeeper and, upon final payment, will surrender such Global Note (or portion thereof) to or to the order of the Principal Paying Agent for cancellation. Appropriate entries will be made in the Register. The redemption price payable in connection with the redemption of Book-Entry Interests will be equal to the amount received by the Principal Paying Agent in connection with the redemption of the relevant Global Note (or portion thereof) relating thereto. For any redemptions of the relevant 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 or, as relevant, Class VRR Note represented by a Global Note and required by the Note Conditions or the Class VRR Note 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.

Beneficial interests in Global Notes will be subject to certain restrictions on transfer set forth therein and in the Trust Deed and, in relation to the Rule 144A Global Notes, as set forth in Rule 144A, and the Notes will bear the applicable legends regarding the restrictions set forth under *Transfer Restrictions and Investor Representations*. In the case of each Class of Notes a beneficial interest in a Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Note in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Note only upon receipt by the Registrar of a written certification (in the form provided in the Trust Deed) to the effect that the transferor reasonably believes (following reasonable diligence) that the transferee is a QIB (and the transferee has certified in writing to that effect) and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in the Rule 144A Global Notes may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note only upon receipt by the Registrar of a written certification (in the form provided in the Trust Deed) from the transferor to the effect that the transfer is being made to a Non-U.S. Person and in accordance with Regulation S.

Any beneficial interest in a Regulation S Global Note that is transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Note will, upon transfer, cease to be an interest in such Regulation S Global Note and become an interest in the Rule 144A Global Note, and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Note for as long as it remains such an interest. Any beneficial interest in a Rule 144A Global Note that is transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note will, upon transfer, cease to be an interest in a Rule 144A Global Note and become an interest in such Regulation S Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Regulation S Global Note for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes, but the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Each investor in an ERISA Restricted Note will be deemed to represent, among other things, that (i) it is not, and for so long as it holds such ERISA Restricted Notes or interest therein, it will not be and will not be acting on behalf of, a Benefit Plan Investor, and (ii) that if it is a governmental, church, non-U.S. plan (other than a Benefit Plan Investor), its acquisition, holding and disposition of such ERISA Restricted Notes or interest therein will not constitute or result in a non-exempt violation of any Similar Law, and such investors will be deemed to agree to certain transfer restrictions regarding their interest in such ERISA Restricted Notes.

Each investor in an ERISA Eligible Note will be deemed to represent, among other things, that (i) either (A) it is not and is not acting on behalf of, and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of, a Benefit Plan Investor; or (B) its purchase, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under ERISA or the Code (or in the case of any governmental, church or non-U.S. plan, violate any Similar Law) and it acknowledges and agrees that the ERISA Eligible Note (or interest therein) is not eligible for acquisition by Benefit Plan Investors unless it is rated at least "BBB-" or its equivalent by a nationally recognized statistical rating organization and it is treated as indebtedness for applicable local law purposes without substantial equity features and such purchaser or transferee agrees to so treat such Notes and (ii) it will not transfer such Notes (or any interest therein) to an acquiror acquiring such Notes (or any interest therein) unless the acquiror makes the representations, warranties and agreements described in (i) above.

Transfers of interests in the Notes or, as relevant, the Class VRR Notes are subject to certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed. See *Transfer Restrictions and Investor Representations*. Each purchaser of Notes and the Class VRR Notes in making its purchase will be required to make, or will be deemed to have made, certain acknowledgements, representations and agreements. See *Transfer Restrictions and Investor Representations*.

The transfer of Notes or, as relevant, Class VRR Notes in breach of certain of such representations and agreements will result in affected Notes or, as relevant, Class VRR Notes becoming subject to certain forced transfer provisions. See the Note Conditions or, as relevant, the Class VRR Note Conditions.

Issuance of Registered Definitive Notes

Holders of Book-Entry Interests in the Global Notes will be entitled to receive Notes or, as relevant, Class VRR Notes in registered definitive form (such exchanged Global Notes in registered definitive form, "**Registered Definitive Notes**") in exchange for their respective holdings of Book-Entry Interests if:

- (a) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or to cease to make book-entry systems available for settlement of beneficial interests in such Global Notes and do in fact do either of those things and no alternative clearing system satisfactory to the Note Trustee is available; or
- (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration by a revenue authority or a court or in the administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes or, as relevant, Class VRR Notes which would not be required were the Notes or, as relevant, Class VRR Notes in registered definitive form.

In order to receive a Registered Definitive Note a person having an interest in a Global Note must provide the Registrar with (a) a written order containing instructions and such other information as the

Issuer and the Registrar may require to complete, execute and deliver such Registered Definitive Note, and (b) in the case of the Rule 144A Global Note only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Registered Definitive Note issued in exchange for a beneficial interest in the Rule 144A Global Note shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under *Transfer Restrictions and Investor Representations*.

Any Registered Definitive Note issued in exchange for Book-Entry Interests in a 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 (in the case of the Regulation S Global Notes, the Regulation S Class VRR Global Note and the Rule 144A Notes). 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 Note issued in exchange for Book-Entry Interests in a Global Note, as the case may be, will not be entitled to exchange such Registered Definitive Note, for Book-Entry Interests in a Global Note. Any Notes or, as relevant, Class VRR Notes issued in registered definitive form will be issued in registered form only and will be subject to the provisions set forth under *Transfer Restrictions and Investor Representations* provided that no transfer shall be registered for a period of 15 days immediately preceding any due date for payment in respect of the Note or, as relevant, Class VRR Notes or, as the case may be, the due date for redemption. Registered Definitive Notes will not be issued in a denomination that is not an integral multiple of the minimum Authorised Denomination or for any amount in excess thereof, in integral multiples of £1,000. As the Notes and the Class VRR Notes have a denomination consisting of the minimum Authorised Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes and the Class VRR Notes may be traded in amounts in excess of £100,000 (or its equivalent) that are not integral multiples of £100,000 (or its equivalent). In such case a Noteholder or Class VRR Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Authorised Denomination may not receive a Registered Definitive Note in respect of such holding (should Registered Definitive Note be issued) and would need to purchase a principal amount of Notes or, as relevant, Class VRR Notes such that its holding amounts to the minimum Authorised Denomination. See *Risk Factors – Registered Definitive Notes and denominations in integral multiples* above.

Action in respect of the Global Notes and the Book-Entry Interests

Not later than 10 days after receipt by the Issuer of any notices in respect of the Global Notes or any notice of solicitation of consents or requests for a waiver or other action by the holder of the Global Notes, 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 Notes and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear and 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 Notes in accordance with any instructions set forth in such request. Euroclear or Clearstream, Luxembourg are expected to follow the procedures described under *General* above, with respect to soliciting instructions from their respective Participants. The Registrar will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Book-Entry Interests or the Global Notes.

Trading between Clearing System participants

Secondary market sales of Book-Entry Interests in the Notes or, as relevant, Class VRR Notes held through Euroclear or Clearstream, Luxembourg to purchasers of Book-Entry Interests in the Notes or, as relevant, Class VRR Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds and sterling denominated bonds.

Notices

Whilst the Notes or, as relevant, Class VRR 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 or, as relevant, Class VRR Noteholders for communication by Euroclear and Clearstream, Luxembourg to the Noteholders or, as relevant, Class VRR Noteholders. Alternatively, such notices regarding the Notes (except in relation to any Rule 144A Global Note sold into the U.S.) or, as relevant, the Class VRR 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 or, as relevant, Class VRR Noteholders, publication in such newspaper shall not be required with respect to such information so long as (in relation to the Notes only) the rules of Euronext Dublin allow. The Issuer may elect not to publish any notice in a newspaper for so long as the Notes or, as relevant, Class VRR Notes are held in global form and notice is given to Euroclear and Clearstream, Luxembourg. The Note Trustee may, in accordance with Note Condition 16.2 (*Note Trustee's Discretion to Select Alternative Method*) or Class VRR Note Condition 16.2 (*Note Trustee's Discretion to Select Alternative Method*) sanction other methods of giving notice to all or some of the Noteholders or, as relevant, Class VRR 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 Note Condition 16 (*Notice to Noteholders*) and Class VRR Note Condition 16 (*Notice to Class VRR Noteholders*).

New Safekeeping Structure and Eurosystem Eligibility

The Notes and the Class VRR Notes are intended to be held in a new safekeeping structure ("NSS") and in a manner which would allow Eurosystem eligibility and will be deposited with one of the ICSDs as common safekeeper. However, the deposit of the Notes and the Class VRR Notes with one of the ICSDs as common safekeeper upon issuance or otherwise does not necessarily mean that the Notes or the Class VRR 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. Accordingly, none of the Issuer, the Seller, the Arranger, the Lead Manager, the Security Trustee or the Note Trustee gives any representation, warranty, confirmation or guarantee to any investor in the Notes or, as relevant, the Class VRR Notes that the Notes will, either upon issue, or at any or at all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral. Any potential investor in the Notes or, as relevant, the Class VRR Notes should make its own conclusions and seek its own advice with respect to whether or not the Notes or, as relevant, the Class VRR Notes constitute Eurosystem eligible collateral.

Issuer-ICSDs Agreement

Prior to the issuance of the Notes and the Class VRR Notes, the Issuer will enter into an Issuer-ICSDs Agreement with the ICSDs in respect of the Notes and the Class VRR Notes. The Issuer-ICSDs

Agreement provides that the ICSDs will, in respect of any of the Notes and the Class VRR 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 the laws of England and Wales.

DESCRIPTION OF THE GLOBAL CERTIFICATES

General

The Certificates will, as at the Closing Date, be represented by Global Certificates. All capitalised terms not defined in this paragraph shall be as defined in the Certificate Conditions.

The Regulation S Certificates sold outside the United States to Non-U.S. Persons in reliance on Regulation S will on issue, be represented by beneficial interests in one or more Regulation S Global Certificates. The Regulation S Global Certificates will be in fully registered form. The Rule 144A Certificates sold in reliance on Rule 144A to persons who are QIBs will, on issue, be represented by beneficial interests in one or more Rule 144A Global Certificates in fully registered form. The Global Certificates will be registered in the name of the nominee for the Common Depository for both Euroclear and Clearstream, Luxembourg. The Registrar will maintain a register in which it will register the nominee for the Common Depository as the owner of the Global Certificates.

Upon confirmation by the Common Depository that it has custody of the Global Certificates, Euroclear or Clearstream, Luxembourg, as the case may be, will record in book-entry form interests representing beneficial interests in the relevant Global Certificate ("**Book-Entry Interests**").

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 by the Lead Manager. Ownership of Book-Entry Interests will be shown on, and transfers of Book-Entry Interests or the interests therein will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to the interests of their Participants) and on the records of Participants or Indirect Participants (with respect to the interests of Indirect Participants). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability to own, transfer or pledge Book-Entry Interests.

So long as a nominee for the Common Depository is the registered holder of the Global Certificates underlying the Book-Entry Interests, the nominee for the Common Depository will be considered the sole Certificateholder of the relevant Global Certificate for all purposes under the Trust Deed and the Agency Agreement. Except as set out under *Issuance of Registered Definitive Certificates*, below, Participants or Indirect Participants will not be entitled to have Certificates registered in their names, will not receive or be entitled to receive physical delivery of the Certificates in registered definitive form and will not be considered the holders thereof under the Trust Deed. Accordingly, each person holding a Book-Entry Interest must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and Indirect Participants must rely on the procedures of the Participants or Indirect Participants through which such person owns its interest in the relevant Book-Entry Interests, to exercise any rights and obligations of a holder of the Certificates under the Trust Deed. See *Action in respect of the Global Certificates and the Book-Entry Interests*, below.

Unlike legal owners or holders of the Certificates, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by the Issuer or consents or requests by the Issuer for waivers or other actions from Certificateholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or

Clearstream, Luxembourg, as the case may be, and, if applicable, their Participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Global Certificates, holders of Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg unless and until Registered Definitive Certificates are issued in accordance with the Certificate 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 Certificate, unless and until Book-Entry Interests are exchanged for Registered Definitive Certificates, the relevant Global Certificate held by the Common Depository may not be transferred except as a whole by the Common Depository to a successor of the Common Depository.

Purchasers of Book-Entry Interests in a Global Certificate will hold Book-Entry Interests in the relevant Global Certificate. Investors may hold their Book-Entry Interests in respect of a Global Certificate 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 each respective Global Certificate on behalf of their account holders through securities accounts in the respective account holders' names on Euroclear's and Clearstream, Luxembourg's respective book-entry registration and transfer systems.

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

Payments on the Global Certificates

Payment of amounts due in respect of the Global Certificates will be made in Sterling by or to the order of Citibank, N.A., acting through its London Branch (the "**Principal Paying Agent**"), on behalf of the Issuer to the order of the Common Depository or its nominee as the registered holder thereof with respect to the Global Certificates. Each holder of Book-Entry Interests must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of any amounts paid by or on behalf of the Issuer to the order of the Common Depository or their nominees in respect of those Book-Entry Interests. All such payments will be made 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 Depository, the respective systems will promptly credit their Participants' accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests as shown in the records of Euroclear or Clearstream, Luxembourg. On each record date (the "**Record Date**") Euroclear and Clearstream, Luxembourg will determine the identity of the Certificateholders for the purposes of making payments to the Certificateholders. The Record Date in respect of the Certificates (i) where the Certificates are in global registered form, shall be at the close of the Business Day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) prior to the relevant Interest Payment Date and (ii) where the Certificates are in registered definitive form, shall be the date falling 15 days prior to the relevant Interest Payment Date. The Issuer expects that payments by Participants to owners of interests in Book-Entry Interests held through such Participants

or Indirect Participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such Participants or Indirect Participants. None of the Issuer, any agent of the Issuer, the Arranger, the Lead Manager, the Note Trustee or the Security Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of a Participant's ownership of Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a Participant's ownership of Book-Entry Interests.

Information Regarding Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg have advised the Issuer as follows:

- Euroclear and Clearstream, Luxembourg each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of certificates and any risk from lack of simultaneous transfers of securities.
- Euroclear and Clearstream, Luxembourg each provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deal with domestic securities markets in several countries through established depository 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.

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.

Beneficial interests in Global Certificates will be subject to certain restrictions on transfer set forth therein and in the Trust Deed and, in relation to the Rule 144A Global Certificates, as set forth in Rule 144A, and the Certificates will bear the applicable legends regarding the restrictions set forth under

Transfer Restrictions and Investor Representations. A beneficial interest in a Regulation S Global Certificate, may be transferred to a person only upon receipt by the Registrar of a written certification (in the form provided in the Trust Deed) to the effect that the transferor reasonably believes (following reasonable diligence) that the transferee is a QIB (and the transferee has certified in writing to that effect) and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in the Rule 144A Global Certificates may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate only upon receipt by the Registrar of a written certification (in the form provided in the Trust Deed) from the transferor to the effect that the transfer is being made to a Non-U.S. Person and in accordance with Regulation S.

Any beneficial interest in a Regulation S Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate will, upon transfer, cease to be an interest in such Regulation S Global Certificate and become an interest in the Rule 144A Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Certificate for as long as it remains such an interest. Any beneficial interest in a Rule 144A Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate will, upon transfer, cease to be an interest in a Rule 144A Global Certificate and become an interest in such Regulation S Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Regulation S Global Certificate for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Certificates, but the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Each investor in a Certificate will be deemed to represent, among other things, that (i) it is not, and for so long as it holds such Certificates or interest therein, it will not be, and will not be acting on behalf of, a Benefit Plan Investor, and (ii) that if it is a governmental, church, non-U.S. plan (other than a Benefit Plan Investor), its acquisition, holding and disposition of such Certificates or interest therein will not constitute or result in a non-exempt violation of any Similar Law, and such investors will be deemed to agree to certain transfer restrictions regarding their interest in such Certificates.

Transfers of interests in the Certificates are subject to certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed. See *Transfer Restrictions and Investor Representations*. Each purchaser of Certificates in making its purchase will be required to make, or will be deemed to have made, certain acknowledgements, representations and agreements. See *Transfer Restrictions and Investor Representations*.

The transfer of Certificates in breach of certain of such representations and agreements will result in affected Certificates becoming subject to certain forced transfer provisions. See the Certificate Conditions.

Issuance of Registered Definitive Certificates

Holders of Book-Entry Interests in the Global Certificates will be entitled to receive Certificates in registered definitive form (such exchanged Global Certificates in registered definitive form, "**Registered Definitive Certificates**") in exchange for their respective holdings of Book-Entry Interests if:

- (a) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or to cease to make book-entry systems available for settlement of beneficial interests in such Global Certificates and do in fact do either of those things and no alternative clearing system satisfactory to the Note Trustee is available; or

- (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration by a revenue authority or a court or in the administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Certificates which would not be required were the Certificates in registered definitive form.

In order to receive a Registered Definitive Certificate a person having an interest in a Global Certificate must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Registered Definitive Certificate, and (b) in the case of the Rule 144A Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Registered Definitive Certificate issued in exchange for a beneficial interest in the Rule 144A Global Certificate shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under *Transfer Restrictions and Investor Representations*.

Any Registered Definitive Certificate issued in exchange for Book-Entry Interests in a Global Certificate will be registered by the Registrar in such name or names as the Issuer shall instruct the Principal Paying Agent based on the instructions of Euroclear or Clearstream, Luxembourg. 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 Certificate issued in exchange for Book-Entry Interests in a Global Certificate, as the case may be, will not be entitled to exchange such Registered Definitive Certificate, for Book-Entry Interests in a Global Certificate. Any Certificates issued in registered definitive form will be issued in registered form only and will be subject to the provisions set forth under *Transfer Restrictions and Investor Representations* provided that no transfer shall be registered for a period of 15 days immediately preceding any due date for payment in respect of the Certificates or, as the case may be, the due date for redemption.

Action in respect of the Global Certificates and the Book-Entry Interests

Not later than 10 days after receipt by the Issuer of any notices in respect of the Global Certificates or any notice of solicitation of consents or requests for a waiver or other action by the holder of the Global Certificates, the Issuer will deliver to Euroclear and Clearstream, Luxembourg a notice containing (a) such information as is contained in such notice, (b) a statement that at the close of business on a specified record date Euroclear and Clearstream, Luxembourg will be entitled to instruct the Issuer as to the consent, waiver or other action, if any, pertaining to the Book-Entry Interests or the Global Certificates and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear and 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 Certificates in accordance with any instructions set forth in such request. Euroclear or Clearstream, Luxembourg are expected to follow the procedures described under *General* above, with respect to soliciting instructions from their respective Participants. The Registrar will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Book-Entry Interests or the Global Certificates.

Trading between Clearing System participants

Secondary market sales of Book-Entry Interests in the Certificates held through Euroclear or Clearstream, Luxembourg to purchasers of Book-Entry Interests in the Certificates held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and

operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds and sterling denominated bonds.

Notices

Whilst the Certificates are represented by Global Certificates the Issuer may, at its option, send to Euroclear and Clearstream, Luxembourg a copy of any notices addressed to Certificateholders for communication by Euroclear and Clearstream, Luxembourg to the Certificateholders. Alternatively, such notices regarding the Certificates (except in the case of any Certificates sold into the U.S.) 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 Certificateholders, publication in such newspaper shall not be required with respect to such information. The Issuer may elect not to publish any notice in a newspaper for so long as the Certificates are held in global form and notice is given to Euroclear and Clearstream, Luxembourg. The Note Trustee may, in accordance with Certificate Condition 15.2 (*Note Trustee's Discretion to Select Alternative Method*) sanction other methods of giving notice to all or some of the Certificateholders if such method is reasonable having regard to, among other things, the market practice then prevailing and the requirements of the relevant stock exchange. See also Certificate Condition 15 (*Notice to Certificateholders*).

Issuer-ICSDs Agreement

Prior to the issuance of the Certificates, the Issuer will enter into an Issuer-ICSDs Agreement with the ICSDs in respect of the Certificates. The Issuer-ICSDs Agreement provides that the ICSDs will, in respect of any of the Certificates (while being held in the NSS), maintain their respective portion of the issue outstanding amount through their records. The Issuer-ICSDs Agreement will be governed by the laws of England and Wales.

DESCRIPTION OF THE CLASS VRR NOTES

Atom Bank will hold a vertical interest in each Class of Notes in the form of the Class VRR Notes on the Closing Date. As at the Closing Date, the principal amount of the Class VRR Notes will be equal to £24,150,000, being equal to 5 per cent. of (100/95) of the aggregate principal amount of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z Notes and the Certificates (the initial principal amount of which is zero) on the Closing Date.

The Class VRR Noteholders will be entitled to the Pre-Enforcement Revenue VRR Share, the Pre-Enforcement Redemption VRR Share and the Post-Enforcement VRR Share in accordance with the relevant Priority of Payments and 5 per cent. multiplied by (100/95) (the "**VRR Proportion**") of any other amounts payable to Noteholders not otherwise captured above and such amounts shall be applied as VRR Payment Amounts.

"**Post-Enforcement VRR Share**" means 5 per cent. of the Net Post-Enforcement Available Receipts.

"**Net Post-Enforcement Available Receipts**" means the Available Revenue Receipts, Available Redemption Receipts and other monies after application of the Post-Enforcement Senior Expenses.

"**Post-Enforcement Senior Expenses**" means items (a), (c), (d) and (e) of the Post-Enforcement Priority of Payments.

The Trust Deed contains the terms of the Class VRR Notes, which are summarised in this section.

Status and Security

The obligations of the Issuer in respect of the Class VRR Notes constitutes direct, secured and limited recourse obligations of the Issuer.

As security for its obligations under, *inter alia*, the Class VRR Notes, the Issuer has granted the Security in favour of the Security Trustee on trust for itself, the Class VRR Noteholders and the other Secured Creditors.

Class VRR Note Payment Amounts

The Issuer will pay to each Class VRR Noteholder, on each Interest Payment Date or such other date that distributions are made to the Noteholders, the VRR Proportion of all amounts paid to Noteholders and the VRR Proportion of any amounts payable on the Certificates (collectively, the "**VRR Payment Amounts**").

The Class VRR Noteholders shall cease to be entitled to any VRR Payment Amounts from the date of redemption in full (or extinguishment) of all (but not some only) of the Notes. On the date of redemption in full (or extinguishment) of all (but not some only) of the Notes and after the distribution of any monies to the Noteholders on such date, the Class VRR Notes shall be cancelled.

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). If the Notes were to be represented by Registered Definitive Notes, the Note Conditions set out on the reverse of each of such Registered Definitive Notes would be as follows. While the Notes are represented by Global Notes, they will be governed by the same terms and conditions except to the extent that such terms and conditions are appropriate only to securities in definitive form or are expressly varied by the terms of such Global Notes. These terms and conditions are subject to the detailed provisions of the Trust Deed and the other Transaction Documents (as defined below).

1 GENERAL

The £390,010,000 Class A mortgage backed floating rate notes due November 2061 (the "**Class A Notes**" and the holders thereof, the "**Class A Noteholders**"), £26,383,000 Class B mortgage backed floating rate notes due November 2061 (the "**Class B Notes**" and the holders thereof, the "**Class B Noteholders**"), £18,353,000 Class C mortgage backed floating rate notes due November 2061 (the "**Class C Notes**" and the holders thereof, the "**Class C Noteholders**"), £8,029,000 Class D mortgage backed floating rate notes due November 2061 (the "**Class D Notes**" and the holders thereof, the "**Class D Noteholders**"), £5,735,000 Class E mortgage backed floating rate notes due November 2061 (the "**Class E Notes**" and the holders thereof, the "**Class E Noteholders**"), £4,588,000 Class F mortgage backed floating rate notes due November 2061 (the "**Class F Notes**" and the holders thereof, the "**Class F Noteholders**"), £5,736,000 Class Z mortgage backed notes due November 2061 (the "**Class Z Notes**" and the holders thereof, the "**Class Z Noteholders**")(the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and Class Z Notes together, the "**Notes**" and the Class A Noteholders, Class B Noteholders, Class C Noteholders, Class D Noteholders, Class E Noteholders, Class F Noteholders and Class Z Noteholders together, the "**Noteholders**") in each case of Elvet Mortgages 2019-1 PLC (the "**Issuer**") are constituted by a trust deed (the "**Trust Deed**") dated on or about (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 "**Note Conditions**") to a "**Class**" of Notes or of Noteholders shall be a reference to the respective Notes, as the case may be, or to the respective holders thereof. Any reference in these Note Conditions to the Noteholders means the registered holders for the time being of the Notes, or if preceded by a particular Class designation of Notes, the registered holders for the time being of such Class of Notes. The security for the Notes is constituted by and pursuant to a deed of charge and assignment (the "**Deed of Charge**") dated on the Closing Date and made between, among others, the Issuer and 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 Agent**"), 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 Note Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and a master definitions and construction schedule (the "**Master Definitions and Construction Schedule**") entered into by, among others, the Issuer, the Note Trustee and the Security Trustee on the Closing Date and the other Transaction Documents (as defined therein).

For the purposes of: (1) these Note Conditions; (2) the right to attend and vote at any meeting of the Noteholders of any Class or Classes, an Extraordinary Resolution in writing or an Ordinary Resolution in writing, a written resolution or an electronic consent through the relevant Clearing System(s) as envisaged by the Trust Deed and/or these Note Conditions and any direction or request by the holders of Notes of any Class or Classes; the determination of how many and which Notes are for the time being outstanding; (3) any discretion, power or authority (whether contained in the trust presents, or vested by operation of law) which the Security Trustee and/or the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders or any Class or Classes thereof; and (4) the determination by the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders or any Class or Classes thereof, "**outstanding**" means, in relation to the Notes, all the Notes issued from time to time other than those Notes (if any) which are for the time being held by or on behalf of the Seller, any holding company as defined in section 1159 of the Companies Act 2006 ("**Holding Company**") of the Seller or any other subsidiary as defined in section 1159 of the Companies Act 2006 ("**Subsidiary**") of either such Holding Company or the Seller (each such entity a "**Relevant Person**"), in each case as beneficial owner, those Notes will (unless and until ceasing to be so held) be deemed not to remain outstanding. However if:

- (i) all of the Notes of any Class are held by or on behalf of or for the benefit of one or more Relevant Persons (the "**Relevant Notes**") and there is no other Class of Notes or Class VRR Notes ranking *pari passu* with, or junior to, the Relevant Class of Notes where one or more Relevant Persons are not the beneficial owners of all the Notes of such Class; or
- (ii) in respect of any of the Notes of any Class which are prepositioned with the Bank of England, the European Central Bank or any other central bank, for the purposes of using the Bank of England's discount window facility or any other similar central bank liquidity scheme (provided that evidence satisfactory to the Note Trustee has been provided by the Relevant Person to the Note Trustee, in the absence of which the Note Trustee shall be entitled to assume that the Notes have not been so prepositioned),

then in each case, the Notes held by or on behalf of or for the benefit of the Relevant Persons shall be deemed to remain outstanding. For the avoidance of doubt, all Class VRR Notes held by a Relevant Person will be considered outstanding in respect of the Class VRR Entrenched Rights.

For the purposes of: (1) these Note Conditions, the Certificate Conditions and the Class VRR Note Conditions; (2) any discretion, power or authority (whether contained in the trust presents, or vested by operation of law) which the Security Trustee and/or the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Class VRR Noteholders; and (3) the determination by the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Class VRR Noteholders, "**outstanding**" means, in relation to the Class VRR Notes, all the Class VRR Notes issued from time to time which are held by or on behalf of the Seller. However, for the purposes of, the right to attend and vote at any meeting of the Noteholders and/or Certificateholders, an Extraordinary Resolution in writing or an Ordinary Resolution in writing, a written resolution or an electronic consent through the relevant Clearing System(s) as envisaged by the Trust Deed and/or these Class VRR Note Conditions and any direction or request by the holders of Class VRR Notes; the determination of how many and which Class VRR Notes are for the time being outstanding, the Class VRR Notes shall be deemed not to remain outstanding except (i) in respect of a Basic Terms Modification, or (ii) Class VRR Entrenched Rights.

Copies of the Trust Deed, the Deed of Charge, the Agency Agreement, the Master Definitions and Construction Schedule and the other Transaction Documents are available for inspection during normal business hours at the specified office for the time being of each of the Paying Agents. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

2 INTERPRETATION

2.1 Definitions

Capitalised terms not otherwise defined in these Note Conditions shall bear the meanings given to them in the Master Definitions and Construction Schedule available as described above.

2.2 Interpretation

These Note 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 one or more global note certificates in registered form (each a "**Global Note**").

The Regulation S Notes of each Class sold outside the United States to Non-U.S. Persons in reliance on Regulation S will be represented on issue by beneficial interests in one or more Regulation S Global Notes in fully registered form. Interests in any Regulation S Note may not at any time be held by any U.S. Person. The Regulation S Notes will initially be offered and sold outside the United States to Non-U.S. Persons pursuant to Regulation S.

The Rule 144A Notes of each Class of Notes sold in reliance on Rule 144A to persons who are QIBs will be represented on issue by one or more Rule 144A Global Notes in fully registered form.

The Rule 144A Notes have not been and will not be registered under the Securities Act and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. Persons, except to qualified institutional buyers (within the meaning of Rule 144A under the Securities Act) in reliance on the exemption from registration provided by Rule 144A under the Securities Act.

For so long as any of the Notes are represented by one or more 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 Class A Notes are represented by a Global Note, and for so long as Euroclear and Clearstream, Luxembourg so permit, the Class A Notes shall be tradable only in the minimum principal 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.

For so long as the Class B Notes are represented by a Global Note, and for so long as Euroclear and Clearstream, Luxembourg so permit, the Class B Notes shall be tradable only in the minimum principal 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.

For so long as the Class C Notes are represented by a Global Note, and for so long as Euroclear and Clearstream, Luxembourg so permit, the Class C Notes shall be tradable only in the minimum principal 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.

For so long as the Class D Notes are represented by a Global Note, and for so long as Euroclear and Clearstream, Luxembourg so permit, the Class D Notes shall be tradable only in the minimum principal 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.

For so long as the Class E Notes are represented by a Global Note, and for so long as Euroclear and Clearstream, Luxembourg so permit, the Class E Notes shall be tradable only in the minimum principal 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.

For so long as the Class F Notes are represented by a Global Note, and for so long as Euroclear and Clearstream, Luxembourg so permit, the Class F Notes shall be tradable only in the minimum principal 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.

For so long as the Class Z Notes are represented by a Global Note, and for so long as Euroclear and Clearstream, Luxembourg so permit, the Class Z Notes shall be tradable only in the minimum principal 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 Notes in registered definitive form (such exchanged Global Notes in registered definitive form, the "**Registered Definitive Notes**") only if either of the following applies:

- (a) both Euroclear and Clearstream, Luxembourg:
 - (i) are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise); or
 - (ii) announce an intention permanently to cease business or to cease to make book-entry systems available for settlement of beneficial interests in such Global Notes and do in fact do either of those things,and in either case no alternative clearing system satisfactory to the Note Trustee is available; or
- (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration by a revenue authority or

a court or in the application of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Notes which would not be required were the relevant Notes in registered definitive 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 of the relevant Class at the date on which notice of exchange is given of the relevant Global Note, subject to and in accordance with the detailed provisions of these Note Conditions, the Agency Agreement, the Trust Deed and the relevant Global Note.

Registered Definitive Notes (which, if issued, will be in the denomination set out below) will be serially numbered and will be issued in registered form only.

The minimum denomination of the Notes in global and (if issued and printed) definitive form will be £100,000.

References to "**Notes**" in these Note Conditions shall include the Global Notes and the Registered Definitive Notes.

3.2 Title and transfer

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) or, if more than one person, the first named of such persons who will be treated as the absolute owner of such Note.

Title to a Registered Definitive Note shall only pass by and upon registration of the transfer in the Register.

Transfers and exchanges of any Registered Definitive Notes and entries on the Register relating thereto will be made subject to any restrictions on transfers set forth on such Notes and the detailed regulations concerning transfers of such Notes contained in the Agency Agreement, the Trust Deed and the legend appearing on the face of the Notes. In no event will the transfer of a Registered Definitive Note be made absent compliance with the regulations referred to above, and any purported transfer in violation of such regulations shall be void ab initio and will not be honoured by the Issuer or the Note Trustee. The regulations referred to above may be changed by the Issuer with the prior written approval of the Registrar and the Note Trustee. A copy of the current regulations will be sent by the Registrar to any holder of a Note who so requests (and who provides evidence of such holding where the Notes are in global form) and will be available upon request at the specified office for the time being of the Registrar.

A Registered Definitive Note may be transferred in whole or in part upon the surrender of the relevant Registered Definitive Note, together with the form of transfer endorsed on it duly completed and executed, at the specified office for the time being of the Registrar. In the case of a transfer of part only of a Registered Definitive Note, a new Registered Definitive Note, in respect of the balance remaining will be issued to the transferor by or by order of the Registrar.

Each new Registered Definitive Note, to be issued upon transfer of Registered Definitive Notes will, within five (5) Business Days of receipt of such request for transfer, be available for delivery at the specified office for the time being of the Registrar stipulated in the request for transfer, or be mailed at the risk of the holder entitled to the Registered Definitive Note, to such address as may be specified in such request.

Registration of Registered Definitive Notes on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of (or the giving of such indemnity as the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation to it.

If the Issuer determines at any time that a U.S. holder of Rule 144A Notes is not a QIB (any such person, a "**Non-Permitted Holder**"), the Issuer shall, promptly after determination that such person is a Non-Permitted Holder by the Issuer, send notice to such Non-Permitted Holder demanding that such holder transfers its Notes outside the United States to a Non-U.S. Person or within the United States to a U.S. Person that is a QIB within 30 days following receipt of such notice. If such holder fails to sell or transfer its Rule 144A Notes within such period (a) the Issuer shall cause such Rule 144A Notes to be transferred in a sale to a person or entity that certifies to the Issuer, in connection with such transfer, that such person or entity either is not a U.S. Person or is a QIB and (b) pending such transfer, no further payments will be made in respect of such Rule 144A Notes. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Rule 144A Notes and selling such Rule 144A Notes to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion. Each Noteholder and each other person in the chain of title from the permitted Noteholder to the Non-Permitted Holder by its acceptance of an interest in the Rule 144A Notes agrees to cooperate with the Issuer to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the selling Noteholder. The terms and conditions of any sale hereunder shall be determined in the sole discretion of the Issuer, subject to the transfer restrictions set out herein, and neither the Issuer nor any other person shall be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion. The Issuer reserves the right to require any holder of Notes to submit a written certification substantiating that it is a QIB or a Non-U.S. Person. If such holder fails to submit any such requested written certification on a timely basis, the Issuer has the right to assume that the holder of the Notes from whom such a certification is requested is not a QIB or a Non-U.S. Person. Furthermore, the Issuer reserves the right to refuse to honour a transfer of beneficial interests in a Rule 144A Note to any Person who is not either a Non-U.S. Person or a U.S. Person that is a QIB.

If any Noteholder of an ERISA Restricted Note is determined by the Issuer to be a Noteholder who has made or is deemed to have made a representation pertaining to ERISA, its status as a Benefit Plan Investor, or Similar Law that is subsequently shown to be false or misleading (any such Noteholder a "**Non-Permitted ERISA Holder**"), the Non-Permitted ERISA Holder may be required by the Issuer to sell or otherwise transfer its Notes to an eligible purchaser within 10 days of receipt of notice from the Issuer to such Non-Permitted ERISA Holder requiring such sale or transfer, at a price to be agreed between the Issuer and such eligible purchaser at the time of sale, subject to the transfer restrictions set out in the Trust Deed. Each Noteholder and each other Person in the chain of title from the Noteholder, by its acceptance of an interest in such Notes, agrees to cooperate with the Issuer, to the extent required to effect such transfers. None of the Issuer, the Note Trustee, the Registrar or any Paying Agent shall be liable to any Noteholder having an interest in the Notes sold or otherwise transferred as a result of any such sale or transfer. The Issuer shall be entitled to deduct from the sale or transfer price an amount equal to all the expenses and costs incurred and any loss suffered by the Issuer as a result of such forced transfer. The Non-Permitted ERISA Holder will receive the balance, if any.

No holder of a Registered Definitive Note, may require the transfer of such Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest on such Note.

All transfers of Notes and entities on the Register are subject to detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4 STATUS AND RELATIONSHIP BETWEEN THE NOTES AND SECURITY

4.1 Status and relationship between the Notes

- (a) The Class A Notes constitute direct, secured and (subject to the limited recourse provision in Note Condition 12 (*Enforcement*)) unconditional obligations of the Issuer. The Class A Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, as provided in these Note Conditions and the Transaction Documents.
- (b) The Class B Notes constitute direct, secured and (subject to the limited recourse provision in Note Condition 12 (*Enforcement*) and Note Condition 18 (*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 Note Conditions and the Transaction Documents. Accordingly, the interests of the Class B Noteholders will be subordinated to the interests of each of the Class A Noteholders (so long as any Class A Notes remain outstanding).
- (c) The Class C Notes constitute direct, secured and (subject to the limited recourse provision in Note Condition 12 (*Enforcement*) and Note Condition 18 (*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 Note Conditions and the Transaction Documents. Accordingly, the interests of the Class C Noteholders will be subordinated to the interests of each of the Class A Noteholders (so long as any Class A Notes remain outstanding) and the Class B Noteholders (so long as any Class B Notes remain outstanding).
- (d) The Class D Notes constitute direct, secured and (subject to the limited recourse provision in Note Condition 12 (*Enforcement*) and Note Condition 18 (*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 Note Conditions and the Transaction Documents. Accordingly, the interests of the Class D Noteholders will be subordinated to the interests of each of the Class A Noteholders (so long as any Class A Notes remain outstanding), the Class B Noteholders (so long as any Class B Notes remain outstanding) and the Class C Noteholders (so long as any Class C Notes remain outstanding).
- (e) The Class E Notes constitute direct, secured and (subject to the limited recourse provision in Note Condition 12 (*Enforcement*) and Note Condition 18 (*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 Note Conditions and the Transaction Documents. Accordingly, the

interests of the Class E Noteholders will be subordinated to the interests of each of the Class A Noteholders (so long as any Class A Notes remain outstanding), the Class B Noteholders (so long as any Class B Notes remain outstanding), the Class C Noteholders (so long as any Class C Notes remain outstanding) and the Class D Noteholders (so long as any Class D Notes remain outstanding).

- (f) The Class F Notes constitute direct, secured and (subject to the limited recourse provision in Note Condition 12 (*Enforcement*) and Note Condition 18 (*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 Note Conditions and the Transaction Documents. Accordingly, the interests of the Class F Noteholders will be subordinated to the interests of each of the Class A Noteholders (so long as any Class A Notes remain outstanding), the Class B Noteholders (so long as any Class B Notes remain outstanding), the Class C Noteholders (so long as any Class C Notes remain outstanding), the Class D Noteholders (so long as any Class D Notes remain outstanding) and the Class E Noteholders (so long as any Class E Notes remain outstanding).
- (g) The Class Z Notes constitute direct, secured and (subject to the limited recourse provision in Note Condition 12 (*Enforcement*) and Note Condition 18 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class Z Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class 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 Note Conditions and the Transaction Documents. Accordingly, the interests of the Class Z Noteholders will be subordinated to the interests of each of the Class A Noteholders (so long as any Class A Notes remain outstanding), the Class B Noteholders (so long as any Class B Notes remain outstanding), the Class C Noteholders (so long as any Class C Notes remain outstanding), the Class D Noteholders (so long as any Class D Notes remain outstanding), the Class E Noteholders (so long as any Class E Notes remain outstanding) and the Class F Noteholders (so long as any Class F Notes remain outstanding).
- (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 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.
- (i) The Trust Deed also contains provisions limiting the powers of any Class of Noteholders to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the holders of the Most Senior Class. Except in certain circumstances described in Note Condition 13 (*Meetings of Noteholders, Certificateholders and Class VRR Noteholders - Modification, Waiver and Substitution*), the Trust Deed contains no such limitation on the powers of the holders of the Most Senior Class, the exercise of which will be binding (save in respect of a Basic Terms Modification) on the holders of all other Classes of Notes.

As long as any Notes are outstanding but subject to Note Condition 13.10 (*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 Note Conditions, the Class VRR Note Conditions, the Certificate Conditions or any of the Transaction Documents, the Issuer shall not, so long as any Note, Class VRR Note or Certificate remains outstanding:

- (a) **Negative pledge:** create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertakings;
- (b) **Restrictions on activities:** (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage, (ii) other than the Swap Agreement (or any replacement), the Issuer will not enter into derivative contracts for the purposes of Article 21(2) of the Securitisation Regulation, or (iii) 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, to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (e) **Dividends or distributions:** pay any dividend or make any other distribution to its shareholders except out of amounts of profit retained by the Issuer in accordance with the applicable Priority of Payments which are available for distribution in accordance with the Issuer's memorandum and articles of association and with applicable laws or issue any further shares;
- (f) **Indebtedness:** incur any financial indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any other obligation of any person;
- (g) **Merger:** consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;
- (h) **No modification or waiver:** permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied, modified, terminated,

postponed, waived or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;

- (i) **Bank accounts:** have an interest in any bank account other than the Issuer Accounts and the Issuer's interest in the Collection Account Trust, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee; or
- (j) **Purchase Notes:** purchase or otherwise acquire any Notes.
- (k) **U.S. activities:** engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

6 INTEREST

6.1 Accrual of interest

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 Note Condition 7 (*Payments*), payment of the principal in respect of the Note is improperly withheld or refused or default is otherwise made in respect of the payment, in which event interest shall continue to accrue as provided in the Trust Deed.

6.2 Interest Payment Dates

Interest will be payable in arrear on each Interest Payment Date, for all classes of Notes.

"**Interest Payment Date**" means the 22nd day of February, May, August and November in each year or, if such day is not a Business Day, the immediately following Business Day with the first Interest Payment Date falling in February 2020.

Interest shall accrue from (and including) an Interest Payment Date (except in the case of the first Interest Period, which shall commence on (and include) the Closing Date) to (but excluding) the next following Interest Payment Date (each such period, an "**Interest Period**").

6.3 Determination Rate of Interest, Interest Amount and Interest Payment Date

The Agent Bank will, on each Interest Determination Date, determine the:

- (a) Rate of Interest for each class for the related Interest Period; and
- (b) Interest Payment Date next following the related Interest Period.

Notwithstanding the provisions of these Note 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.

In the event that 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 is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Relevant Margin relating to the relevant Interest Period in place of the Relevant Margin relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the relevant Class of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Relevant Margin applicable to the first interest Period).

If there has been a public announcement of the permanent or indefinite discontinuation of the SONIA Reference Rate or the relevant reference rate that applies to the Notes at that time (the date of such public announcement being the "**Relevant Time**"), the Issuer (or the Servicer on its behalf) shall, without undue delay, use commercially reasonable endeavours to propose an Alternative Reference Rate in accordance with Note Condition 13.10 (*Additional Right of Modification*) (the "**Relevant Condition**"). For the avoidance of doubt, if an Alternative Reference Rate proposed by or on behalf of the Issuer has failed to be implemented in accordance with the Relevant Condition as a result of Noteholder objections to the modification, the Issuer shall not be obliged to propose an Alternative Reference Rate under this Note Condition 6.3. In the event that the Rate of Interest is less than zero, the Rate of Interest shall be deemed to be zero.

There will be no maximum Rate of Interest.

- (a) In these Note 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 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 relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

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

Where:

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

"**d₀**" is the number of Business Days in the relevant Interest Period;

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

"**LBD**" means a Business Day;

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

"**p**" means for any Interest Period, 5 Business Days; and

"**SONIA_i-pLBD**" means in respect of any Business Day falling in the relevant Interest Period, the SONIA Reference Rate for the Business Day falling "**p**" Business Days prior to that Business Day "**i**";

- (iii) "**Interest Commencement Date**" means 22 February 2020;
- (iv) "**Interest Determination Date**" means the fifth Business Day before the Interest Payment Date for which the relevant Rate of Interest and Interest Amount will apply;
- (v) "**Interest Determination Ratio**" means, on any Interest Payment Date, (a) the aggregate Revenue Receipts calculated in the three preceding Servicer Reports (or, where there are not at least three previous Servicer Reports, any previous Servicer Reports) divided by (b) the aggregate of all Revenue Receipts and all Redemption Receipts calculated in such Servicer Reports;
- (vi) "**Observation Period**" means the period from and including the date falling "**p**" Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling "**p**" Business Days prior to the Interest Payment Date for such Interest Period (or, if applicable, the date falling "**p**" Business Days prior to any other date on which a payment of interest is to be made in respect of the Notes);
- (vii) "**Rate of Interest**" for each Interest Period means in respect of each class of Notes, Compounded Daily SONIA determined as at the related Interest Determination Date plus the Relevant Margin in respect of such class, and for the avoidance of doubt, for these purposes if the Rate of Interest is less than zero, the Rate of Interest shall be deemed to be zero;
- (viii) "**Reconciliation Amount**" means in respect of any Determination Period (a) the actual Redemption Receipts as determined in accordance with the available Servicer Reports, less (b) the Calculated Redemption Receipts in respect of such Collection Period, plus (c) any Reconciliation Amount not applied in previous Collection Periods;
- (ix) "**Relevant Margin**" means:
 - (A) for the Class A Notes, 0.88% per annum up to and including the Step-Up Date, after which the Relevant Step-Up Margin will apply;
 - (B) for the Class B Notes, 1.50% per annum up to and including the Step-Up Date, after which the Relevant Step-Up Margin will apply;
 - (C) for the Class C Notes, 2.00% per annum up to and including the Step-Up Date, after which the Relevant Step-Up Margin will apply;
 - (D) for the Class D Notes, 2.50% per annum up to and including the Step-Up Date, after which the Relevant Step-Up Margin will apply;

- (E) for the Class E Notes, 3.25% per annum up to and including the Step-Up Date, after which the Relevant Step-Up Margin will apply; and
 - (F) for the Class F Notes, 4.25% per annum up to and including the Step-Up Date, after which the Relevant Step-Up Margin will apply;
- (x) **"Relevant Step-Up Margin"** means:
- (A) for the Class A Notes, 1.76% per annum from but excluding the Step-Up Date;
 - (B) for the Class B Notes, 2.50% per annum from but excluding the Step-Up Date;
 - (C) for the Class C Notes, 3.00% per annum from but excluding the Step-Up Date;
 - (D) for the Class D Notes, 3.50% per annum from but excluding the Step-Up Date;
 - (E) for the Class E Notes, 4.25% per annum from but excluding the Step-Up Date; and
 - (F) for the Class F Notes, 5.25% per annum from but excluding the Step-Up Date;
- (xi) **"Screen"** means Bloomberg Screen SONIA; or
- (A) such other page as may replace Bloomberg Screen SONIA on that service for the purpose of displaying such information; or
 - (B) if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously approved in writing by the Note Trustee) as may replace such screen;
- (xii) **"Servicer Report"** means a report to be provided by the Servicer no later than the sixth Business Day of each month ("**Servicer Report Date**"), in accordance with the terms of the Servicing Agreement and detailing, *inter alia*, the information relating to the Portfolio necessary to enable the Cash Manager to produce the Investor Report;
- (xiii) **"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 authorised distributors and as then published on the Screen or, if the Screen 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 Screen 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 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 Publication of Rate of Interest, Interest Amount and Interest Payment Date

As soon as practicable after determining the Rate of Interest applicable to the Notes for any period pursuant to these Note Conditions and in no event later than two Business Days prior to the immediately succeeding Interest Payment Date, the Agent Bank will notify the Issuer, the Servicer, the Cash Manager, the Note Trustee, the Swap Provider, the Paying Agents, the Registrar and, for so long as the Notes are listed thereon and the Stock Exchange so requires, the Stock Exchange and (so long as the Notes are in global form, each of Euroclear and Clearstream, Luxembourg) thereof. As soon as practicable after receiving each notification of the Rate of Interest, the Interest Amount and the Interest Payment Date in accordance with Note Condition 6.3 (*Determination of Rate of Interest, Interest Amount and Interest Payment Date*) and in any event no later than the second Business Day thereafter, the Issuer will cause such Rate of Interest and Interest Amount for each class and the next following Interest Payment Date to be published in accordance with Note Condition 16 (*Notice to Noteholders*).

6.5 Amendments to Publications

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 Determination of Rates of Interest and Interest Amounts

The Agent Bank shall, as soon as practicable after 11.00 a.m. (London time) on the Interest Determination Date falling in such Interest Period, but in no event later than the third Business Day thereafter, determine the Sterling amount (the "**Interest Amounts**") payable in respect of interest on the Principal Amount Outstanding of each Class of the Notes (or, if relevant, for individual Notes) for the relevant Interest Period.

The Interest Amounts shall, in respect of a Class of Notes, be determined by applying the relevant Rate of Interest to the Principal Amount Outstanding of such Class of Notes and multiplying the sum by the actual number of days in the Interest Period concerned divided by 365 and rounding the figure downwards to the nearest penny.

The Interest Amounts shall, in respect of a Note, be determined by applying the relevant Rate of Interest to the Principal Amount Outstanding of the relevant Note and multiplying the sum by the actual number of days in the Interest Period concerned divided by 365 and rounding the figure downwards to the nearest penny.

6.7 Publication of Rates of Interest and Interest Amounts

The Agent Bank shall cause the Rate of Interest and the Interest Amounts for each Class of Notes in respect of each Interest Period and each Interest Payment Date to be notified to the Issuer, the Cash Manager, the Note Trustee, the Registrar and the Paying Agents (as applicable) and to any stock exchange or other relevant authority on which the Notes are at the relevant time listed and to be published in accordance with Note Condition 16 (*Notice to Noteholders*) as soon as possible after their determination and in no event later than two Business Days prior to the immediately succeeding Interest Payment Date.

6.8 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 Note Condition 6, whether by the Agent Bank, the Paying Agents, the Registrar, the Cash Manager or the Note Trustee, will (in the absence of wilful default, gross negligence, fraud or manifest error) be binding on the Issuer, the Cash Manager, the Note Trustee, the Agent Bank, the Registrar, the Paying Agents and all Noteholders and (in the absence of wilful default, gross negligence, fraud or manifest error) no liability to the Issuer or the Noteholders shall attach to the Cash Manager, the Agent Bank, the Paying Agents, the Registrar or the Note Trustee in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Note Condition 6.

6.9 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.

6.10 Determinations and Reconciliation

- (a) In the event that the Cash Manager does not receive a Servicer Report with respect to a Collection Period (each such period, a "**Determination Period**"), then the Cash Manager may use the three most recently received Servicer Reports in respect of the preceding Collection Periods (or, where there are not at least three previous Servicer Reports, any previous Servicer Reports) for the purposes of calculating the amounts available to the Issuer to make payments, as set out in Note Condition 6.10(b). When the Cash Manager receives the Servicer Report relating to the Determination Period, it will make the reconciliation calculations and reconciliation payments as set out in Note Condition 6.10(c). Any (i) calculations properly made on the basis of such estimates in accordance with Note Conditions 6.10(b) and/or 6.10(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 Note Condition 6.10(b) and/or 6.10(c), shall be deemed to be made in accordance with the provisions of the Transaction Documents and will in themselves not lead to an Event of Default and no liability will attach to the Cash Manager in connection with the exercise by it of its powers, duties and discretion for such purposes.
- (b) In respect of any Determination Period the Cash Manager shall on the Calculation Date immediately following the Determination Period:
 - (i) determine the Interest Determination Ratio (as defined above) by reference to the three most recently received Servicer Reports (or, where there are not at least three previous Servicer Reports, any previous Servicer Reports) received in the preceding Collection Periods;
 - (ii) calculate the Revenue Receipts for such Determination Period as the product of (A) the Interest Determination Ratio and (B) all collections received by the

Issuer during such Determination Period (the "**Calculated Revenue Receipts**"); and

- (iii) calculate the Redemption Receipts for such Determination Period as the product of (A) 1 minus the Interest Determination Ratio and (B) all collections received by the Issuer during such Determination Period (the "**Calculated Redemption Receipts**").
- (c) Following the end of any Determination Period, upon receipt by the Cash Manager of the Servicer Report in respect of such Determination Period, the Cash Manager shall reconcile the calculations made in accordance with Note Condition 6.10(b) above to the actual collections set out in the Servicer Reports by allocating the Reconciliation Amount (as defined above) as follows:
 - (i) if the Reconciliation Amount is a positive number, the Cash Manager shall apply an amount equal to the lesser of (A) the absolute value of the Reconciliation Amount and (B) the amount standing to the credit of the Revenue Ledger, as Available Redemption Receipts (with a corresponding debit of the Revenue Ledger); and
 - (ii) if the Reconciliation Amount is a negative number, the Cash Manager shall apply an amount equal to the lesser of (A) the absolute value of the Reconciliation Amount and (B) the amount standing to the credit of the Redemption Ledger, as Available Revenue Receipts (with a corresponding debit of the Redemption Ledger),

provided that the Cash Manager shall apply such Reconciliation Amount in determining Available Revenue Receipts and Available Redemption Receipts for such Collection Period in accordance with the terms of the Cash Management Agreement and the Cash Manager shall promptly notify the Issuer and the Security Trustee of such Reconciliation Amount.

7 PAYMENTS

7.1 Payment of Interest and Principal

Subject to Note Condition 3.1 (*Form and Denomination*), payments of any amount in respect of a Note, including principal and interest, shall be made by:

- (a) (other than in the case of final redemption) Sterling cheque; or
- (b) (other than in the case of final redemption) upon application by the relevant Noteholder to the specified office of the relevant Paying Agent not later than the 15th day before the due date for any such payment, by transfer to a Sterling account maintained by the payee with a bank in London; and
- (c) (in the case of final redemption) Sterling cheque upon surrender (or, in the case of part payment only, endorsement) of the relevant Global Note or Registered Definitive Notes (as the case may be) at the specified office of the relevant Paying Agent.

7.2 Laws and Regulations

Payments of any amounts in respect of a Note are subject, in all cases, to (i) any fiscal or other laws, regulations and directives applicable thereto in the place of payment, and (ii) any withholding or deduction imposed pursuant to an agreement described in Sections 1471 through

1474 of the U.S. Internal Revenue Code of 1986 (the "**Code**") any current or future regulations or official interpretations thereof, any agreement described in or entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Section of the Code ("**FATCA**"). Noteholders will not be charged commissions or expenses on payments.

7.3 Payment of Interest following a Failure to pay Principal

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with Note Condition 6.1 (*Accrual of interest*) and Note Condition 6.3 (*Determination of Rate of Interest, Interest Amount and Interest Payment Date*) will be paid in accordance with this Note Condition 7.

7.4 Change of Paying Agents

The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent or the Registrar and to appoint additional or other agents provided that there will at all times be a person appointed to perform the obligations of the Principal Paying Agent with a specified office in London and the Registrar with a specified office in Ireland or in London.

Except where otherwise provided in the Trust Deed or the Agency Agreement, the Issuer will cause notice of no more than 30 days and no less than 15 days of any change in or addition to the Paying Agents or the Registrar or their specified offices to be given to the Noteholders in accordance with Note 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 Note 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 Note Condition 7.5 (*No Payment on non-Business Day*)) or by reason of non-compliance by the Noteholder with Note 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 shall be duly given in accordance with Note Condition 16 (*Notice to Noteholders*).

8 REDEMPTION

8.1 Redemption at Maturity

Unless previously redeemed in full or purchased and cancelled as provided below, the Issuer will redeem the Notes at their respective Principal Amount Outstanding on the Interest Payment Date falling in November 2061 (the "**Final Maturity Date**").

8.2 Mandatory Redemption prior to the service of an Enforcement Notice and prior to the exercise of the Refinancing Option or the Portfolio Call Option

- (a) On each Interest Payment Date prior to the service of an Enforcement Notice and prior to the exercise of the Refinancing Option, each Class of Notes shall be redeemed in an amount equal to the Available Redemption Receipts available for such purpose in accordance with the Pre-Enforcement Redemption Priority of Payments which shall be applied in the following order of priority:
- (i) *first*, to repay the Class A Notes until they are each repaid in full, and thereafter be applied;
 - (ii) *second*, to repay the Class B Notes until they are each repaid in full, and thereafter be applied;
 - (iii) *third*, to repay the Class C Notes until they are each repaid in full, and thereafter be applied;
 - (iv) *fourth*, to repay the Class D Notes until they are each repaid in full, and thereafter be applied;
 - (v) *fifth*, to repay the Class E Notes until they are each repaid in full, and thereafter be applied;
 - (vi) *sixth*, to repay the Class F Notes until they are each repaid in full, and thereafter be applied;
 - (vii) *seventh*, to repay the Class Z Notes until they are each repaid in full.
- (b) The principal amount to be redeemed in respect of the Notes of a particular Class (the "**Note Principal Payment**") on any Interest Payment Date prior to the service of an Enforcement Notice shall be the amount required as at that Interest Payment Date to be applied in redemption of the Notes of that Class in accordance with the Pre-Enforcement Redemption Priority of Payments, as calculated on the Calculation Date immediately preceding such Interest Payment Date, provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the Notes of such Class. On the Calculation Date, the Issuer shall determine (or cause the Cash Manager to determine) (i) the amount of any Note Principal Payment payable in respect of each Class of Notes on the immediately following Interest Payment Date, (ii) the Principal Amount Outstanding of each such Class 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 the Notes of that Class (as referred to in (ii) above) and the denominator is, in the case of the Notes of that Class, the Principal Amount Outstanding of the Notes of that Class as at the Closing Date). Each determination by or on behalf of the Issuer of any Note Principal Payment of a Note, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or 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 three Business Days prior to the relevant Interest Payment Date to the Note Trustee, the Paying Agents, the Agent Bank and (for so long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on its Regulated Market) Euronext Dublin, and will immediately cause notice of each such determination to be given in accordance with Note Condition 16 (*Notice to Noteholders*) not later than three 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 Redemption of the Notes, Class VRR Notes and Certificates in Full

(a) ***Refinancing Option***

Exercise

- (i) The Refinancing Option Holder(s) may, not less than 150 calendar days prior to the proposed Refinancing Date, give notice of its intention to exercise the Refinancing Option.
- (ii) Prior to the exercise of the Refinancing Option, and for so long as the Certificates are held by:
- (A) only one Certificateholder, the Refinancing Option Holder must provide to the Issuer (with a copy to Atom Bank) written notice of the Refinancing Option Holder's intention to exercise the Refinancing Option. Such notice must be sent not less than 150 calendar days prior to the proposed Refinancing Date. Such notice shall include the date which the Refinancing Option Holder designates as the proposed Refinancing Date; or
 - (B) more than one Certificateholder, the holder(s) of more than two thirds of the number of Certificates must, provide to the Issuer (with a copy to Atom Bank) written notice of their intention to exercise the Refinancing Option. Such notice must be sent not less than 150 calendar days prior to the proposed Refinancing Date. Such notice shall include the date which the Refinancing Option Holder(s) designate as the proposed Refinancing Date,

each such written notice a "**Refinancing Option Exercise Notice**". At the same time as sending a Refinancing Option Exercise Notice, the Refinancing Option Holder(s) must also send to the Class VRR Noteholders a term sheet setting out the proposed terms of the proposed Refinancing, and if required by the Class VRR Noteholders, the Refinancing Option Holder(s) must also provide promptly and without delay, any other information which the Class VRR Noteholders may reasonably request in connection with their considerations of the occurrence of a Class VRR Veto Scenario (together with any amendments and/or supplements thereto) (the "**Class VRR Veto Materials**"). For the avoidance of doubt, the Class VRR Veto Materials shall not be expected to include draft transaction documents required to give effect to the Refinancing.

Class VRR Veto Right

- (iii) Following the later of receipt by the Class VRR Noteholders of the Refinancing Option Exercise Notice and the Class VRR Veto Materials (including any amendments and/or supplements thereto), the Class VRR Noteholders shall, within a

period of 115 calendar days (from and including the date on which such notice or, as appropriate, material is received by the Class VRR Noteholders) (the "**Class VRR Veto Period**") either:

- (A) confirm, by way of unanimous decision notified in writing to the Issuer, that no Class VRR Veto Scenario arises and that the proposed Refinancing can proceed; or
- (B) confirm, by way of unanimous decision notified in writing to the Issuer, that a Class VRR Veto Scenario arises but that, notwithstanding this determination, the proposed Refinancing can proceed;
- (C) decide to veto ("**Class VRR Veto**") the proposed Refinancing, by way of unanimous decision notified in writing to the Issuer on the basis that if the proposed Refinancing were to occur it would give rise, directly or indirectly, to a Class VRR Veto Scenario (a "**Class VRR Veto Notice**").

Modification of Transaction Documents

- (iv) If, during the first 70 days of the Class VRR Veto Period, the Class VRR Noteholders do not provide the Class VRR Veto Notice, such decision to be based on the opinions (in draft form based on the Class VRR Veto Materials) as described under Class VRR Veto Scenario, then the Refinancing Option Holder(s) will have a further period of 45 calendar days to prepare all Refinancing Documents during which, the Refinancing Option Holder shall share all draft Refinancing Documents with the Class VRR Noteholders, the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer and the Swap Provider in sufficient time to allow such persons and their professional advisers to review and consider the same.
- (v) If the Class VRR Noteholders do not exercise the Class VRR Veto within the first 70 days of the Class VRR Veto Period, then not later than 35 days prior to the proposed Refinancing Date the Note Trustee shall agree to the terms of a new trust deed constituting the Refinancing Instruments (the "**Refinancing Trust Deed**") and modifications to the other Transaction Documents to the extent that the Issuer certifies (upon which certification the Note Trustee may rely absolutely and without enquiry or liability) that such modification is necessary to reflect the terms of the Refinancing. Such modification to the terms of the Transaction Documents will be effected by way of a deed of amendment, restatement and supplement (the "**Amendment Deed**"). Subject to the provisions on Basic Terms Modifications and Class VRR Entrenched Rights, no further consent for such amendments shall be required from the holders of Notes, Class VRR Notes or the Certificateholders.
- (vi) The Issuer shall ensure that a refinancing prospectus is prepared in connection with the Refinancing (the "**Refinancing Prospectus**"), and an application is made for admission to trading and (where relevant, listing), of the Refinancing Instruments. In connection with the Refinancing Prospectus, the Issuer shall procure ratings for those Refinancing Instruments which are intended to be rated. For the avoidance of doubt, the Issuer may issue unrated Refinancing Instruments and, in respect of such instruments, the Issuer shall not be under any obligation to procure ratings.
- (vii) Neither the Note Trustee nor the Security Trustee will be obliged to enter into any document or agree to any modification that, in its opinion, would have the effect of (i) exposing the Note Trustee (or, as the case may be, Security Trustee) to any liability

against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the rights, powers, indemnities and protections, of the Note Trustee (or, as the case may be, the Security Trustee) in respect of the Transaction Documents, and the Note Trustee and the Security Trustee will be entitled to conclusively rely upon an officer's certificate or opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgement of counsel delivering such opinion of counsel) provided by the Issuer or any other party to any Transaction Document to the effect that such amendment meets the requirements specified above and is permitted under the Trust Deed without the consent of the holders of the Notes, Class VRR Notes, Certificates or any other Secured Creditor (except that such officer or counsel will have no obligation to certify or opine as to the sufficiency of the Refinancing Proceeds).

- (viii) If, in the sole determination of the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer or the Swap Provider (as relevant) the Refinancing Documentation contain provisions which would be materially and adversely prejudicial to the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer or the Swap Provider (as relevant), each of these parties may choose to terminate their agreement with the Issuer, such decision to be notified in writing to the Issuer ("**Service Provider Refinancing Document Veto Notice**").
- (ix) If, by the date which is 35 days prior to the proposed Refinancing Date:
 - (A) the Class VRR Noteholders have not provided a Class VRR Veto Notice (to be based on opinions as described under Class VRR Veto Scenario and the draft Refinancing Documents) to the Issuer; and
 - (B) if, by the same date, none of the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer or the Swap Provider has provided a Service Provider Refinancing Document Veto Notice to the Issuer, or if any such party has provided such notice to the Issuer and the Issuer has found a suitable replacement, meeting all relevant rating requirements set by the Rating Agencies, for such party and such replacement is willing to carry out the relevant role on the terms of the relevant Refinancing Documents ("**Acceptable Replacement Service Provider**"),

then the Issuer shall, not less than 30 calendar days prior to the proposed Refinancing Date, notify the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer and the Swap Provider that the Refinancing will occur on the proposed Refinancing Date, and on the same date, the Issuer shall notify the Noteholders and the Certificateholders (including the Refinancing Option Holder(s) of the same.

- (x) If, by the date which is 35 days prior to the proposed Refinancing Date either:
 - (A) the Class VRR Noteholders have provided a Class VRR Veto Notice (to be based on opinions as described under Class VRR Veto Scenario and the draft Refinancing Documents) to the Issuer; or

- (B) any of the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer or the Swap Provider has provided a Service Provider Refinancing Document Veto Notice to the Issuer and the Issuer has not found an Acceptable Replacement Service Provider,

then the Issuer shall, not less than 30 calendar days prior to the proposed Refinancing Date, notify the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer and the Swap Provider that the Refinancing will not occur on the proposed Refinancing Date, and on the same date, the Issuer shall notify Refinancing Option Holder(s) of the same.

- (xi) If, during the Class VRR Veto Period, the Class VRR Noteholders exercise the Class VRR Veto, the proposed Refinancing will not occur and the Refinancing Option Holder(s) will, in accordance with the Certificate Conditions, be entitled to serve subsequent Refinancing Option Exercise Notices.
- (xii) If, during the Class VRR Veto Period, the Class VRR Noteholders do not exercise the Class VRR Veto, the Class VRR Noteholders shall be deemed to have confirmed that the proposed Refinancing can occur on the proposed Refinancing Date.
- (xiii) If the Class VRR Noteholders confirm (or are deemed to have confirmed) that the proposed Refinancing can occur on the proposed Refinancing Date, then the Refinancing may occur on the proposed Refinancing Date.
- (xiv) Not less than 2 Business Days prior to the proposed Refinancing Date, the Cash Manager shall calculate the amount of money which the Issuer needs by way of Refinancing Proceeds and the Cash Manager shall, within one Business Day of calculating such amount, confirm the same to the Issuer. Upon receipt by the Issuer of such confirmation, the Issuer shall, on the date of receipt of such confirmation, notify the Refinancing Option Holder(s) (with copy to the Note Trustee and the Security Trustee) of the amount of money which the Issuer needs by way of Refinancing Proceeds.

Refinancing Proceeds

- (i) On the Refinancing Date, the Notes and the Class VRR Notes will be redeemed out of the Refinancing Proceeds at their relevant Principal Amount Outstanding together with all other amounts due in respect of the relevant Note or Class VRR Note, all Accrued Interest and, if applicable, all Deferred Interest. The Certificateholders will be entitled to receive, also out of the Refinancing Proceeds, an amount equal to what they would have received had the Refinancing Date been an ordinary Interest Payment Date (and not a date on which a Refinancing occurs). The Refinancing Proceeds will be applied in accordance with the Post-Enforcement Priority of Payments.
- (ii) All costs and expenses (including but not limited to (A) all legal costs and expenses, including those obtained in connection with any determination by the Class VRR Noteholders as to whether to exercise the Class VRR Veto, and (B) any costs and expenses of the Secured Creditors incurred in connection with the Refinancing) of the Refinancing (including in connection with the exercise of the Refinancing Option and the entry into of the Refinancing Documents and in connection with any exercise by the Class VRR Noteholders of the Class VRR Veto) or any proposed Refinancing which fails to complete, shall be borne by the Refinancing Option Holder(s) failing

which, such costs and expenses shall be borne by the Issuer. The Refinancing Option Holder(s) shall be required to deposit such amounts into one of the Issuer's Transaction Accounts (to the extent that the Issuer is expected to make these payments).

- (iii) All Notes, Class VRR Notes and Certificates will, upon completion of the Refinancing, be cancelled and may not be reissued or resold. The Refinancing Instruments will not necessarily benefit from any form of refinancing option, and the terms and conditions of the Refinancing Instruments may differ from the terms and conditions of (as relevant) the Notes, Class VRR Notes and Certificates which they replace.

Class VRR Veto Scenario means any scenario resulting from the occurrence of a Refinancing and which is determined by the Class VRR Noteholders, to have the effect of either:

- (a) adversely affecting the capital treatment of the Class VRR Noteholders' interest in the Portfolio or the Class VRR Notes (including, without limitation, under article 244 of the CRR (as amended from time to time including by the CRR Amendment Regulation) (taking into account any regulatory guidance and/or statements issued by relevant competent authorities), any replacement or successor provision(s) to the CRR (as amended from time to time including by the CRR Amendment Regulation) or any similar regulations or laws (taking into account any regulatory guidance and/or statements issued by relevant competent authorities) which enter into force after the Closing Date and which regulate the capital treatment of the Class VRR Noteholders' interest in the Portfolio or the Class VRR Notes), such determination to be based on an opinion of a reputable accountancy firm chosen by the Class VRR Noteholders and, if required by the CRR (as amended from time to time including by the CRR Amendment Regulation) or any similar regulations or laws (taking into account any regulatory guidance and/or statements issued by relevant competent authorities) which enter into force after the Closing Date and which regulate the capital treatment of the Class VRR Noteholders' interest in the Portfolio or the Class VRR Notes, an opinion of a reputable law firm (such opinions to be provided within 115 days of the Class VRR Noteholders receiving the Refinancing Option Exercise Notice and the documents required to be provided at that time by the Refinancing Option Holder(s)); or
- (b) result in the Class VRR Noteholders being in breach of their obligations under any of the U.S. Risk Retention Rules (or any amended or replacement rules), or Article 6 of the Securitisation Regulation (or any amended or replacement rules), such determination to be based on an opinion of a reputable law firm chosen by the Class VRR Noteholders; or
- (c) adversely affecting the position of the Class VRR Noteholders in relation to de-recognition of the Portfolio under IFRS 9 or deconsolidation and de-recognition of the Issuer under IFRS 10 (or any other rules which the Class VRR Noteholders rely on to achieve deconsolidation and de-recognition), such determination to be based on an opinion of a reputable accountancy firm chosen by the Class VRR Noteholders.

"Refinancing" means the exercise by the Refinancing Option Holder(s) of the Refinancing Option and the redemption by the Issuer of the Notes, the Class VRR Notes and the Certificates and the issuance by the issuer of the Refinancing Instruments.

"Refinancing Date" means the Interest Payment Date falling in November 2024 or any other Interest Payment Date thereafter.

"Refinancing Documents" means the Refinancing Trust Deed, any new subscription agreement, the Refinancing Instruments, the Amendment Deed/Agreement, the Refinancing

Prospectus and any documents or instruments whatsoever ancillary, or necessary to give effect, to the foregoing.

"Refinancing Instruments" means the new class A notes, class B notes, class C notes, class D notes, class E notes, class F notes, class Z notes, new class VRR notes and new certificates issued by the Issuer pursuant to the exercise of the Refinancing Option, or such other class or classes of notes as agreed between the Issuer and any arranger retained by (or on behalf of the Issuer) in connection with the issuance of the Refinancing Instruments.

"Refinancing Option Holder(s)" means the holder(s) of more than two thirds, in number, of the Certificates.

"Refinancing Proceeds" means an amount which, when added to the balance standing to the credit of each Transaction Account and any other cash held by or on behalf of the Issuer in any other Issuer Account (other than any amounts which are not to be applied as Available Revenue Receipts in accordance with the Swap Collateral Account Priority of Payments, including for the avoidance of doubt, (i) Swap Collateral, (ii) any Replacement Swap Premium paid to the Issuer, and (iii) amounts in respect of Swap Tax Credits), would be required by the Issuer to:

- (a) pay all amounts payable under items (a) to (f)(x) (inclusive) and (g)(i) to (g)(x) (inclusive) of the Post-Enforcement Priority of Payments; and
- (b) pay to the Certificateholders and the Class VRR Noteholders, *pro rata* and *pari passu*, an amount equal to the amount which would have been paid to the Certificateholders in accordance with the Pre-Enforcement Revenue Priority of Payments if the Refinancing Date were an ordinary Interest Payment Date (and not a date on which a Refinancing occurs), *multiplied* by 100/95,

in each case as calculated on the Calculation Date immediately preceding the Refinancing Date.

(b) ***Portfolio Call Option***

For so long as the Certificates are held by only one Certificateholder that Certificateholder, or for so long as the Certificates are held by more than one Certificateholder, the holder(s) of more than 50 per cent. of the number of Certificates (the "**Portfolio Option Holder(s)**"), may require the Issuer to sell to the Portfolio Option Holders (or to a third party purchaser/or purchasers nominated by the Portfolio Option Holder(s) ("**Portfolio Potential Purchasers**" and each a "**Portfolio Potential Purchaser**")) the beneficial title to the Portfolio Call Option Loans in such a manner as to enable the Issuer to redeem the Notes and the Class VRR Notes in full, and to cancel the Certificates, on the Portfolio Call Option Completion Date (the "**Portfolio Call Option**").

The Portfolio Call Option Purchase Price will be paid by the Portfolio Option Holders(s) on or before the Portfolio Call Option Completion Date. For so long as the Certificates are held by more than one Certificateholder, the liability of the Portfolio Option Holder(s) (or any Portfolio Potential Purchaser(s)) to pay the Portfolio Call Option Purchase Price shall be several, however and for the avoidance of doubt, the Portfolio Call Option Completion Date cannot occur unless the Issuer has received the full amount of the Portfolio Call Option Purchase Price.

The Portfolio Option Holder(s) may, at any time in the period from and including the Portfolio Call Option Exercise Date to and including the date falling 15 calendar days prior to the Portfolio Call Option Completion Date, deliver a notice (the "**Exercise Notice**") to the Issuer

(with a copy to the Security Trustee, the Note Trustee, the Seller, the Servicer and the Cash Manager) that it intends/they intend to exercise the Portfolio Call Option on the Portfolio Call Option Completion Date, provided that:

- (a) on or prior to the proposed Portfolio Call Option Completion Date, no Enforcement Notice has been served; and
- (b) in relation to taxation:
 - (A) either the entity or entities to which the Portfolio Call Option Loans are to be transferred is resident for tax purposes in, and has its usual place of abode in, the United Kingdom; or
 - (B) each of the Issuer and the Seller, having received tax advice from an appropriately qualified and experienced United Kingdom tax adviser in a 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 from HM Revenue and Customs), is satisfied that, following the exercise of the Portfolio Call Option, there shall be no requirement on either (i) any Borrower or (ii) any legal title holder of the Portfolio Call Option Loans to deduct or withhold payments for or on account of UK tax in respect of interest payable pursuant to such Portfolio Call Option Loans; and
- (c) it shall be a term and condition of the exercise of the Portfolio Call Option that the servicing of such Portfolio Call Option Loans may be carried out by Atom Bank following the Portfolio Call Option Completion Date on substantially the same terms as those contained in the Servicing Agreement (except in circumstances where Atom Bank is no longer the Servicer at the time of delivery of the Exercise Notice in respect of the Portfolio Call Option). Subject to the terms of the Mortgage Sale Agreement, it shall also be a term and condition of the exercise of the Portfolio Call Option that Atom Bank may, following the Portfolio Call Option Completion Date, retain legal title to the Portfolio Call Option Loans (except in circumstances where Atom Bank is no longer the holder of the legal title to the Portfolio Call Option Loans at the time of delivery of the Exercise Notice in respect of the Portfolio Call Option).

Within one Business Day of receipt of an Exercise Notice, the Issuer shall request the Cash Manager to calculate and provide (with the assistance of the Issuer and the Servicer where appropriate) the Issuer (with copy to the Servicer) with an estimate of the Portfolio Call Option Purchase Price, and the Cash Manager shall provide such estimate to the Issuer (with copy to the Servicer) within one Business Day of request by the Issuer.

The Issuer shall, within three Business Days of the date of the Exercise Notice, serve on the Portfolio Option Holder(s) with copy to each of the Security Trustee, the Note Trustee, the

Seller, the Servicer, the Cash Manager and on any other Portfolio Potential Purchaser(s) nominated in the Exercise Notice, a notice (the "**Counter Notice**") confirming:

- (a) the Portfolio Call Option Completion Date;
- (b) that the Issuer will be able to effect the sale and purchase of the whole beneficial title to the Portfolio Call Option Loans on the Portfolio Call Option Completion Date; and
- (c) the estimated amount of the Portfolio Call Option Purchase Price payable to the Issuer by the Portfolio Option Holder(s).

The Cash Manager shall calculate the final Portfolio Call Option Purchase Price not less than 2 Business Days prior to the Portfolio Call Option Completion Date, and shall, within one Business Day of calculating such amount, inform the Issuer and the Portfolio Option Holder(s) (which shall, if applicable, forward such confirmation to each Portfolio Potential Purchaser) of the final Portfolio Call Option Purchase Price.

The Portfolio Option Holder(s) shall confirm, on behalf of the Portfolio Potential Purchaser(s) named in the Exercise Notice and/or itself, and based on the estimated amount of the Portfolio Call Option Purchase Price, whether it wishes/they wish the Issuer to proceed with the sale, to the Portfolio Option Holder(s) and/or the Portfolio Potential Purchaser(s), of the whole beneficial title to the Portfolio Call Option Loans by serving an acceptance notice on the Issuer by the date falling three Business Days after the Servicer Report Date immediately prior to the Portfolio Call Option Completion Date (an "**Acceptance Notice**"). If no Acceptance Notice is served within the said period, then the Exercise Notice shall be of no further effect, and the Portfolio Option Holder(s) shall be entitled to serve a new Exercise Notice subject to and in accordance with the terms of the Certificate Conditions.

The Issuer shall ensure that Noteholders, Class VRR Noteholders and Certificateholders are notified of the Portfolio Call Option Completion Date not less than 5 calendar days prior to the Portfolio Call Option Completion Date. Prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer (upon which such certificate the Note Trustee shall be entitled to rely absolutely and without enquiry or liability to any person for so doing) to the effect that it will have the funds on the Portfolio Call Option Completion Date, not subject to the interest of any other person, in an amount not less than the Portfolio Call Option Purchase Price.

On the Portfolio Call Option Completion Date, the Portfolio Option Holder(s) (or the Portfolio Potential Purchaser(s) named in the Exercise Notice) will purchase the Portfolio Call Option Loans and the Notes and Class VRR Notes will be redeemed in full and the Certificates will be cancelled following application of the Portfolio Call Option Purchase Price in accordance with the Post-Enforcement Priority of Payments.

In these Note Conditions:

"Portfolio Call Option Completion Date" means the Interest Payment Date falling in November 2024 or any other Interest Payment Date thereafter.

"Portfolio Call Option Exercise Date" means:

- (a) if no Refinancing Option Exercise Notice has been served, the date falling 60 calendar days prior to the Portfolio Call Option Completion Date;
- (b) if a Refinancing Option Exercise Notice has been served and the Class VRR Noteholders have exercised their Class VRR Veto, the date on which the Class VRR Noteholders serve the Class VRR Veto Notice;

"Portfolio Call Option Loans" means the Loans and the Related Security in the Portfolio (excluding those Loans which have been redeemed or released from the Portfolio or repurchased by the Seller since the Closing Date).

"Portfolio Call Option Purchase Price" means an amount equal to the greater of:

- (a) the sum of:
 - (i) an amount equal to the aggregate of the amounts payable under items (a) to (f)(x) (inclusive) and (g)(i) to (g)(x) (inclusive) of the Post-Enforcement Priority of Payments; plus
 - (ii) an amount equal to the amount which the Certificateholders would have been paid in accordance with the Pre-Enforcement Revenue Priority of Payments if the Portfolio Call Option Completion Date were an ordinary Interest Payment Date (and not the Interest Payment Date on which the exercise of the Portfolio Call Option is completed) *multiplied* by 100/95; minus
 - (iii) the balance standing to the credit of each Transaction Account and any other cash held by or on behalf of the Issuer in any other Issuer Account (excluding for these purposes (A) any amounts recorded to the credit of the General Reserve Fund Ledger and any amounts recorded to the credit of the Liquidity Reserve Fund Ledger and (B) and Purchaser Receipts) (and other than any amounts which are to be applied in accordance with the Swap Collateral Account Priority of Payments, including for the avoidance of doubt, (i) Swap Collateral, (ii) any Replacement Swap Premium paid to the Issuer, and (iii) amounts in respect of Swap Tax Credits),

in each case as calculated on the Calculation Date immediately preceding the Interest Payment Date on which the Notes are redeemed pursuant to the Note Conditions, the Class VRR Notes are redeemed pursuant to the Class VRR Note Conditions and the Certificates cancelled and redeemed pursuant to the Certificate Conditions,

(the "**Base Portfolio Purchase Option Purchase Price**"); or

- (b) the current value of the principal balance of all of the Portfolio Call Option Loans as at the end of the Collection Period prior to the Portfolio Call Option Completion Date (including any amounts and market value payable in relation to the termination of the Swap Agreement),

(the "**Portfolio Purchase Option Current Value Purchase Price**", as calculated in accordance with Clause 36 of the Trust Deed).

"Purchaser Receipts" means Redemption Receipts and Revenue Receipts received by the Issuer from and means Redemption Receipts and Revenue Receipts received by the Issuer from and including the Collection Period End Date relating to the Interest Payment Date on which the Notes and Class VRR Notes are redeemed and the Certificates cancelled and redeemed, pursuant to Note Condition 8.3(a) or (b) (as applicable), Class VRR Note Condition 8.3(a) or

(b) (as applicable) or Certificate Condition 7.2(a) or (b) (as applicable) to and including such Interest Payment Date.

(c) ***Ten per cent. clean-up call***

The Issuer may redeem all (but not some only) of the Notes in each Class and the Class VRR Notes at their Principal Amount Outstanding and the Certificates out of Available Revenue Receipts on any Interest Payment Date when, on the related Calculation Date, the Current Balance of the Portfolio is (or would, on such Interest Payment Date be) less than 10% of the Current Balance of the Portfolio as at the Cut-Off Date subject to the following:

- (i) a Refinancing Option Exercise Notice (in respect of which the Class VRR Noteholders have not yet exercised their Class VRR Veto) has not been served by the Refinancing Option Holder(s) in accordance with the terms of the Certificate Conditions;
- (ii) an Exercise Notice has not been served by the Portfolio Call Option Holder(s) in accordance with the terms of the Certificate Conditions;
- (iii) no Enforcement Notice has been delivered by the Note Trustee;
- (iv) the Issuer has given not more than 60 nor less than 15 days' notice to the Note Trustee, the Paying Agent, the Registrar, each Rating Agency, the Swap Provider, the Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*), the Noteholders in accordance with Note Condition 16 (*Notice to Noteholders*) and the Class VRR Noteholders in accordance with Class VRR Note Condition 16 (*Notice to Class VRR Noteholders*) of its intention to redeem all (but not some only) of the Notes in each Class and the Class VRR Notes and the Certificates; and
- (v) prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer (upon which such certificate the Note Trustee shall be entitled to rely absolutely and without enquiry or liability to any person for so doing) to the effect that it will have the funds on the relevant Interest Payment Date, not subject to the interest of any other person, in an amount not less than the 10 Per. Cent Clean-up Call Purchase Price.

For the purposes of this Note Condition 8.3(c), "**10 Per Cent. Clean-up Call Purchase Price**" means an amount equal to the greater of:

- (a) the sum of:
 - (i) an amount equal to the aggregate of the amounts payable under items (a) to (f)(x) (inclusive) and (g)(i) to (g)(x) (inclusive) of the Post-Enforcement Priority of Payments; plus
 - (ii) an amount equal to the amount which the Certificateholders would have been paid in accordance with the Pre-Enforcement Revenue Priority of Payments if the Interest Payment Date on which the Notes are redeemed under this Note Condition 8.3(c) were an ordinary Interest Payment Date (and not the Interest Payment Date on which the Notes are redeemed under this Note Condition 8.3(c)) *multiplied* by 100/95; minus
 - (iii) the balance standing to the credit of each Transaction Account and any other cash held by or on behalf of the Issuer in any other Issuer Account (excluding for these purposes (A) any amounts recorded to the credit of the General

Reserve Fund Ledger and any amounts recorded to the credit of the Liquidity Reserve Fund Ledger and (B) and Purchaser Receipts) (and other than any amounts which are to be applied in accordance with the Swap Collateral Account Priority of Payments, including for the avoidance of doubt, (i) Swap Collateral, (ii) any Replacement Swap Premium paid to the Issuer, and (iii) amounts in respect of Swap Tax Credits),

in each case as calculated on the Calculation Date immediately preceding the Interest Payment Date on which the Notes are redeemed pursuant to this Note Condition 8.3(c),

(the "**Base 10 Per Cent. Clean-up Call Purchase Price**"); or

- (b) the current value of the principal balance of all of the Loans and their Related Security comprising the Portfolio as at the end of the Collection Period prior to the Interest Payment Date on which the Notes are redeemed under this Note Condition 8.3(c) (including any amounts and market value payable in relation to the termination of the Swap Agreement),

(the "**10 Per Cent. Clean-up Call Current Value Purchase Price**").

The Cash Manager shall calculate the final 10 Per Cent. Clean-up Call Purchase Price not less than 2 Business Days prior to the date on which the Notes and Class VRR Notes are redeemed and the Certificates are cancelled following the exercise of the 10 Per Cent. Clean-Up Call, and shall, within one Business Day of calculating such amount, inform the Issuer (which shall inform the relevant purchaser of the Portfolio) of the final 10 Per Cent. Clean-up Call Purchase Price.

The 10 Per Cent. Clean-up Call Purchase Price will be applied in accordance with the Post-Enforcement Priority of Payments on the Interest Payment date on which the Notes are redeemed pursuant this Note Condition and the Class VRR Notes are redeemed pursuant to the Class VRR Note Conditions.

In the event that the Refinancing Option is exercised, following the Refinancing Date, the 10 Per Cent. Clean-Up Call shall, for the avoidance of doubt, be exercisable when the Current Balance of the Portfolio is less than 10% of the Current Balance of the Portfolio as at the Cut-Off Date. Following any sale of Loans and their Related Security in connection with this Note Condition, the servicing of such Loans and their Related Security may be carried out by Atom Bank on substantially the same terms as those contained in the Servicing Agreement.

8.4 Redemption of the Notes, Class VRR Notes and Certificates for Taxation or Other Reasons

If:

- (a) by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on or before the next Interest Payment Date the Issuer or the Paying Agents would be required to deduct or withhold from any payment of principal or interest on any Notes (other than because the relevant holder has some connection with the United Kingdom other than the holding of such Notes) any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political sub-division thereof or any authority thereof or therein having power to tax;

- (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 the Class VRR Notes or the Certificates; 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 sub-paragraph (a), (b) or (c) above, appoint a Paying Agent in another jurisdiction or use its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another jurisdiction approved in writing by the Note Trustee as principal debtor under the Notes and the Class VRR Notes and the Certificates 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 the Class VRR Notes (and in making such determination, the Note Trustee may rely, without further investigation or inquiry, on (A) any confirmation made orally to the Issuer (in which case the Servicer on behalf of the Issuer shall confirm the same in writing to the Note Trustee) or in writing from each of the Rating Agencies that the then current ratings of the Rated 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 Manager and the Note Trustee (an "**Issuer Certificate**"), a written certification from the Issuer to the Note Trustee and the Security Trustee (a "**Certificate**") that such proposed action (i) (while any Rated Notes remain outstanding) has been notified to the Rating Agencies, (ii) would not have an adverse impact on the Issuer's ability to make payment when due in respect of the Rated Notes, would not affect the legality, validity and enforceability of any of the Transaction Documents or any Security and (iii) (while any of the Rated Notes remain outstanding) would not have an adverse effect on the rating of the Rated Notes) (upon which confirmation or certificate the Note Trustee shall be entitled to rely absolutely without liability to any person for so doing); and
- (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.

On any Interest Payment Date following the occurrence of a Redemption Event, the Issuer may redeem all (but not some only) of the Notes in each class and the Class VRR Notes at their Principal Amount Outstanding on such Interest Payment Date pursuant to this Note Condition 8.4 and Class VRR Note Condition 8.4 and cancel the Certificates pursuant to Certificate Condition 7.3. 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 sub-paragraph (a), (b) or (c) above is continuing and that the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such appointment or substitution. The Issuer shall: (i) give not more than 60 nor less than 15 days' notice to the Noteholders in accordance with Note Condition 16 (*Notice to Noteholders*), the Class VRR Noteholders in accordance with Class VRR Note Condition 16 (*Notice to Class VRR Noteholders*), the Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*) and the Note Trustee, the Paying Agent, the Registrar, each Rating Agency and the Swap Provider, of its intention to redeem all (but not some only) of the Notes in each

Class and the Class VRR Notes and the Certificates; and (ii) provide to the Note Trustee, prior to giving the notice referred to in (i) above, a certificate signed by two directors of the Issuer to the effect that the Issuer will have sufficient funds required to redeem the Notes and the Class VRR Notes at their Principal Amount Outstanding pursuant to this Note Condition 8.4 and Class VRR Note Condition 8.4 and cancel the Certificates pursuant to Certificate Condition 7.3, and meet the Issuer's payment obligations of a higher priority under the Pre-Enforcement Revenue Priority of Payments (upon which the Note Trustee shall rely absolutely and without enquiry or liability).

Following the occurrence of a Redemption Event, the Portfolio Call Option shall be capable of being exercised in accordance with the Certificate Conditions and if the Portfolio Call Option is exercised then the Issuer will not redeem any of the Notes pursuant to this Note Condition 8.4 or any of the Class VRR Notes pursuant to Class VRR Note Condition 8.4 and shall not cancel the Certificates pursuant to Certificate Condition 7.3.

8.5 Principal Amount Outstanding

The "**Principal Amount Outstanding**" of each Class of Notes on any date shall:

- (a) in relation to a Note, be the original principal amount of that Note on the Closing Date less the aggregate amount of any principal payments in respect of that Note which have become due and payable (and have been paid) on or prior to that day;
- (b) in relation to a Class, be the aggregate of the amount in paragraph (a) above in respect of all Notes outstanding in such Class; and
- (c) in relation to all the Notes outstanding at any time, be the aggregate of the amount in paragraph (a) above in respect of all Notes outstanding.

8.6 Notice of Redemption

Any such notice as is referred to in Note Condition 8.3, Class VRR Note Condition 8.3, Certificate Condition 7.2, Note Condition 8.4, Class VRR Note Condition 8.4 or Certificate Condition 7.3 shall be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the relevant Notes and Class VRR Notes at the applicable amounts specified above and the Certificates out of Available Revenue Receipts. Any certificate or legal opinion given by or on behalf of the Issuer in connection with the exercise of the Call Option may be relied on by the Note Trustee without further investigation and, if so relied on, shall be conclusive and binding on the Noteholders, the Class VRR Noteholders and the Certificateholders.

8.7 No Purchase by the Issuer

The Issuer will not be permitted to purchase any of the Notes.

8.8 Cancellation on redemption in full and/or the exercise of the Refinancing Option

All Notes redeemed in full will be cancelled upon redemption. Notes cancelled upon redemption in full may not be resold or re-issued.

9 TAXATION

- 9.1 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, assessments, deductions, withholdings or charges of any nature whatsoever and wheresoever imposed, including (but not limited to) 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 Note Condition 8.4 (*Redemption of the Notes, Class VRR Notes and Certificates 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.

- 9.2 The Issuer will treat the Rule 144A Notes (other than a Rule 144A Note that is a Class E Note, a Class F Note or a Class Z Note) as indebtedness for U.S. federal income tax purposes. Each holder of a Rule 144A Note (other than a Rule 144A Note that is a Class E Note, a Class F Note or a Class Z Note), by the acceptance thereof, agrees to treat such Rule 144A note as indebtedness for U.S. federal income tax purposes.

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 Note 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 Note 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 (i) the Noteholders of not less than 25% in aggregate Principal Amount Outstanding of the Most Senior Class, for so long as there are any Notes outstanding, (ii) not less than 25% of the Certificateholders, for so long as there are no Notes outstanding, (iii) or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class outstanding, shall (subject to being indemnified and/or prefunded and/or secured to its satisfaction as more particularly described in the Trust Deed) deliver a notice (an "**Enforcement Notice**") to the Issuer (with a copy to the Swap Provider, the Cash Manager, the Security Trustee, the Servicer, the Standby Facilitator, the Citi Transaction Account Bank, the Elavon Account Bank, the Swap Collateral Account Bank and the Seller) that all Classes of the Notes and all of the Class VRR Notes then outstanding shall thereby immediately become due and repayable at their respective Principal Amount Outstanding, together with accrued (and unpaid) interest and the Certificateholders will be entitled to Residual Payments (if any) in each case as provided in the Trust Deed, if any of the following events (each, an "**Event of Default**") occur:

- (a) non-payment of interest and/or principal due in respect of the Notes and such non-payment continues for a period of five Business Days in the case of interest and five Business Days in the case of principal, provided that deferral of interest in accordance with Note Condition 18 (*Subordination by Deferral*) shall not be an Event of Default; or

- (b) failure by the Issuer to perform or observe any of its other obligations under the Note Conditions, Class VRR Note Conditions, Certificate Conditions or any Transaction Document to which it is a party which in the opinion of the Note Trustee is materially prejudicial to the interests of the holders of the Most Senior Class and the failure continues for a period of 15 days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the failure to be incapable of remedy, then no continuation or notice as is aforementioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) any representation or warranty made by the Issuer under any Transaction Document is incorrect in any material respect when made which in the opinion of the Note Trustee is materially prejudicial to the interests of the holders of the Most Senior Class and the matters giving rise to such misrepresentation are not remedied within a period of 15 days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the matters giving rise to such misrepresentation to be incapable of remedy, then no continuation or notice as is hereinafter mentioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or
- (d) if any order is made by any competent court or any resolution is passed for the winding up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the holders of the Most Senior Class; 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 holders of the Most Senior Class, 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 Issuer is deemed unable to pay its debts within the meaning of Sections 123(1) or (2) of the Insolvency Act (or any equivalent or analogous legislative provision, as applicable to such person) or (iii) the Issuer 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 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 Note Condition 11.1 (*Notes*), all Classes of the Notes and all of the Class VRR Notes then outstanding shall thereby immediately become due and repayable at their respective Principal Amount Outstanding, together with accrued (and unpaid) interest. The Certificateholders will be entitled to Residual Payments, if any.

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 Class VRR Notes or the Trust Deed (including these Note Conditions and the Class VRR Note Conditions) or (in the case of the Security Trustee) the Deed of Charge or (in either case) any of the other Transaction Documents to which it is a party and, at any time after the service of an Enforcement Notice, the Security Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce the Security, but neither of them shall be bound to take any such proceedings, action or steps unless:

- (a) the Note Trustee or Security Trustee shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class then outstanding or directed in writing by (i) the Noteholders of not less than least 25% in aggregate Principal Amount Outstanding of the Most Senior Class, for so long as there are any Notes outstanding, or (ii) not less than 25% of the Certificateholders, for so long as there are no Notes outstanding; and
- (b) in all cases, it shall have been indemnified and/or prefunded and/or secured to its satisfaction.

No Noteholder or other Secured Creditor may proceed directly against the Issuer unless the Note Trustee or Security Trustee, having become bound to do so, fails to do so within a reasonable period of time and such failure is continuing.

12.2 Preservation of Assets

If the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes or the Class VRR Notes, the Security Trustee will not be entitled to dispose of any of the Charged Assets or any part thereof unless either (a) a sufficient amount would be realised to allow discharge in full on a *pro rata* and *pari passu* basis of all amounts owing to the holders of the Notes and the Class VRR Notes (and all persons ranking in priority to the holders of the Notes and the Class VRR Notes), or (b) the Security Trustee is of the opinion, which shall be binding on the Secured Creditors, reached after considering at any time and from time to time the advice of any financial adviser (or such other professional advisers selected by the Security Trustee for the purpose of giving such advice), that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing: (i) to the Noteholders and the Class VRR Noteholders (and all persons ranking in priority to the Noteholders and the Class VRR Noteholders as set out in the order of priority set out in the Post-Enforcement Priority of Payments); and (ii) once all the Noteholders and the Class VRR Noteholders (and all such higher ranking persons) have been repaid, to the remaining Secured Creditors in the order of priority set out in the Post-Enforcement Priority of Payments. The fees and expenses of the

aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer. The Security Trustee shall be entitled to rely upon any financial or other professional advice referred to in this Note Condition 12.2 without further enquiry and shall incur no liability to any person for so doing.

12.3 Limitations on Enforcement

No Noteholder or any other Secured Creditor 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 Note 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 or any other Secured Creditor shall be entitled to take any steps or proceedings to procure the winding up, administration or liquidation of the Issuer.

12.4 Limited Recourse

Notwithstanding any other Note 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 undertaking of the Issuer the subject of any security created under and pursuant to the Deed of Charge (the "**Charged Assets**"). If:

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

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain due or to be paid in respect of the Notes (including, for the avoidance of doubt, payments of principal, premium (if any) or interest in respect of the Notes) and the Issuer shall be deemed to be discharged from making any further payments in respect of the Notes and any further payment rights shall be extinguished.

13 MEETINGS OF NOTEHOLDERS, CERTIFICATEHOLDERS AND CLASS VRR NOTEHOLDERS - MODIFICATION, WAIVER AND SUBSTITUTION

- 13.1 The Trust Deed contains provisions for convening separate or combined meetings of the Noteholders of each Class (and, in certain cases, more than one Class) and/or the Certificateholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions or the provisions of any of the Transaction Documents.

13.2 For the purposes of these Note Conditions, "**Most Senior Class**" means the Class A Notes or, if there are no Class A Notes then outstanding, the Class B Notes or, if there are no Class B Notes outstanding, the Class C Notes or, if there are no Class C Notes outstanding, the Class D Notes or, if there are no Class D Notes outstanding, the Class E Notes or, if there are no Class E Notes outstanding, the Class F Notes or, if there are no Class F Notes outstanding, the Class Z Notes or, if there are no Class Z Notes outstanding, the Certificates.

13.3 Separate and combined meetings

13.3.1 The Trust Deed provides that:

- (a) an Extraordinary Resolution which in the opinion of the Note Trustee affects the interests of the holders of the Notes of only one Class or the Certificateholders only shall be considered at a separate meeting of the holders of the Notes of that Class (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) or at a separate meeting of the Certificateholders only (as relevant);
- (b) an Extraordinary Resolution which in the opinion of the Note Trustee affects holders of (i) more than one Class of Notes or (ii) at least one Class of Notes, and the Certificateholders, but in each case does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the holders of another Class of Notes and/or the Certificateholders shall be considered either at separate meetings of the Noteholders of each such Class and/or Certificateholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1), or at a single meeting of the Noteholders of all such Classes of Notes and/or the Certificateholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) as the Note Trustee shall determine in its absolute discretion;
- (c) an Extraordinary Resolution which in the opinion of the Note Trustee affects holders of (i) more than one Class of Notes or (ii) at least one Class of Notes, and the Certificateholders, and in each case gives rise to any actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes and/or the Certificateholders, shall be considered at separate meetings of the Noteholders of each such Class and the Certificateholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1); and
- (d) no Extraordinary Resolution of the Noteholders or the Certificateholders shall take effect for any purpose while more than a single Class of Notes remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Most Senior Class of Noteholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1), or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Most Senior Class of Noteholders.

13.3.2 The Trust Deed also provides that, notwithstanding any other provision of these Note Conditions, the Class VRR Note Conditions, the Certificate Conditions, the Trust Deed or any

other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver which constitutes or comprises a Class VRR Entrenched Right unless all the Class VRR Noteholders have consented to such modification or waiver by way of a unanimous Written Resolution. Otherwise, all Extraordinary Resolutions and Ordinary Resolutions of the Noteholders will be binding on the holders of the Class VRR Notes and the Certificateholders.

13.3.3 The references above to meetings of the holders of the Notes of a particular Class (whether or not that provision refers to holders of those Notes voting with the Class VRR Noteholders) shall mean that the Class VRR Noteholders shall, where they are considered to be outstanding (as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1), be entitled to vote in respect of the amount of the Relevant Class VRR Note Portion together with the Corresponding Instrument.

13.4 Request from Noteholders or the Certificateholders

- (a) A meeting of Noteholders of a particular Class (and the Class VRR Noteholders in respect of the Relevant Class VRR Note Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) may be convened by the Note Trustee or the Issuer at any time and must be convened by the Note Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Noteholders of a particular Class (and the Class VRR Noteholders in respect of the Relevant Class VRR Note Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) holding not less than ten per cent. of the aggregate Principal Amount Outstanding of the Notes of that Class (together with the Relevant Class VRR Note Portion if the Class VRR Noteholders are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1).
- (b) A meeting of the Certificateholders (and the Class VRR Noteholders in respect of the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) only may be convened by the Note Trustee or the Issuer at any time and must be convened by the Note Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of the Certificateholders and Class VRR Noteholders holding not less than ten per cent. of the total number of Certificates and the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1.

In the case of Note Condition 13.4(a) and (b) above, so long as no Event of Default has occurred and is continuing, the Noteholders, the Class VRR Noteholders and the Certificateholders are not entitled to instruct or direct the Issuer to take any action, either directly or indirectly through the Note Trustee, without consent of the Issuer and, if applicable, certain other Transaction Parties pursuant to any relevant Transaction Documents, unless the Issuer has an obligation to take such action under the relevant Transaction Documents.

13.5 Quorum

13.5.1 Initial Meeting

The quorum at any initial meeting convened to vote on:

- (i) an Ordinary Resolution shall be one or more persons present and holding or representing in aggregate not less than one quarter of the total of:

- (A) the Principal Amount Outstanding of the relevant Class or Classes of Notes, then outstanding; and
- (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument);
- (ii) an Extraordinary Resolution (other than a Basic Terms Modification or a Class VRR Entrenched Right) shall be one or more persons present and holding or representing in the aggregate not less than 50 per cent. of the total of:
 - (A) the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding; and
 - (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument); and
- (iii) a Basic Terms Modification shall be one or more persons present and holding or representing in the aggregate not less than three-quarters of the total of:
 - (A) the Principal Amount Outstanding of such Class or Classes of Notes then outstanding; and
 - (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument).

13.5.2 Adjourned Meeting

The quorum at any adjourned meeting re-convened to vote on:

- (i) an Ordinary Resolution shall be one or more persons present and holding or representing in aggregate not less than 10 per cent. of the total of:
 - (A) the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding; and
 - (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument);
- (ii) an Extraordinary Resolution (other than a Basic Terms Modification or a Class VRR Entrenched Right) shall be one or more persons present and holding or representing in the aggregate not less than 25 per cent. of the total of:
 - (A) the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding; and
 - (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument); and
- (iii) a Basic Terms Modification shall be one or more persons present and holding or representing in the aggregate not less than 50 per cent. of the total of:
 - (A) the Principal Amount Outstanding of such Class or Classes of Notes then outstanding; and
 - (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument).

13.5.3 Certificates – Initial Meeting

The quorum at any initial meeting convened to vote on:

- (i) an Ordinary Resolution, shall be one or more persons present and holding or representing in aggregate not less than one quarter of the total number of:
 - (A) Certificates then outstanding; and
 - (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1;
- (ii) an Extraordinary Resolution (other than a Basic Terms Modification or a Class VRR Entrenched Right) shall be one or more persons present and holding or representing in the aggregate not less than 50 per cent. of the total number of:
 - (A) Certificates then outstanding; and
 - (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1; and
- (iii) a Basic Terms Modification shall be one or more persons present and holding or representing in the aggregate not less than three-quarters of the total number of:
 - (A) Certificates then outstanding; and
 - (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1.

13.5.4 Certificates – Adjourned Meeting

The quorum at any adjourned meeting re-convened to vote on:

- (i) an Ordinary Resolution shall be one or more persons present and holding or representing in aggregate not less than 10 per cent. of the total number of:
 - (A) Certificates then outstanding; and
 - (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1;
- (ii) an Extraordinary Resolution (other than a Basic Terms Modification or a Class VRR Entrenched Right) shall be one or more persons present and holding or representing in the aggregate not less than 25 per cent. of the total number of:
 - (A) Certificates then outstanding; and
 - (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1; and

- (iii) a Basic Terms Modification shall be one or more persons present and holding or representing in the aggregate not less than 50 per cent. of the total number of:
 - (A) Certificates then outstanding; and
 - (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1.
- (b) A basic terms modification (a "**Basic Terms Modification**") shall mean:
 - (i) sanction a modification of the date of maturity of the Notes, the Class VRR Notes or Certificates;
 - (ii) sanction a modification of the date of payment of principal or interest in respect of the Notes, any amounts in respect of Class VRR Notes or any amounts in respect of the Certificates, or where applicable, of the method of calculating the date of payment of principal or interest in respect of the Notes, any amounts in respect of Class VRR Notes or any amounts in respect of the Certificates, except in accordance with Note Conditions 13.9(i) or (j), or Class VRR Note Conditions 13.9(i) or (j), or Certificate Conditions 12.9(i) or (j) in relation to any Reference Rate Modification or Swap Rate Modification;
 - (iii) sanction a modification of the amount of principal or the rate of interest payable in respect of the Notes, or where applicable, of the method of calculating the amount payable of any principal or interest in respect of the Notes (including, if any such modification is proposed for any Class of Notes), or the amount payable in respect of the Class VRR Notes, or any amounts payable in respect of the Certificates except in accordance with Note Conditions 13.9(i) or (j), Class VRR Note Conditions 13.9(i) or (j), or Certificate Conditions 12.9(i) or (j) in relation to any Reference Rate Modification or Swap Rate Modification;
 - (iv) alter the currency in which payments under any Class of Notes, Class VRR Notes or 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, Class VRR Notes or Certificates; or
 - (vii) any change to the definition of Basic Terms Modification.

13.6 **Most Senior Class and Limitations on other Noteholders**

- (a) Other than in relation to a Basic Terms Modification:
 - (i) subject to Note Conditions 13.6(a)(ii) and (iii) and the Class VRR Entrenched Rights, an Extraordinary Resolution passed at any meeting of the holders of the Most Senior Class (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) shall be binding on such Noteholders and all other Classes of Noteholders and the Class VRR Noteholders and the

Certificateholders irrespective of the effect upon them (whether or not present at such meeting and whether or not voting);

- (ii) subject to Note Condition 13.6(a)(iii) and the Class VRR Entrenched Rights, an Extraordinary Resolution passed at any meeting of a relevant Class of Noteholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) shall be binding on (i) such Noteholders and all other Classes of Noteholders ranking junior to such Class of Noteholders in the Post-Enforcement Priority of Payments, (ii) the Class VRR Noteholders, and (iii) the Certificateholders, in each case, irrespective of the effect it has upon them (whether or not present at such meeting and whether or not voting); and
- (iii) no Extraordinary Resolution of any Class of Noteholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) shall take effect for any purpose while any of the Most Senior Class remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1), all Notes ranking in priority thereto, or the Note Trustee and/or Security Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class,

provided that, in respect of any Extraordinary Resolution of a Class or Classes of Noteholders relating to any modification, amendment or supplement to any of the Transaction Documents, the Note Conditions, the Class VRR Note Conditions or Certificate Conditions which would encroach on any Swap Provider Entrenched Rights, the prior written consent of the Swap Provider is also needed prior to such amendments being made.

For the purposes of these Note Conditions, "**Swap Provider Entrenched Rights**" means any modification, amendment or supplement which would have the effect:

- (1) that immediately thereafter, the Swap Provider would be required to pay more to or receive less from a third party transferee if it were to transfer the Swap Transaction to such third party transferee (subject to and in accordance with Part 5(m) of the Swap Agreement) than would otherwise be the case if such amendment were not made; or
- (2) of altering the amount, timing or priority of any payments or deliveries due to be made by or to the Swap Provider under the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions or any Transaction Document (including, without limitation, the Pre-Enforcement Revenue Priority of Payments, the Post-Enforcement Priority of Payments or the Swap Collateral Account Priority of Payments); or
- (3) of altering the Issuer's ability to make payments or deliveries to the Swap Provider; or
- (4) of altering 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; or

(5) of amending Note Condition 8 (Redemption), Class VRR Note Condition 8 (Redemption) or any additional redemption rights in respect of the Notes, the Class VRR Notes or the Certificates, provided that such modification, amendment or supplement would be materially prejudicial to the Swap Provider; or

(6) of altering any requirement to obtain the Swap Provider's prior consent (written or otherwise) in respect of any matter.

13.7 Relationship between Classes of Notes, Class VRR Notes and Certificates

(a) In relation to each Class of Notes, Class VRR Notes and Certificates, no Extraordinary Resolution:

(i) involving a Basic Terms Modification shall be effective unless it is sanctioned by separate Extraordinary Resolutions of:

(A) the holders of each of the other Classes of Notes (to the extent that there are outstanding Notes in each such other classes) where the Class VRR Noteholders would be entitled to vote in respect of the Relevant Class VRR Note Portion that corresponds with the Corresponding Instrument, if the Relevant Class VRR Note Portion is considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1); and

(B) the Certificateholders where the Class VRR Noteholders would be entitled to vote in respect of the Relevant Class VRR Note Certificate Portion, if the Relevant Class VRR Note Certificate Portion is considered to be "outstanding" as defined in Certificate Condition 1; or

(ii) involving a Class VRR Entrenched Right shall be effective unless it has been sanctioned by a unanimous written resolution of the holders of all Class VRR Notes (to the extent that there are outstanding Class VRR Notes).

(b) Except in the case of a Basic Terms Modification or a Class VRR Entrenched Right, any resolution passed at a meeting of the holders of the Most Senior Class duly convened and held as aforesaid shall also be binding upon the holders of all the other Classes of Notes, the holders of the Class VRR Notes and the Certificateholders.

(c) A written resolution shall take effect as if it were an Extraordinary Resolution.

13.8 The Class VRR Notes

(a) Any Class VRR Entrenched Rights shall be exercisable solely by way of a unanimous written resolution, without the need for a meeting.

(b) Where meetings of Noteholders or Certificateholders are held, the Class VRR Noteholders shall count for the purposes of quorum and be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1.

- (c) However, if the Class VRR Noteholders are not considered to be "outstanding", they shall not be entitled to count towards quorum or voting at meetings of Noteholders or Certificateholders, and shall not be entitled to consider the relevant matter separately on their own either.
- (d) For the avoidance of doubt, as defined in Note Condition 1, Class VRR Note Condition 1, and Certificate Condition 1, in relation to the Class VRR Notes and for the purposes of meetings of Noteholders, "**outstanding**" means, all the Class VRR Notes issued from time to time which are held by or on behalf of the Seller, and, shall, for the avoidance of doubt, be deemed to remain outstanding (i) in respect of a Basic Terms Modification and/or (ii) Class VRR Entrenched Rights.
- (e) The Note Trustee shall, as regards all the powers, trusts, authorities, duties and discretions vested in it by the Transaction Documents, the Notes, the Certificates, or the Class VRR Notes, except where expressly provided otherwise, have regard to the interests of the Noteholders, the Certificateholders, the Class VRR Noteholders and the other Secured Creditors, but if, in the Note Trustee's sole opinion, there is a conflict between their interests, it will have regard solely to the interests of the Noteholders and no Class VRR Noteholder or any other Secured Creditor shall have any claim against the Note Trustee for so doing. Where, in the opinion of the Note Trustee there is a conflict of interests of holders of the different Classes of Notes and Class VRR Notes, the Note Trustee shall give priority to the interests of the Noteholders whose interests shall prevail, save where any Class VRR Entrenched Rights are affected (in which case the Note Trustee, or as relevant, the Security Trustee, will have regard to the interests of the Class VRR Noteholders as well and regard to their ability to exercise the Class VRR Veto in respect of such Class VRR Entrenched Rights).
- (f) In these Note Conditions:

"**Corresponding Instrument**" means:

- (i) in respect of the Relevant Class VRR Note Class A Portion, the Class A Notes;
- (ii) in respect of the Relevant Class VRR Note Class B Portion, the Class B Notes;
- (iii) in respect of the Relevant Class VRR Note Class C Portion, the Class C Notes;
- (iv) in respect of the Relevant Class VRR Note Class D Portion, the Class D Notes;
- (v) in respect of the Relevant Class VRR Note Class E Portion, the Class E Notes;
- (vi) in respect of the Relevant Class VRR Note Class F Portion, the Class F Notes;
- (vii) in respect of the Relevant Class VRR Note Class Z Portion, the Class Z Notes;
and
- (viii) in respect of the Relevant Class VRR Note Certificate Portion, the Certificates.

"**Relevant Class VRR Note Portion**" means, as the context requires:

- (i) "**Relevant Class VRR Note Class A Portion**" which shall mean:
 - (A) Class A Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount

Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*

(B) the Class VRR Note Principal Amount Outstanding;

(ii) **"Relevant Class VRR Note Class B Portion"** which shall mean:

(A) Class B Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*

(B) the Class VRR Note Principal Amount Outstanding;

(iii) **"Relevant Class VRR Note Class C Portion"** which shall mean:

(A) Class C Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*

(B) the Class VRR Note Principal Amount Outstanding;

(iv) **"Relevant Class VRR Note Class D Portion"** which shall mean:

(A) Class D Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*

(B) the Class VRR Note Principal Amount Outstanding;

(v) **"Relevant Class VRR Note Class E Portion"** which shall mean:

(A) Class E Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*

(B) the Class VRR Note Principal Amount Outstanding;

(vi) **"Relevant Class VRR Note Class F Portion"** which shall mean:

- (A) Class F Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*
 - (B) the Class VRR Note Principal Amount Outstanding;
- (vii) **"Relevant Class VRR Note Class Z Portion"** which shall mean:
- (A) Class Z Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*
 - (B) the Class VRR Note Principal Amount Outstanding; or
- (viii) **"Relevant Class VRR Note Certificate Portion"** which shall be deemed to mean 526 Certificates for the purposes of voting provisions;

"Class A Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class A Notes;

"Class B Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class B Notes;

"Class C Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class C Notes;

"Class D Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class D Notes;

"Class E Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class E Notes;

"Class F Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class F Notes;

"Class Z Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class Z Notes; and

"Class VRR Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class VRR Notes.

For the avoidance of doubt, references to meetings of Noteholders and other related provisions should be construed to include the Relevant Class VRR Note Portion and the rights of the Class VRR Noteholders to exercise those rights (as the case may be).

13.9 Modification to the Transaction Documents

- (a) The Note Trustee may (or in the case of (iv) below, shall) at any time and from time to time, with the written consent of the Secured Creditors which are a party to the relevant Transaction

Document (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) but without the consent or sanction of the Noteholders, Class VRR Noteholders, Certificateholders, or any other Secured Creditors agree with the Issuer and any other parties (and/or direct the Security Trustee to agree with the Issuer or any such other parties) in making or sanctioning any modification:

- (i) other than in respect of a Basic Terms Modification or Class VRR Entrenched Rights, to the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document, which in the opinion of the Note Trustee (acting in accordance with the Trust Deed) or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee), will not be materially prejudicial to the interests of the Noteholders, the Class VRR Noteholders, the Certificateholders, or the interests of the Note Trustee or the Security Trustee;
- (ii) other than in respect of a Basic Terms Modification or Class VRR Entrenched Rights, to the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document for the purposes of making any changes which are necessary to facilitate a Refinancing;
- (iii) to the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document if in the opinion of the Note Trustee (acting in accordance with the Trust Deed) or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee), such modification is of a formal, minor or technical nature or to correct a manifest error; or
- (iv) to the Transaction Documents, the Note Conditions, the Class VRR Note Conditions or the Certificate Conditions that are requested in writing by the Issuer (acting in its own discretion or at the direction of any transaction party including the Swap Provider) in order to enable the Issuer (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 ("**EMIR**"), irrespective of whether such modifications are (i) materially prejudicial to the interests of the holders of any Class of Notes, the holders of any Class VRR Notes, the holders of any Certificates or any other Secured Creditor or (ii) in respect of a Basic Terms Modification or Class VRR Entrenched Rights (any such modification, an "**EMIR Amendment**") and subject to receipt by the Note Trustee and the Security Trustee of a certificate of (i) the Issuer signed by two directors or (ii) the Servicer on behalf of the Issuer certifying to the Note Trustee and the Security Trustee that the amendments requested by the Issuer (either on its own behalf or at the direction of any transaction party including the Swap Provider) are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under EMIR,

provided that, in respect of any such modification, amendment or supplement to any of the Transaction Documents, the Note Conditions, the Class VRR Note Conditions or Certificate Conditions which would encroach on any Swap Provider Entrenched Rights, the prior written consent of the Swap Provider is also needed prior to such amendments being made.

Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification pursuant to this Note Condition 13.9(a) which, in the sole opinion of the Note Trustee or, as the case may be, the Security Trustee, would have the effect of:

- (A) exposing the Note Trustee (or, as the case may be, the Security Trustee) to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction; or

- (B) increasing the obligations or duties, or decreasing the protections of the Note Trustee (or, as the case may be, the Security Trustee) in the Transaction Documents and/or the Note Conditions, the Class VRR Note Conditions or the Certificate Conditions.
- (b) Notwithstanding anything to the contrary in the Trust Deed or the other Transaction Documents, when implementing any EMIR Amendment pursuant to this Note Condition 13.9, the Note Trustee (or, as the case may be, the Security Trustee) shall not consider the interests of the Noteholders, any other Secured Creditor or any other person, but shall act and rely solely and without further investigation on any certificate provided to it by the Issuer pursuant to this Note Condition 13.9 and shall not be liable to any Noteholder, Class VRR Noteholder, Certificateholder or any other Secured Creditor for so acting or relying.

13.10 Additional Right of Modification

Notwithstanding the provisions of Note Condition 13.9 (*Modification to the Transaction Documents*), Class VRR Note Condition 13.9 (*Modification to the Transaction Documents*) or Certificate Condition 12.9 (*Modification to the Transaction Documents*), the Note Trustee shall be obliged, without any consent or sanction of the Noteholders, the Class VRR 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 agree with the Issuer, and/or to direct the Security Trustee to agree with the Issuer, in making any modification (other than in respect of a Basic Terms Modification or in respect of any Class VRR Entrenched Rights) to the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document to which it is a party or in relation to which it holds security or to enter into any new, supplemental or additional documents that the Issuer (in each case) considers necessary:

- (a) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that:
 - (i) the Issuer certifies in writing to the Note Trustee and the Security Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and
 - (ii) in the case of any modification to a Transaction Document proposed by any of the Seller, the Servicer, the Swap Provider, the Cash Manager the Agent Bank, the Principal Paying Agent, the Citi Transaction Account Bank, the Elavon Account Bank, the Custodian or the Swap Collateral Account Bank (for the purpose of this Note Condition 13.10 only, each a "**Relevant Party**"), in order
 - (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or
 - (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds)):
 - (A) the Relevant Party certifies in writing to the Issuer, the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in paragraph (ii)(x) and/or (y) above; and
 - (B) either:

- I. the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) obtains from each of the Rating Agencies, a Rating Agency Confirmation (or certifies in writing to the Issuer (in the case of the Relevant Party or the Servicer), the Note Trustee and the Security Trustee that no Rating Agency Confirmation has been received within 30 days of a written request for such Rating Agency Confirmation) that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency and would not result in any Rating Agency placing any Rated Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer (in the case of the Relevant Party or the Servicer), the Note Trustee and the Security Trustee; or
 - II. the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent); and
- (C) the Relevant Party pays all costs and expenses (including legal fees) incurred by the Issuer and the Note Trustee and the Security Trustee in connection with such modification; and/or
- (b) for the purpose of complying with any changes in the requirements of Article 405 of the CRR, Article 51 of the AIFM Regulation or Article 254 of the Solvency II Regulation after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the CRR, the AIFM Regulation or the Solvency II Regulation or any other risk retention legislation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect; and/or
 - (c) for the purpose of enabling the Notes, the Class VRR Notes and the Certificates to comply with the requirements of the Securitisation Regulation, including relating to (i) the treatment (if any) of the Notes, the Class VRR Notes and the Certificates as a simple, transparent and standardised securitisation, and (ii) any related regulatory technical standards authorised under the Securitisation Regulation *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; and/or
 - (d) for the purpose of complying with any changes in the requirements of (i) Section 15G of the Securities Exchange Act of 1934, as amended, as added by section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, after the Closing Date, (ii) the CRR Amendment Regulation, or (iii) any other risk retention legislation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect; and/or

- (e) for the purpose of enabling the Notes and Class VRR 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; and/or
- (f) for the purposes of enabling the Issuer or any other person that is party to a Transaction Document (a "**Transaction Party**") to comply with FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto), provided that the Issuer or the relevant Transaction Party, as applicable, certifies to the Security Trustee and the Note Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect; and/or
- (g) for the purposes of making any changes which are necessary to facilitate a Refinancing; and/or
- (h) for the purposes of making any changes necessary to allow the Issuer to open additional accounts held and maintained at a bank that has the Account Bank Required Minimum Rating, and to enter into additional account bank (or other similar agreements) agreements and agreements and agreements ancillary thereto, including in relation to any Securities Custody Account and its related Securities Custody Agreement, such additional bank account agreements shall be designated as Transaction Documents,

(the certificate to be provided by the Issuer or Servicer (on behalf of the Issuer), and/or the Relevant Party, as the case may be, pursuant to Note Conditions 13.10(a) to (h) above being a "**Modification Certificate**"); and/or

- (i) for the purpose of changing the reference rate in respect of the Notes from SONIA to an alternative reference rate (including where such reference rate may remain linked to SONIA but may be calculated in a different manner) (any such reference rate, an "**Alternative Reference Rate**") and make such other amendments to any of the Transaction Documents as are necessary or advisable in the reasonable judgement of the Issuer (or the Servicer on behalf of the Issuer) to facilitate such change or which are required as a consequence of adopting an Alternative Reference Rate (a "**Reference Rate Modification**"), provided that:
 - (i) the Issuer (or the Servicer on behalf of the Issuer), certifies to the Note Trustee and the Security Trustee in writing (such certificate, a "**Reference Rate Modification Certificate**") that:
 - (A) such Reference Rate Modification is being undertaken due to a Reference Rate Disruption; and
 - (B) such Alternative Reference Rate satisfies the Reference Rate Eligibility Requirement; and
 - (C) the modifications proposed in the context of the Reference Rate Modification are required solely for the purpose of applying the Alternative Reference Rate and making consequential modifications to the Notes Conditions, the Class VRR Note Conditions, the Certificate Conditions or any Transaction Document which are, as determined by the Issuer (or the Servicer on behalf of the Issuer) in its commercially reasonable judgement, necessary or advisable, and the modifications have been drafted solely to such effect,

- (ii) and provided further that either:
 - (A) the Issuer has obtained from each of the Rating Agencies written confirmation (or certifies in the Reference Rate Modification Certificate that it has been unable to obtain written confirmation from each Rating Agency) that the proposed Reference Rate Modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent) and, if relevant, it has provided a copy of any written confirmation to the Note Trustee and the Security Trustee, with the Reference Rate Modification Certificate; or
 - (B) the Issuer (or the Servicer on behalf of the Issuer), certifies in the Reference Rate Modification Certificate that it has given the Rating Agencies at least 10 Business Days prior written notice of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent).

"Reference Rate Disruption" means the occurrence of any of the following:

- (a) an alternative manner of calculating a SONIA-based rate being introduced and becoming a standard means of calculating interest in the publicly listed asset backed floating rate notes market; or
- (b) a material disruption to SONIA (as determined by the Servicer acting reasonably), an adverse change in the methodology of calculating SONIA (as determined by the Servicer acting reasonably), SONIA ceasing to exist or be published or the administrator of SONIA having used a fall-back methodology for calculating SONIA for a period of at least 30 calendar days; or
- (c) the insolvency or cessation of business of the administrator of SONIA (in circumstances where no successor administrator has been appointed); or
- (d) a public statement by the SONIA administrator that it will cease publishing SONIA permanently or indefinitely (in circumstances where no successor SONIA administrator has been appointed that will continue publication of SONIA) in each case with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or
- (e) a public statement by the supervisor of the SONIA administrator that SONIA has been or will be permanently or indefinitely discontinued or there will be a material change to the methodology of calculating SONIA with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or
- (f) a public statement by the supervisor of the SONIA administrator that means SONIA will be prohibited from being used or that its use is subject to restrictions or adverse consequences with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or

- (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 Financial Conduct Authority or the Prudential Regulation Authority 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; or
- (h) it having become unlawful and/or impossible and/or impracticable for any Agent Bank, the Issuer or the Cash Manager to calculate any payments due to be made to any Noteholder using SONIA; or
- (i) following the implementation of a Reference Rate Modification, it becomes generally accepted market practice in the publicly listed asset backed floating rate notes market to use a Reference Rate of interest which is different from the Alternative Reference Rate which had already been adopted by the Issuer in respect of the Notes pursuant to a Reference Rate Modification; or
- (j) it being the reasonable expectation of the Issuer (or the Servicer on its behalf) that any of the events specified in sub-paragraphs (b) to (i) (inclusive) above will occur or exist within six months of the proposed effective date of such Reference Rate Modification.

"Reference Rate Eligibility Requirement "means the Alternative Reference Rate being any one of the following:

- (a) a reference rate published, endorsed, approved or recognised by the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority 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 (which, for the avoidance of doubt, may be an alternative reference rate together with a specified adjustment factor which may increase or decrease the relevant alternative reference rate); or
- (b) a reference rate utilised in 5 publicly-listed new issues of Sterling denominated asset backed floating rate notes prior to the effective date of such Reference Rate Modification; or
- (c) a reference rate utilised in a publicly-listed new issue of Sterling denominated asset backed floating rate notes where the originator of the relevant assets is Atom Bank or an affiliate (including any parent entity of Atom Bank, any subsidiary of any parent entity of Atom Bank and any subsidiary of Atom Bank) of Atom Bank; or
- (d) such other reference rate as the Issuer (or the Servicer on its behalf) reasonably determines, ***provided that*** this option may only be used if the Issuer (or the Servicer on behalf of the Issuer) certifies to the Note Trustee and the Security Trustee that, in its reasonable opinion, none of sub-paragraph (a) to (c) above (inclusive) are applicable and/or practicable in the context of this transaction, and sets out the rationale in the Reference Rate Modification Certificate for choosing the proposed Alternative Benchmark Rate.

In the case of a Reference Rate Modification, such written notice shall include details of the adjustment which the Issuer (or the Servicer on behalf of the Issuer) proposes to make (if any) to the margin payable on each Class of Notes which are the subject of

the Reference Rate Modification in order to, so far as reasonably and commercially practicable, preserve what would have been the expected Rate of Interest applicable to each such Class of Notes had no such Reference Rate Modification been effected (the "**Note Rate Maintenance Adjustment**" which, for the avoidance of doubt, may effect an increase or a decrease to the margin or may be set at zero), provided that:

- (i) in the event that the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority 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, has published, endorsed, approved or recognised a note rate maintenance adjustment mechanism which could be used in the context of a transition from the Relevant Reference Rate to the Alternative Reference Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Reference Rate Modification; or
 - (ii) in the event that it has become generally accepted market practice in the Sterling-denominated asset backed floating rate notes market to use a particular note rate maintenance adjustment mechanism in the context of a transition from the Relevant Reference Rate to the Alternative Reference Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Reference Rate Modification; or
- (j) for the purpose of changing the reference rate that then applies in respect of the Swap Agreement to an alternative reference rate as is necessary or advisable in the commercially reasonable judgement of the Issuer (or the Servicer on its behalf) and the Swap Provider solely as a consequence of a Reference Rate Modification and solely for the purpose of aligning the reference rate of the Swap Agreement to the reference rate of the Notes following such Reference Rate Modification (a "**Swap Rate Modification**"), provided that the Issuer, or the Servicer on behalf of the Issuer, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and it has been drafted solely to such effect (such certificate being a "**Swap Rate Modification Certificate**"),

provided that, in the case of any modification made pursuant to Note Condition 13.10 (a) to (j) 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, Reference Rate Modification Certificate or Swap Rate Modification Certificate, as applicable, in relation to such modification shall be provided to the Note Trustee and the Security Trustee both at the time the Note Trustee and the Security Trustee are notified of the proposed modification and on the date that such modification takes effect; and
- (iii) the consent of each Secured Creditor which is party to the relevant Transaction Document has been obtained;

- (iv) other than in the case of a modification pursuant to Note Condition 13.10(a)(ii), either:
 - (A) the Issuer or the Servicer (on behalf of the Issuer) obtains from each of the Rating Agencies a Rating Agency Confirmation (or certifies in the Modification Certificate that no such Rating Agency Confirmation has been received within 30 days of a written request for such Rating Agency Confirmation) that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent); or
 - (B) the Issuer or the Servicer (on behalf of the Issuer) certifies in the Modification Certificate, Reference Rate Modification Certificate or Swap Rate Modification Certificate, as applicable, that it has informed the Rating Agencies of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent); and
- (v) the Issuer (or the Servicer on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee (which certification may be in the Modification Certificate, Reference Rate Modification Certificate or Swap Rate Modification Certificate, as applicable) that (I) the Issuer has provided at least 30 calendar days' notice to the Noteholders, Class VRR Noteholders and Certificateholders of the proposed modification in accordance with Note Condition 16 (*Notice to Noteholders*), Class VRR Note Condition 16 (*Notice to Class VRR Noteholders*), Certificate Condition 15 (*Notice to Certificateholders*) and by publication on Bloomberg on the Company News screen relating to the Notes, Class VRR Notes and, if applicable, the Certificates, and (II) Noteholders or Certificateholders representing at least (i) 10% of the aggregate Principal Amount Outstanding of the Most Senior Class then outstanding, and/or (ii) 10% of the number of Certificates then in issue have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes and/or Certificates may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the modification.

If Noteholders or Certificateholders representing at least (i) 10% of the aggregate Principal Amount Outstanding of the Most Senior Class then outstanding, and/or (ii) 10% of the number of Certificates then in issue have notified the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes and/or Certificates 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 (i) the Noteholders of the Most Senior Class then outstanding (in the event that the objection is made by such Noteholders), and/or (ii) the Certificates then in issue (in the event that the objection is made by such Certificateholders) is passed in favour of such modification in accordance with Note Condition 13 (*Meetings of Noteholders, Certificateholders and Class VRR Noteholders - Modification, Waiver and Substitution*) and/or Certificate Condition 12 (*Meetings of Noteholders, Certificateholders and Class VRR Noteholders - Modification, Waiver and Substitution*). Objections made in writing, other than through the applicable clearing system, must be accompanied by evidence to the Issuer's

satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes and/or the relevant Certificateholder's holding of the Certificates.

When implementing any modification pursuant to Note Condition 13.10 or Class VRR Note Condition 13.10 or Certificate Condition 12.10 (save to the extent the Note Trustee considers that the proposed modification would constitute a Basic Terms Modification or impact any Class VRR Entrenched Rights), neither the Note Trustee nor the Security Trustee shall consider the interests of the Noteholders, Class VRR Noteholders, Certificateholders, any other Secured Creditor or any other person but shall act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to Note Condition 13.10 or Class VRR Note Condition 13.10, or Certificate Condition 12.10 and shall not be liable to the Noteholders, Class VRR Noteholders, 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.

Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification which, in the sole opinion of the Note Trustee (or, as the case may be, the Security Trustee) would have the effect of (i) exposing the Note Trustee (or, as the case may be, the Security Trustee) to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Note Trustee (or, as the case may be, the Security Trustee) in the Transaction Documents and/or the Note Conditions, the Class VRR Note Conditions or the Certificate Conditions.

Any such modification shall be binding on all Noteholders, Class VRR Noteholders and Certificateholders, and shall be notified by the Issuer as soon as reasonably practicable to:

- (a) so long as any of the Rated Notes rated by the Rating Agencies remains outstanding, each Rating Agency;
- (b) the Secured Creditors; and
- (c) the Noteholders in accordance with Note Condition 16 (*Notice to Noteholders*) and to Class VRR Noteholders in accordance with Class VRR Note Condition 16 (*Notice to Class VRR Noteholders*) and to the Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*).

13.11 Authorisation or Waiver of Breach

The Note Trustee (or, as the case may be, the Security Trustee) may, without the consent or sanction of the Noteholders, Class VRR 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, but only if and in so far as in its opinion the interests of the holders of the Most Senior Class shall not be materially prejudiced thereby, authorise or waive on such terms and subject to such conditions (if any) as it may decide, any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to these Note Conditions, the Class VRR Note Conditions, the Certificate Conditions or any of the Transaction Documents by any party thereto, provided that the Note Trustee (or, as the case may be, the Security Trustee) shall not exercise any powers conferred on it by this Note Condition 13.11 in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class or by a direction under Note Condition 11 (*Events of Default*) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made.

13.12 Notification of modifications, waivers, authorisations or determinations

Any such modification, waiver, authorisation or determination by the Note Trustee or, as applicable, the Security Trustee in accordance with these Note Conditions or the Transaction Documents shall be binding on the Noteholders, the Class VRR Noteholders, the Certificateholders (as relevant) and, unless the Note Trustee or, as applicable, the Security Trustee agrees otherwise, any such modification shall be notified by the Issuer to the Noteholders in accordance with Note Condition 16 (*Notice to Noteholders*), to the Class VRR Noteholders in accordance with Class VRR Note Condition 16 (*Notice to Class VRR Noteholders*), to the Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*), the Rating Agencies (while any Rated Notes remain outstanding) and the other Secured Creditors as soon as practicable thereafter.

- 13.13 In determining whether a proposed action will not be materially prejudicial to the Noteholders or any Class thereof or the Class VRR Noteholders or the Certificateholders, the Note Trustee may, among other things, have regard to whether the Rating Agencies have confirmed in writing to the Issuer or any other party to the Transaction Documents that any proposed action will not result in the withdrawal or reduction of, or entail any other adverse action with respect to, the then current ratings of the Rated Notes. It is agreed and acknowledged by the Note Trustee that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders, and/or the Class VRR Noteholders, and/or the Certificateholders. In being entitled to take into account that each of the Rating Agencies has confirmed that the then current ratings of the Rated Notes would not be adversely affected, it is agreed and acknowledged by the Note Trustee this does not impose or extend any actual or contingent liability for each of the Rating Agencies to the Note Trustee, the Noteholders, the Class VRR Noteholders, the Certificateholders or any other person, or create any legal relations between each of the Rating Agencies and the Note Trustee, the Noteholders, the Class VRR Noteholders, the Certificateholders or any other person, whether by way of contract or otherwise.
- 13.14 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 the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions or any of the Transaction Documents (including in relation to any modification, waiver, authorisation, determination, substitution or change of laws as referred to above), the Note Trustee or the Security Trustee is required to have regard to the interests of the Noteholders of any Class or Classes and/or the Class VRR Noteholders, it shall (A) have regard to the general interests of the Noteholders of such Class or Classes and/or the Class VRR Noteholders as a whole but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Class VRR Noteholders (whatever their number) or the Certificateholders and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders or Class VRR Noteholders or Certificateholders (in each case, whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof, and the Note Trustee or, as the case may be, the Security Trustee shall not be entitled to require, nor shall any Noteholder, Class VRR Noteholder or Certificateholder be entitled to claim, from the Issuer, the Note Trustee or the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Class VRR Noteholders or Certificateholders, and (B) subject to the more detailed provisions of the Trust Deed and the Deed of Charge, as applicable, have regard to the interests of holders of each Class of Notes and/or the Class VRR Noteholders and/or Certificateholders (except where expressly provided otherwise) but requiring the Note Trustee or, as the case may be, the Security Trustee where there is a conflict of interests between one or more Classes of Notes in any such case to have regard (except as expressly provided otherwise) to the interests of the

holders of the Class or Classes of Notes ranking in priority to the other relevant Classes of Notes.

13.15 Other than in respect of any matter requiring an Extraordinary Resolution, Noteholders may vote by way of an Ordinary Resolution.

13.16 "**Ordinary Resolution**" means, in respect of the holders of any of the Classes of Notes, Certificates, and/or Class VRR Notes:

(a) a resolution passed at a meeting of Noteholders and/or Certificateholders duly convened and held in accordance with the Trust Deed and these Note 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 (including any votes cast by the Class VRR Noteholders entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1);

(b) a resolution in writing signed by or on behalf of:

(i) the Noteholders of not less than a clear majority in aggregate Principal Amount Outstanding of the relevant Class of Notes; and/or

(ii) the Certificateholders of not less than a clear majority in number of the Certificates,

in each case including the Relevant Class VRR Note Portion with the Corresponding Instrument, if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1, represented by the Class VRR Noteholders, 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 Certificateholders, and/or Class VRR Noteholders, as the case may be; or

(iii) 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:

(iv) the Noteholders of not less than a clear majority in aggregate Principal Amount Outstanding of the relevant Class of Notes; and/or

(v) the Certificateholders of not less than a clear majority in number of the Certificates,

in each case including the Relevant Class VRR Note Portion with the Corresponding Instrument, if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1, represented by the Class VRR Noteholders.

See also Note Condition 13.8 (*The Class VRR Notes*).

13.17 "**Extraordinary Resolution**" means, in respect of the holders of any of the Classes of Notes, Certificates, and/or Class VRR Notes:

(a) a resolution passed at a meeting of Noteholders and/or Certificateholders duly convened and held in accordance with the Trust Deed and these Note Conditions by a

majority consisting of not less than three-quarters of Eligible Persons voting at such meeting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-quarters of the votes cast on such poll (including any votes cast by the Class VRR Noteholders entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1);

- (b) a resolution in writing signed by or on behalf of
 - (i) the Noteholders of not less than three-quarters in aggregate Principal Amount Outstanding of the relevant Class of Notes; and/or
 - (ii) the Certificateholders of not less than three-quarters in number of the Certificates,

in each case including the Relevant Class VRR Note Portion with the Corresponding Instrument, if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1, represented by the Class VRR Noteholders, 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, Certificateholders, and/or Class VRR Noteholders, as the case may be; or

- (iii) 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
- (iv) the Noteholders of not less than three-quarters in aggregate Principal Amount Outstanding of the relevant Class of Notes; and/or
- (v) the Certificateholders of not less than three-quarters in number of the Certificates,

in each case including the Relevant Class VRR Note Portion with the Corresponding Instrument, if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1, represented by the Class VRR Noteholders.

See also Note Condition 13.8 (*The Class VRR Notes*).

13.18 "**Eligible Person**" means any one of the following persons who shall be entitled to attend and vote at a meeting:

- (a) a bearer of any Voting Certificate; and
- (b) a proxy specified in any Block Voting Instruction.

13.19 "**Voting Certificate**" means an English language certificate issued by a Paying Agent in which it is stated that on the date thereof the:

- (a) Notes (not being the Notes (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate); and/or

- (b) Class VRR Notes (not being the Class VRR Notes (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate); and/or
- (c) Certificates (not being the Certificates (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate),

are blocked in an account with a Clearing System and that no such Notes and/or Class VRR Notes will cease to be so blocked until the first to occur of:

- (i) the conclusion of the meeting specified in such Voting Certificate; and
- (ii) the surrender of the Voting Certificate to the Paying Agent who issued the same; and
- (iii) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes and/or Class VRR Notes and/or Certificates represented by such Voting Certificate.

13.20 "**Block Voting Instruction**" means an English language document issued by a Paying Agent in which it is certified that on the date thereof:

- (a) 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); and/or
- (b) Class VRR Notes (not being the Class VRR Notes (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction); and/or
- (c) Certificates (not being Certificates 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:

- (i) the conclusion of the meeting specified in such Block Voting Instruction; and
- (ii) the Notes and/or the Class VRR Notes and/or Certificates ceasing with the agreement of the Paying Agent to be so blocked and the giving of notice by the Paying Agent to the Issuer of the necessary amendment to the Block Voting Instruction;
- (iii) it is certified that each holder of such Notes and/or Class VRR Notes and/or Certificates has instructed such Paying Agent that the vote(s) attributable to the Notes, Certificates and/or Class VRR Notes (entitled to vote at a meeting of the Corresponding Instrument in respect of the Relevant Class VRR Note Portion) 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;

- (iv) the aggregate principal amount or aggregate total amount of the Notes and/or Class VRR Notes and/or the number of Certificates so blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
- (v) one or more persons named in such Block Voting Instruction (each hereinafter called a "**proxy**") is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes and/or the Certificates, and/or Class VRR Notes (entitled to vote at a meeting of the Corresponding Instrument in respect of the Relevant Class VRR Note Portion) so listed in accordance with the instructions referred to in (c) above as set out in such Block Voting Instruction, provided that no such person shall be named as a proxy: so listed in accordance with the instructions referred to in (c) above as set out in such Block Voting Instruction, provided that no such person shall be named as a proxy:
 - (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.

13.21 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.

13.22 Issuer Substitution Condition

The Note Trustee and the Security Trustee may agree, subject to such amendment of the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions and of any of the Transaction Documents, and to such other conditions as the Note Trustee and the Security Trustee may require and subject to the terms of the Trust Deed, but without the consent of the Noteholders or the Class VRR Noteholders or the Certificateholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed, the Notes, the Class VRR Notes, the Certificates and in respect of the other Secured Obligations, provided that the conditions set out in the Trust Deed are satisfied including, *inter alia*, that the Notes and the Class VRR Notes and the Certificates are unconditionally and irrevocably guaranteed by the Issuer (unless all of the assets of the Issuer are transferred to such body corporate) and that such body corporate is a single purpose vehicle and undertakes itself to be bound by provisions corresponding to those set out in Note Condition 5 (*Covenants*) and Class VRR Note Condition 5 (*Covenants*) and Certificate Condition 5 (*Covenants*) (the "**Issuer Substitution Condition**"). In the case of a substitution pursuant to Note Condition 13.22 or Class VRR Note Condition 13.22 or Certificate Condition 12.22, the Note Trustee and the Security Trustee may in their absolute discretion agree, without the consent of the Noteholders or the Class VRR Noteholders or the Certificateholders, to a change in law governing the Notes, the Class VRR Notes, the 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 Noteholders or the Class VRR Noteholders or the Certificateholders.

14 INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

The Trust Deed and the Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee respectively and providing for their indemnification in certain circumstances, including provisions relieving them from taking action or, in the case of the Security Trustee, enforcing the Security, unless indemnified and/or prefunded and/or secured to their satisfaction.

The Trust Deed and the Deed of Charge also contain provisions pursuant to which the Note Trustee and the Security Trustee are entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Transaction Documents, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, individual Noteholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

15 REPLACEMENT OF NOTES

If any Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Registrar subject to all applicable laws and stock exchange requirements. Replacement of any mutilated, defaced, lost, stolen or destroyed Note will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Note must be surrendered before a new one will be issued.

16 NOTICE TO NOTEHOLDERS

16.1 Publication of Notice

- (a) Subject to Note Condition 16.1(d) and except in the case of any Rule 144A Global Notes sold into the U.S., 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 Note Screen**"), or (ii) paragraph (c) below applies and the Issuer has so elected, publication in the newspaper set out above or such other newspaper or newspapers shall not be required with respect to such notice. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which (or on the Relevant Note Screen) publication is required.
- (b) In respect of Notes in definitive form, notices to Noteholders will be sent to them by first class post (or its equivalent) or (if posted to an address outside the United Kingdom) by airmail at the respective addresses on the Register. Any such notice will be deemed to have been given on the fourth day after the date of posting.

- (c) While the Notes are represented by a Global Note, notices to Noteholders will be valid if published as described above or, at the option of the Issuer, if submitted to Euroclear and/or Clearstream, Luxembourg for communication by them to Noteholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg, as aforesaid shall be deemed to have been given on the day of such delivery.
- (d) So long as the relevant Notes and Class VRR Notes are admitted to trading on, and listed on the official list of, Euronext Dublin all notices to the Noteholders will be valid if published in a manner which complies with the rules and regulations of Euronext Dublin (which includes delivering a copy of such notice to Euronext Dublin) and any such notice will be deemed to have been given on the date sent to Euronext Dublin.

16.2 Note Trustee's Discretion to Select Alternative Method

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

17 REPLACEMENT NOTES

If the Issuer Substitution Condition is satisfied in accordance with these Note Conditions and the Trust Deed, the Issuer may, without the consent of the Noteholders, issue one or more classes of replacement notes ("**Replacement Notes**") to replace one or more Classes of Notes, each class of which shall have terms and conditions which may differ from the terms and conditions of the Class of Notes which it replaces.

18 SUBORDINATION BY DEFERRAL

18.1 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 Note Condition 18, include any interest previously deferred under this Note Condition 18.1 and accrued interest thereon) payable in respect of the Notes other than the Class A 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 Class A Notes to the extent only of any insufficiency of funds.

18.2 General

Any amounts of Deferred Interest in respect of a relevant 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 Note Condition 18.1 (*Interest*) applies) or on such earlier date as the relevant Class of Notes becomes due and repayable in full in accordance with these Note Conditions.

18.3 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 Note Condition 18, the Issuer will give notice thereof to the relevant Class of Noteholders, as appropriate, in accordance with Note Condition 16 (*Notice to Noteholders*). Any deferral of interest in accordance with this Note Condition 18 will not constitute an Event of Default. The provisions of this Note Condition 18 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.

19 NON-RESPONSIVE RATING AGENCY

- (a) In respect of the exercise of any power, duty, trust, authority or discretion as contemplated hereunder or in relation to the Notes and any of the Transaction Documents, the Note Trustee and the Security Trustee shall be entitled but not obliged to take into account any written confirmation or affirmation (in any form acceptable to the Note Trustee and the Security Trustee) from the relevant Rating Agencies that the then current ratings of the Notes will not be reduced, qualified, adversely affected or withdrawn thereby (a "**Rating Agency Confirmation**").
- (b) If a Rating Agency Confirmation or other response by a Rating Agency is a condition to any action or step under any Transaction Document and a written request for such Rating Agency Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and the Security Trustee, as applicable) and:
- (i) (A) one Rating Agency (such Rating Agency, a "**Non-Responsive Rating Agency**") indicates that it does not consider such Rating Agency Confirmation or response necessary in the circumstances or that it does not, as a matter of practice or policy, provide such Rating Agency Confirmation or response or (B) within 30 days of delivery of such request, no Rating Agency Confirmation or response is received and/or such request elicits no statement by such Rating Agency that such Rating Agency Confirmation or response could not be given; and
- (ii) one Rating Agency gives such Rating Agency Confirmation or response based on the same facts,

then such condition to receive a Rating Agency Confirmation or response from each Rating Agency shall be modified so that there shall be no requirement for the Rating Agency Confirmation or response from the Non-Responsive Rating Agency if the Issuer provides to the Note Trustee and the Security Trustee a certificate signed by two directors certifying and confirming that each of the events in paragraphs (i)(A) or (B) and (ii) above has occurred and the Note Trustee and the Security Trustee shall be entitled to rely on such certificate without further enquiry or liability.

20 JURISDICTION AND GOVERNING LAW

- (a) The Courts of England and Wales (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.

- (b) The Transaction Documents, the Notes, and these Note Conditions (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, the laws of England and Wales except that, to the extent that the provisions of the Mortgage Sale Agreement, the Deed of Charge and any security documents supplemental thereto relate to the Scottish Loans, such provisions and documents shall be construed and/or (as applicable) governed by Scots law.

21 RIGHTS OF THIRD PARTIES

No rights are conferred on any person (other than the Note Trustee, the Security Trustee, the Noteholders, and in relation to the Refinancing Option and the Portfolio Call Option, the Class VRR Noteholders, the Certificateholders (in their capacities as Refinancing Option Holder and Portfolio Option Holder), the Cash Manager, the Servicer, the Swap Provider, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank and the Registrar) under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes or these Note 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 CLASS VRR NOTES

The following are the terms and conditions of the Class VRR Notes in the form (subject to amendment) in which they will be set out in the Trust Deed (as defined below). If the Class VRR Notes were to be represented by Registered Definitive Notes, the Class VRR Note Conditions set out on the reverse of each of such Registered Definitive Notes would be as follows. While the Class VRR Notes are represented by the Class VRR Global Note, they will be governed by the same terms and conditions except to the extent that such terms and conditions are appropriate only to securities in definitive form or are expressly varied by the terms of the Class VRR Global Note. These terms and conditions are subject to the detailed provisions of the Trust Deed and the other Transaction Documents (as defined below).

1 GENERAL

The £24,150,000 Class VRR mortgage backed notes due November 2061 (the "**Class VRR Notes**") and the holders thereof, the "**Class VRR Noteholders**"), of Elvet Mortgages 2019-1 PLC (the "**Issuer**") are constituted by a trust deed (the "**Trust Deed**") dated on or about (the "**Closing Date**") and made between, among others, the Issuer and Citicorp Trustee Company Limited as trustee for the Class VRR Noteholders (in such capacity, the "**Note Trustee**"). Any reference in these terms and conditions (the "**Class VRR Note Conditions**") to the Class VRR Noteholders means the registered holders for the time being of the Class VRR Notes. The security for the Class VRR Notes is constituted by and pursuant to a deed of charge and assignment (the "**Deed of Charge**") dated on the Closing Date and made between, among others, the Issuer and 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 Agent**"), 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 Class VRR Notes.

The statements in these Class VRR Note Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and a master definitions and construction schedule (the "**Master Definitions and Construction Schedule**") entered into by, among others, the Issuer, the Note Trustee and the Security Trustee on the Closing Date and the other Transaction Documents (as defined therein).

For the purposes of: (1) these Class VRR Note Conditions, the Note Conditions and the Certificate Conditions; (2) any discretion, power or authority (whether contained in the trust presents, or vested by operation of law) which the Security Trustee and/or the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Class VRR Noteholders; and (3) the determination by the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Class VRR Noteholders, "**outstanding**" means, in relation to the Class VRR Notes, all the Class VRR Notes issued from time to time which are held by or on behalf of the Seller. However, for the purposes of, the right to attend and vote at any meeting of the Noteholders and/or Certificateholders, an Extraordinary Resolution in writing or an Ordinary Resolution in writing, a written resolution or an electronic consent through the relevant Clearing System(s) as envisaged by the Trust Deed and/or these Class VRR Note Conditions and any direction or request by the holders of Class VRR Notes; the determination of how many and which Class VRR Notes are for the time being outstanding, the Class VRR Notes shall be deemed not to

remain outstanding except (i) in respect of a Basic Terms Modification, or (ii) Class VRR Entrenched Rights.

Copies of the Trust Deed, the Deed of Charge, the Agency Agreement, the Master Definitions and Construction Schedule and the other Transaction Documents are available for inspection during normal business hours at the specified office for the time being of each of the Paying Agents. The Class VRR Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

2 INTERPRETATION

2.1 Definitions

Capitalised terms not otherwise defined in these Class VRR Note Conditions shall bear the meanings given to them in the Master Definitions and Construction Schedule available as described above.

2.2 Interpretation

These Class VRR Note 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

The Class VRR Notes will initially be represented by a global note certificate in registered form (the "**Class VRR Global Note**").

The Regulation S Class VRR Notes sold outside the United States to Non-U.S. Persons in reliance on Regulation S will be represented on issue by beneficial interests in one Regulation S Class VRR Global Note in fully registered form. Interests in the Regulation S Class VRR Global Note may not at any time be held by any U.S. Person. The Regulation S Notes will initially be offered and sold outside the United States to Non-U.S. Persons pursuant to Regulation S.

For so long as any of the Class VRR Notes are represented by the Class VRR Global Note, transfers and exchanges of beneficial interests in the Class VRR 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. The Class VRR 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 Class VRR Notes are represented by the Class VRR Global Note, and for so long as Euroclear and Clearstream, Luxembourg so permit, the Class VRR Notes shall be tradable only in the minimum principal 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.

The Class VRR Global Note will be exchanged for the relevant Class VRR Notes in registered definitive form (such exchanged Class VRR Global Note in registered definitive form, the "**Registered Definitive Notes**") only if either of the following applies:

- (a) both Euroclear and Clearstream, Luxembourg:

- (i) are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise); or
- (ii) announce an intention permanently to cease business or to cease to make book-entry systems available for settlement of beneficial interests in the Class VRR Global Note and do in fact do either of those things,

and in either case no alternative clearing system satisfactory to the Note Trustee is available; or

- (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration by a revenue authority or a court or in the application of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Class VRR Notes which would not be required were the relevant Class VRR Notes in registered definitive form.

If Registered Definitive Notes are issued in respect of Class VRR Notes originally represented by the Class VRR Global Note, the beneficial interests represented by the Class VRR Global Note shall be exchanged by the Issuer for the relevant Class VRR Notes in registered definitive form. The aggregate principal amount of the Registered Definitive Notes shall be equal to the Principal Amount Outstanding of the Class VRR Notes at the date on which notice of exchange is given of the Class VRR Global Note, subject to and in accordance with the detailed provisions of these Class VRR Note Conditions, the Agency Agreement, the Trust Deed and the Class VRR 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 Class VRR Notes in global and (if issued and printed) definitive form will be £100,000.

References to "**Class VRR Notes**" in these Class VRR Note Conditions shall include the Class VRR Global Note and the Registered Definitive Notes.

3.2 Title and transfer

Title to the Class VRR Global Note 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 the Class VRR 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 the Class VRR 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) or, if more than one person, the first named of such persons who will be treated as the absolute owner of such Class VRR Note.

Title to a Registered Definitive Note shall only pass by and upon registration of the transfer in the Register.

Transfers and exchanges of any Registered Definitive Notes and entries on the Register relating thereto will be made subject to any restrictions on transfers set forth on such Class VRR Notes and the detailed regulations concerning transfers of such Class VRR Notes contained in the Agency Agreement, the Trust Deed and the legend appearing on the face of the Class VRR

Notes. In no event will the transfer of a Registered Definitive Note be made absent compliance with the regulations referred to above, and any purported transfer in violation of such regulations shall be void ab initio and will not be honoured by the Issuer or the Note Trustee. The regulations referred to above may be changed by the Issuer with the prior written approval of the Registrar and the Note Trustee. A copy of the current regulations will be sent by the Registrar to any holder of a Class VRR Note who so requests (and who provides evidence of such holding where the Class VRR Notes are in global form) and will be available upon request at the specified office for the time being of the Registrar.

A Registered Definitive Note may be transferred in whole or in part upon the surrender of the relevant Registered Definitive Note, together with the form of transfer endorsed on it duly completed and executed, at the specified office for the time being of the Registrar. In the case of a transfer of part only of a Registered Definitive Note, a new Registered Definitive Note, in respect of the balance remaining will be issued to the transferor by or by order of the Registrar.

Each new Registered Definitive Note, to be issued upon transfer of Registered Definitive Notes will, within five (5) Business Days of receipt of such request for transfer, be available for delivery at the specified office for the time being of the Registrar stipulated in the request for transfer, or be mailed at the risk of the holder entitled to the Registered Definitive Note, to such address as may be specified in such request.

Registration of Registered Definitive Notes on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of (or the giving of such indemnity as the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation to it.

If any Class VRR Noteholder is determined by the Issuer to be a Class VRR Noteholder who has made or is deemed to have made a representation pertaining to ERISA, its status as a Benefit Plan Investor, or Similar Law that is subsequently shown to be false or misleading (any such Noteholder a "**Non-Permitted ERISA Holder**"), the Non-Permitted ERISA Holder may be required by the Issuer to sell or otherwise transfer its Class VRR Notes to an eligible purchaser within 10 days of receipt of notice from the Issuer to such Non-Permitted ERISA Holder requiring such sale or transfer, at a price to be agreed between the Issuer and such eligible purchaser at the time of sale, subject to the transfer restrictions set out in the Trust Deed. Each Class VRR Noteholder and each other Person in the chain of title from the Class VRR Noteholder, by its acceptance of an interest in such Class VRR Notes, agrees to cooperate with the Issuer, to the extent required to effect such transfers. None of the Issuer, the Note Trustee, Registrar or any Paying Agent shall be liable to any Class VRR Noteholder having an interest in the Class VRR Notes sold or otherwise transferred as a result of any such sale or transfer. The Issuer shall be entitled to deduct from the sale or transfer price an amount equal to all the expenses and costs incurred and any loss suffered by the Issuer as a result of such forced transfer. The Non-Permitted ERISA Holder will receive the balance, if any.

No holder of a Registered Definitive Note, may require the transfer of such Class VRR Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest on such Class VRR Note.

All transfers of Class VRR Notes and entities on the Register are subject to detailed regulations concerning the transfer of Class VRR Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Class VRR Noteholder who requests in writing a copy of such regulations.

4 STATUS AND RELATIONSHIP BETWEEN THE CLASS VRR NOTES AND SECURITY

4.1 Status and relationship between the Class VRR Notes

- (a) The Class VRR Notes constitute direct, secured and (subject to the limited recourse provision in Class VRR Note Condition 12 (*Enforcement*)) unconditional obligations of the Issuer. The Class VRR 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 Class VRR Note Conditions and the Transaction Documents.
- (b) 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 the Class VRR Notes as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee and the Security Trustee (except where expressly provided otherwise).
- (c) As long as any Class VRR Notes are outstanding, but subject to Class VRR Note Condition 13.9 (*Modification to the Transaction Documents*) and the Note Conditions, the Security Trustee shall have regard to the interests of the Class VRR Noteholders as a class and will not be responsible for any consequence for individual Class VRR Noteholders as a result of such holders being domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, a particular territory or taxing jurisdiction.
- (d) Prior to the redemption in full of the Notes and subject to the Class VRR Entrenched Rights, the Note Trustee will, in the event of a conflict between the Class VRR Noteholders and/or the Noteholders and/or the Certificateholders and/or any other Secured Creditor, have regard to the interests of the holders of the Most Senior Class outstanding and will not have regard to any lower ranking Class of Notes nor the Class VRR Notes nor, prior to the redemption in full of the Notes, to the interests of the Certificateholders or 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 Class VRR Noteholders and the other Secured Creditors, upon and subject to the terms and conditions of the Deed of Charge.
- (b) The Class VRR 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 Class VRR Note Conditions, the Note Conditions, the Certificate Conditions or any of the Transaction Documents, the Issuer shall not, so long as any Class VRR Note, Note or Certificate remains outstanding:

- (a) **Negative pledge:** create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertakings;
- (b) **Restrictions on activities:** (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage, (ii) other than the Swap Agreement (or any replacement), the Issuer will not enter into derivative contracts for

the purposes of Article 21(2) of the Securitisation Regulation, or (iii) 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, to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (e) **Dividends or distributions:** pay any dividend or make any other distribution to its shareholders except out of amounts of profit retained by the Issuer in accordance with the applicable Priority of Payments which are available for distribution in accordance with the Issuer's memorandum and articles of association and with applicable laws or issue any further shares;
- (f) **Indebtedness:** incur any financial indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any other obligation of any person;
- (g) **Merger:** consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;
- (h) **No modification or waiver:** permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied, modified, terminated, postponed, waived or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;
- (i) **Bank accounts:** have an interest in any bank account other than the Issuer Accounts and the Issuer's interest in the Collection Account Trust, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee; or
- (j) **Purchase Notes:** purchase or otherwise acquire any Class VRR Notes.
- (k) **U.S. activities:** engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

6 CLASS VRR NOTE PAYMENTS

- 6.1 **Accrual of Class VRR Note Payments:** Each Class VRR Note bears Class VRR Note Payments from (and including) the Closing Date.

- 6.2 **Cessation of Class VRR Note Payments:** Each Class VRR Note (or, in the case of the redemption of part only of a Note, that part only of such Class VRR Note) shall cease to bear Class VRR Note Payments from its due date for redemption unless, upon due presentation, payment of the principal is improperly withheld or refused or default is otherwise made in respect of the payment, in which case, it will continue to bear Class VRR Note Payments in accordance with this Class VRR Note Condition 6 (*Class VRR Note Payments*) (both before and after judgment) until whichever is the earlier of:
- (a) the day on which all sums due in respect of such Class VRR Note up to that day are received by or on behalf of the relevant Class VRR Noteholder; and
 - (b) the day which is seven days after the Principal Paying Agent or the Note Trustee has notified the Class VRR Noteholders (in accordance with these Class VRR Note Conditions) that the full amount payable is available for collection by the Class VRR Noteholder, **provided that** on due presentation payment is in fact made.
- 6.3 **Class VRR Note Payments:** Class VRR Note Payments on each Class VRR Note are payable in Sterling on each Interest Payment Date, in an amount in accordance with the relevant Priority of Payments, in an amount equal to the Class VRR Note Payment in respect of such Class VRR Note for the Interest Period ending on the day immediately preceding such Interest Payment Date.
- 6.4 **Calculation of Class VRR Note Payment Amount:** Upon or as soon as practicable after each Interest Determination Date, the Issuer shall calculate (or shall cause the Cash Manager on its behalf to calculate) the Class VRR Note Payments payable on each Class VRR Note on the following Interest Payment Date.
- 6.5 **Determination of Interest Payment Date:** The Agent Bank will, on each Interest Determination Date, determine the following Interest Payment Date and notify the Issuer, the Servicer, the Note Trustee, the Registrar and the Principal Paying Agent and the Paying Agents.
- 6.6 **Publication of Interest Payment Date:** As soon as practicable after receiving each notification of the Interest Payment Date in accordance with Class VRR Note Condition 6.5 (*Determination of Interest Payment Date*) and in any event no later than the second Business Day thereafter, the Issuer will cause such following Interest Payment Date and the Class VRR Note Payment to be published in accordance with these Class VRR Note Conditions.
- 6.7 **Amendments to Publications:** The Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Interest Period.
- 6.8 **Notifications to be final:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Class VRR Note Condition 6 (*Class VRR Note Payments*) or Note Condition 6 (*Interest*), whether by the Agent Bank, the Paying Agents, the Registrar, the Cash Manager, Security Trustee or the Note Trustee will (in the absence of wilful default, gross negligence, fraud or manifest error) be binding on the Issuer, the Cash Manager, the Security Trustee, the Note Trustee, the Agent Bank, the Registrar, the Paying Agents and all Class VRR Noteholders and (in the absence of wilful default, gross negligence, fraud or manifest error) no liability to the Issuer or the Class VRR Noteholders shall attach to the Cash Manager, the Agent Bank, the Paying Agents, the Registrar, the Security Trustee or the Note Trustee in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under this Class VRR Note Condition 6 (*Class VRR Note Payments*) and Note Condition 6 (*Interest*).

- 6.9 The Issuer shall ensure that, so long as any of the Class VRR Notes remains outstanding there shall at all times be a Paying Agent and a Principal Paying Agent. Notice of any change in any of the Paying Agent, Principal Paying Agent or in their Specified Offices shall promptly be given to the Class VRR Noteholders in accordance with these Class VRR Note Conditions.

"Class VRR Note Payment" means each payment made in respect of the Class VRR Notes under items (g)(i), (g)(iii), (g)(vi), (g)(viii), (g)(x), (g)(xii) and (g)(xix) of the Pre-Enforcement Revenue Priority of Payments, item (c)(i) of the Pre-Enforcement Redemption Priority of Payments, and items (g)(i), (g)(ii), (g)(iv) to (g)(viii) (inclusive) and (g)(xi), of the Post-Enforcement Priority of Payments.

"Interest Determination Date" means the fifth Business Day before each Interest Payment Date.

7 PAYMENTS

7.1 Payments

Subject to Class VRR Note Condition 3.1 (*Form and Denomination*), payments of any amount in respect of a Class VRR Note, including principal, shall be made by:

- (a) (other than in the case of final redemption) Sterling cheque; or
- (b) (other than in the case of final redemption) upon application by the relevant Class VRR Noteholder to the specified office of the relevant Paying Agent not later than the 15th day before the due date for any such payment, by transfer to a Sterling account maintained by the payee with a bank in London; and
- (c) (in the case of final redemption) Sterling cheque upon surrender (or, in the case of part payment only, endorsement) of the Class VRR Global Note or Registered Definitive Notes (as the case may be) at the specified office of the relevant Paying Agent.

7.2 Laws and Regulations

Payments of any amount in respect of a Class VRR Note including principal in respect of the Class VRR Notes are subject, in all cases, to (i) any fiscal or other laws, regulations and directives applicable thereto in the place of payment and (ii) any withholding or deduction imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the "**Code**"), any current or future regulations or official interpretations thereof, any agreement described in or entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Section of the Code ("**FATCA**"). Class VRR Noteholders will not be charged commissions or expenses on payments.

7.3 Payment of other amounts following a Failure to pay Principal

If payment of principal is improperly withheld or refused on or in respect of any Class VRR Note or part thereof, the amount which continues to accrue in respect of such Class VRR Note in accordance with Class VRR Note Condition 6 (*Class VRR Note Payments*) will be paid in accordance with this Class VRR Note Condition 7.

7.4 Change of Paying Agents

The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent or the Registrar and to

appoint additional or other agents provided that there will at all times be a person appointed to perform the obligations of the Principal Paying Agent with a specified office in London and the Registrar with a specified office in Ireland or in London.

Except where otherwise provided in the Trust Deed or the Agency Agreement, the Issuer will cause notice of no more than 30 days and no less than 15 days of any change in or addition to the Paying Agents or the Registrar or their specified offices to be given to the Class VRR Noteholders in accordance with Class VRR Note 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 Class VRR Note is not a Presentation Date, Class VRR Noteholders shall not be entitled to payment until the next following Presentation Date and shall not be entitled to further amounts or other payment in respect of such delay. In this Class VRR Note 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 Class VRR Note, the Registrar will, in respect of the relevant Class VRR Note, annotate the Register indicating the amount and date of such payment.

7.7 Payment of Amounts

If an amount is not paid in respect of a Class VRR Note on the date when due and payable (other than because the due date is not a Presentation Date (as defined in Class VRR Note Condition 7.5 (*No Payment on non-Business Day*)) or by reason of non-compliance by the relevant Class VRR Noteholder with Class VRR Note Condition 7.1), then the Class VRR Noteholders shall be paid the VRR Proportion of amounts calculated in accordance with Note Condition 7.7 (*Payment of Interest*) and notice thereof shall be duly given in accordance with Class VRR Note Condition 16 (*Notice to Class VRR Noteholders*).

8 REDEMPTION

8.1 Redemption at Maturity

Unless previously redeemed in full or purchased and cancelled as provided below, the Issuer will redeem the Class VRR Notes at their respective Principal Amount Outstanding on the Interest Payment Date falling in November 2061 (the "**Final Maturity Date**").

8.2 Mandatory Redemption prior to the service of an Enforcement Notice and prior to the exercise of the Refinancing Option or the Portfolio Call Option

- (a) On each Interest Payment Date prior to the service of an Enforcement Notice and prior to the exercise of the Refinancing Option, each Class VRR Note shall be redeemed in an amount equal to the Available Redemption Receipts available for such purpose in accordance with the Pre-Enforcement Redemption Priority of Payments which shall be applied in accordance with the Pre-Enforcement Redemption Priority of Payments;
- (b) The principal amount to be redeemed in respect of the Class VRR Notes (the "**Class VRR Note Principal Payment**") on any Interest Payment Date prior to the service of an Enforcement Notice shall be the amount required as at that Interest Payment Date to be applied in redemption

of the Class VRR Notes in accordance with the Pre-Enforcement Redemption Priority of Payments, as calculated on the Calculation Date immediately preceding such Interest Payment Date, provided always that no such Class VRR Note Principal Payment may exceed the Principal Amount Outstanding of the Class VRR Notes. On the Calculation Date, the Issuer shall determine (or cause the Cash Manager to determine) (i) the amount of any Class VRR Note Principal Payment payable in respect of the Class VRR Notes on the immediately following Interest Payment Date, (ii) the Principal Amount Outstanding of the Class VRR Notes 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 the Class VRR Notes (as referred to in (ii) above) and the denominator is, in the case of the Class VRR Notes, the Principal Amount Outstanding of the Class VRR Notes as at the Closing Date). Each determination by or on behalf of the Issuer of any Class VRR Note Principal Payment of a Class VRR Note, the Principal Amount Outstanding of a Class VRR Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

- (c) The Issuer will cause each determination of a principal repayment, Principal Amount Outstanding and Pool Factor to be notified by not less than three Business Days prior to the relevant Interest Payment Date to the Note Trustee, the Paying Agents, the Agent Bank and (for so long as the Class VRR Notes are listed on the Official List of Euronext Dublin and admitted to trading on its Regulated Market) Euronext Dublin, and will immediately cause notice of each such determination to be given in accordance with Class VRR Note Condition 16 (*Notice to Class VRR Noteholders*) not later than three Business Days prior to the relevant Interest Payment Date. If no principal repayment is due to be made on the Class VRR Notes on any Interest Payment Date a notice to this effect will be given to the holders of the Class VRR Notes.

8.3 Redemption of the Notes, Class VRR Notes and Certificates in Full

(a) ***Refinancing Option***

Exercise

- (i) The Refinancing Option Holder(s) may, not less than 150 calendar days prior to the proposed Refinancing Date, give notice of its intention to exercise the Refinancing Option.
- (ii) Prior to the exercise of the Refinancing Option, and for so long as the Certificates are held by:
- (A) only one Certificateholder, the Refinancing Option Holder must provide to the Issuer (with a copy to Atom Bank) written notice of the Refinancing Option Holder's intention to exercise the Refinancing Option. Such notice must be sent not less than 150 calendar days prior to the proposed Refinancing Date. Such notice shall include the date which the Refinancing Option Holder designates as the proposed Refinancing Date; or
 - (B) more than one Certificateholder, the holder(s) of more than two thirds of the number of Certificates must, provide to the Issuer (with a copy to Atom Bank) written notice of their intention to exercise the Refinancing Option. Such notice must be sent not less than 150 calendar days prior to the proposed Refinancing Date. Such notice shall include the date which the Refinancing Option Holder(s) designate as the proposed Refinancing Date,

each such written notice a "**Refinancing Option Exercise Notice**". At the same time as sending a Refinancing Option Exercise Notice, the Refinancing Option Holder(s) must also send to the Class VRR Noteholders a term sheet setting out the proposed terms of the proposed Refinancing, and if required by the Class VRR Noteholders, the Refinancing Option Holder(s) must also provide promptly and without delay, any other information which the Class VRR Noteholders may reasonably request in connection with their considerations of the occurrence of a Class VRR Veto Scenario (together with any amendments and/or supplements thereto) (the "**Class VRR Veto Materials**"). For the avoidance of doubt, the Class VRR Veto Materials shall not be expected to include draft transaction documents required to give effect to the Refinancing.

Class VRR Veto Right

- (iii) Following the later of receipt by the Class VRR Noteholders of the Refinancing Option Exercise Notice and the Class VRR Veto Materials (including any amendments and/or supplements thereto), the Class VRR Noteholders shall, within a period of 115 calendar days (from and including the date on which such notice or, as appropriate, material is received by the Class VRR Noteholders) (the "**Class VRR Veto Period**") either:
 - (A) confirm, by way of unanimous decision notified in writing to the Issuer, that no Class VRR Veto Scenario arises and that the proposed Refinancing can proceed; or
 - (B) confirm, by way of unanimous decision notified in writing to the Issuer, that a Class VRR Veto Scenario arises but that, notwithstanding this determination, the proposed Refinancing can proceed;
 - (C) decide to veto ("**Class VRR Veto**") the proposed Refinancing, by way of unanimous decision notified in writing to the Issuer on the basis that if the proposed Refinancing were to occur it would give rise, directly or indirectly, to a Class VRR Veto Scenario (a "**Class VRR Veto Notice**").

Modification of Transaction Documents

- (iv) If, during the first 70 days of the Class VRR Veto Period, the Class VRR Noteholders do not provide the Class VRR Veto Notice, such decision to be based on the opinions (in draft form based on the Class VRR Veto Materials) as described under Class VRR Veto Scenario, then the Refinancing Option Holder(s) will have a further period of 45 calendar days to prepare all Refinancing Documents during which, the Refinancing Option Holder shall share all draft Refinancing Documents with the Class VRR Noteholders, the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer and the Swap Provider in sufficient time to allow such persons and their professional advisers to review and consider the same.
- (v) If the Class VRR Noteholders do not exercise the Class VRR Veto within the first 70 days of the Class VRR Veto Period, then not later than 35 days prior to the proposed Refinancing Date the Note Trustee shall agree to the terms of a new trust deed constituting the Refinancing Instruments (the "**Refinancing Trust Deed**") and modifications to the other Transaction Documents to the extent that the Issuer certifies (upon which certification the Note Trustee may rely absolutely and without enquiry or liability) that such modification is necessary to reflect the terms of the Refinancing.

Such modification to the terms of the Transaction Documents will be effected by way of a deed of amendment, restatement and supplement (the "**Amendment Deed**"). Subject to the provisions on Basic Terms Modifications and Class VRR Entrenched Rights, no further consent for such amendments shall be required from the holders of Notes, Class VRR Notes or the Certificateholders.

- (vi) The Issuer shall ensure that a refinancing prospectus is prepared in connection with the Refinancing (the "**Refinancing Prospectus**"), and an application is made for admission to trading and (where relevant, listing), of the Refinancing Instruments. In connection with the Refinancing Prospectus, the Issuer shall procure ratings for those Refinancing Instruments which are intended to be rated. For the avoidance of doubt, the Issuer may issue unrated Refinancing Instruments and, in respect of such instruments, the Issuer shall not be under any obligation to procure ratings.
- (vii) Neither the Note Trustee nor the Security Trustee will be obliged to enter into any document or agree to any modification that, in its opinion, would have the effect of (i) exposing the Note Trustee (or, as the case may be, Security Trustee) to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the rights, powers, indemnities and protections, of the Note Trustee (or, as the case may be, the Security Trustee) in respect of the Transaction Documents, and the Note Trustee and the Security Trustee will be entitled to conclusively rely upon an officer's certificate or opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgement of counsel delivering such opinion of counsel) provided by the Issuer or any other party to any Transaction Document to the effect that such amendment meets the requirements specified above and is permitted under the Trust Deed without the consent of the holders of the Notes, Class VRR Notes, Certificates or any other Secured Creditor (except that such officer or counsel will have no obligation to certify or opine as to the sufficiency of the Refinancing Proceeds).
- (viii) If, in the sole determination of the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer or the Swap Provider (as relevant) the Refinancing Documentation contain provisions which would be materially and adversely prejudicial to the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer or the Swap Provider (as relevant), each of these parties may choose to terminate their agreement with the Issuer, such decision to be notified in writing to the Issuer ("**Service Provider Refinancing Document Veto Notice**").
- (ix) If, by the date which is 35 days prior to the proposed Refinancing Date:
 - (A) the Class VRR Noteholders have not provided a Class VRR Veto Notice (to be based on opinions as described under Class VRR Veto Scenario and the draft Refinancing Documents) to the Issuer; and
 - (B) if, by the same date, none of the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer or the Swap Provider has provided a Service Provider Refinancing Document Veto Notice to the Issuer, or if any such party has provided such notice to the Issuer and the Issuer has found a suitable replacement, meeting all relevant rating requirements set by the Rating

Agencies, for such party and such replacement is willing to carry out the relevant role on the terms of the relevant Refinancing Documents ("**Acceptable Replacement Service Provider**"),

then the Issuer shall, not less than 30 calendar days prior to the proposed Refinancing Date, notify the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer and the Swap Provider that the Refinancing will occur on the proposed Refinancing Date, and on the same date, the Issuer shall notify the Noteholders and the Certificateholders (including the Refinancing Option Holder(s)) of the same.

- (x) If, by the date which is 35 days prior to the proposed Refinancing Date either:
 - (A) the Class VRR Noteholders have provided a Class VRR Veto Notice (to be based on opinions as described under Class VRR Veto Scenario and the draft Refinancing Documents) to the Issuer; or
 - (B) any of the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer or the Swap Provider has provided a Service Provider Refinancing Document Veto Notice to the Issuer and the Issuer has not found an Acceptable Replacement Service Provider,

then the Issuer shall, not less than 30 calendar days prior to the proposed Refinancing Date, notify the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer and the Swap Provider that the Refinancing will not occur on the proposed Refinancing Date, and on the same date, the Issuer shall notify the Refinancing Option Holder(s) of the same.

- (xi) If, during the Class VRR Veto Period, the Class VRR Noteholders exercise the Class VRR Veto, the proposed Refinancing will not occur and the Refinancing Option Holder(s) will, in accordance with the Certificate Conditions, be entitled to serve subsequent Refinancing Option Exercise Notices.
- (xii) If, during the Class VRR Veto Period, the Class VRR Noteholders do not exercise the Class VRR Veto, the Class VRR Noteholders shall be deemed to have confirmed that the proposed Refinancing can occur on the proposed Refinancing Date.
- (xiii) If the Class VRR Noteholders confirm (or are deemed to have confirmed) that the proposed Refinancing can occur on the proposed Refinancing Date, then the Refinancing may occur on the proposed Refinancing Date.
- (xiv) Not less than 2 Business Days prior to the proposed Refinancing Date, the Cash Manager shall calculate the amount of money which the Issuer needs by way of Refinancing Proceeds and the Cash Manager shall, within one Business Day of calculating such amount, confirm the same to the Issuer. Upon receipt by the Issuer of such confirmation, the Issuer shall, on the date of receipt of such confirmation, notify the Refinancing Option Holder(s) (with copy to the Note Trustee and the Security Trustee) of the amount of money which the Issuer needs by way of Refinancing Proceeds.

Refinancing Proceeds

- (i) On the Refinancing Date, the Notes and the Class VRR Notes will be redeemed out of the Refinancing Proceeds at their relevant Principal Amount Outstanding together with all other amounts due in respect of the relevant Note or Class VRR Note, all Accrued Interest and, if applicable, all Deferred Interest. The Certificateholders will be entitled to receive, also out of the Refinancing Proceeds, an amount equal to what they would have received had the Refinancing Date been an ordinary Interest Payment Date (and not a date on which a Refinancing occurs). The Refinancing Proceeds will be applied in accordance with the Post-Enforcement Priority of Payments.
- (ii) All costs and expenses (including but not limited to (A) all legal costs and expenses, including those obtained in connection with any determination by the Class VRR Noteholders as to whether to exercise the Class VRR Veto, and (B) any costs and expenses of the Secured Creditors incurred in connection with the Refinancing) of the Refinancing (including in connection with the exercise of the Refinancing Option and the entry into of the Refinancing Documents and in connection with any exercise by the Class VRR Noteholders of the Class VRR Veto) or any proposed Refinancing which fails to complete, shall be borne by the Refinancing Option Holder(s) failing which, such costs and expenses shall be borne by the Issuer. The Refinancing Option Holder(s) shall be required to deposit such amounts into one of the Issuer's Transaction Accounts (to the extent that the Issuer is expected to make these payments).
- (iii) All Notes, Class VRR Notes and Certificates will, upon completion of the Refinancing, be cancelled and may not be reissued or resold. The Refinancing Instruments will not necessarily benefit from any form of refinancing option, and the terms and conditions of the Refinancing Instruments may differ from the terms and conditions of (as relevant) the Notes, Class VRR Notes and Certificates which they replace.

"Class VRR Veto Scenario" means any scenario resulting from the occurrence of a Refinancing and which is determined by the Class VRR Noteholders, to have the effect of either:

- (a) adversely affecting the capital treatment of the Class VRR Noteholders' interest in the Portfolio or the Class VRR Notes (including, without limitation, under article 244 of the CRR (as amended from time to time including by the CRR Amendment Regulation) (taking into account any regulatory guidance and/or statements issued by relevant competent authorities), any replacement or successor provision(s) to the CRR (as amended from time to time including by the CRR Amendment Regulation) or any similar regulations or laws (taking into account any regulatory guidance and/or statements issued by relevant competent authorities) which enter into force after the Closing Date and which regulate the capital treatment of the Class VRR Noteholders' interest in the Portfolio or the Class VRR Notes), such determination to be based on an opinion of a reputable accountancy firm chosen by the Class VRR Noteholders and, if required by the CRR (as amended from time to time including by the CRR Amendment Regulation) or any similar regulations or laws (taking into account any regulatory guidance and/or statements issued by relevant competent authorities) which enter into force after the Closing Date and which regulate the capital treatment of the Class VRR Noteholders' interest in the Portfolio or the Class VRR Notes, an opinion of a reputable law firm (such opinions to be provided within 115 days of the Class VRR Noteholders receiving the Refinancing Option Exercise Notice and the documents required to be provided at that time by the Refinancing Option Holder(s)); or
- (b) resulting in the Class VRR Noteholders being in breach of their obligations under any of the U.S. Risk Retention Rules (or any amended or replacement rules), or Article 6 of the Securitisation Regulation (or any amended or replacement rules), such

determination to be based on an opinion of a reputable law firm chosen by the Class VRR Noteholders; or

- (c) adversely affecting the position of the Class VRR Noteholders in relation to de-recognition of the Portfolio under IFRS 9 or deconsolidation and de-recognition of the Issuer under IFRS 10 (or any other rules which the Class VRR Noteholders rely on to achieve deconsolidation and de-recognition), such determination to be based on an opinion of a reputable accountancy firm chosen by the Class VRR Noteholders.

"Refinancing" means the exercise by the Refinancing Option Holder(s) of the Refinancing Option and the redemption by the Issuer of the Notes, the Class VRR Notes and the Certificates and the issuance by the issuer of the Refinancing Instruments.

"Refinancing Date" means the Interest Payment Date falling in November 2024 or any other Interest Payment Date thereafter.

"Refinancing Documents" means the Refinancing Trust Deed, any new subscription agreement, the Refinancing Instruments, the Amendment Deed/Agreement, the Refinancing Prospectus and any documents or instruments whatsoever ancillary, or necessary to give effect, to the foregoing.

"Refinancing Instruments" means the new class A notes, class B notes, class C notes, class D notes, class E notes, class F notes, class Z notes, new class VRR notes and new certificates issued by the Issuer pursuant to the exercise of the Refinancing Option, or such other class or classes of notes as agreed between the Issuer and any arranger retained by (or on behalf of the Issuer) in connection with the issuance of the Refinancing Instruments.

"Refinancing Option Holder"(s) " means the holder(s) of more than two thirds, in number, of the Certificates.

"Refinancing Proceeds" means an amount which, when added to the balance standing to the credit of each Transaction Account and any other cash held by or on behalf of the Issuer in any other Issuer Account (other than any amounts which are not to be applied as Available Revenue Receipts in accordance with the Swap Collateral Account Priority of Payments, including for the avoidance of doubt, (i) Swap Collateral, (ii) any Replacement Swap Premium paid to the Issuer, and (iii) amounts in respect of Swap Tax Credits), would be required by the Issuer to:

- (a) pay all amounts payable under items (a) to (f)(x) (inclusive) and (g)(i) to (g)(x) (inclusive) of the Post-Enforcement Priority of Payments; and
- (b) pay to the Certificateholders and the Class VRR Noteholders, *pro rata* and *pari passu*, an amount equal to the amount which would have been paid to the Certificateholders in accordance with the Pre-Enforcement Revenue Priority of Payments if the Refinancing Date were an ordinary Interest Payment Date (and not a date on which a Refinancing occurs), *multiplied* by 100/95,

in each case as calculated on the Calculation Date immediately preceding the Refinancing Date.

(b) ***Portfolio Call Option***

For so long as the Certificates are held by only one Certificateholder that Certificateholder, or for so long as the Certificates are held by more than one Certificateholder, the holder(s) of more than 50 per cent. of the number of Certificates (the "**Portfolio Option Holder(s)**"), may require the Issuer to sell to the Portfolio Option Holders (or to a third party purchaser/or purchasers nominated by the Portfolio Option Holder(s) ("**Portfolio Potential Purchasers**" and each a

"Portfolio Potential Purchaser")) the beneficial title to the Portfolio Call Option Loans in such a manner as to enable the Issuer to redeem the Notes and the Class VRR Notes in full, and to cancel the Certificates, on the Portfolio Call Option Completion Date (the **"Portfolio Call Option"**).

The Portfolio Call Option Purchase Price will be paid by the Portfolio Option Holder(s) on or before the Portfolio Call Option Completion Date. For so long as the Certificates are held by more than one Certificateholder, the liability of the Portfolio Option Holder(s) (or any Portfolio Potential Purchaser(s)) to pay the Portfolio Call Option Purchase Price shall be several, however and for the avoidance of doubt, the Portfolio Call Option Completion Date cannot occur unless the Issuer has received the full amount of the Portfolio Call Option Purchase Price.

The Portfolio Option Holder(s) may, at any time in the period from and including the Portfolio Call Option Exercise Date to and including the date falling 15 calendar days prior to the Portfolio Call Option Completion Date, deliver a notice (the **"Exercise Notice"**) to the Issuer (with a copy to the Security Trustee, the Note Trustee, the Seller, the Servicer and the Cash Manager) that it intends/they intend to exercise the Portfolio Call Option on the Portfolio Call Option Completion Date, provided that:

- (a) on or prior to the proposed Portfolio Call Option Completion Date, no Enforcement Notice has been served; and
- (b) in relation to taxation:
 - (A) either the entity or entities to which the Portfolio Call Option Loans are to be transferred is resident for tax purposes in, and has its usual place of abode in, the United Kingdom; or
 - (B) each of the Issuer and the Seller, having received tax advice from an appropriately qualified and experienced United Kingdom tax adviser in a 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 from HM Revenue and Customs), is satisfied that, following the exercise of the Portfolio Call Option, there shall be no requirement on either (i) any Borrower or (ii) any legal title holder of the Portfolio Call Option Loans to deduct or withhold payments for or on account of UK tax in respect of interest payable pursuant to such Portfolio Call Option Loans; and
- (c) it shall be a term and condition of the exercise of the Portfolio Call Option that the servicing of such Portfolio Call Option Loans may be carried out by Atom Bank following the Portfolio Call Option Completion Date on substantially the same terms as those contained in the Servicing Agreement (except in circumstances where Atom Bank is no longer the Servicer at the time of delivery of the Exercise Notice in respect of the Portfolio Call Option). Subject to the terms of the Mortgage Sale Agreement, it shall also be a term and condition of the exercise of the Portfolio Call Option that Atom Bank may, following the Portfolio Call Option Completion Date, retain legal title to the Portfolio Call Option Loans (except in circumstances where Atom Bank is no

longer the holder of the legal title to the Portfolio Call Option Loans at the time of delivery of the Exercise Notice in respect of the Portfolio Call Option).

Within one Business Day of receipt of an Exercise Notice, the Issuer shall request the Cash Manager to calculate and provide (with the assistance of the Issuer and the Servicer where appropriate) the Issuer (with copy to the Servicer) with an estimate of the Portfolio Call Option Purchase Price, and the Cash Manager shall provide such estimate to the Issuer (with copy to the Servicer) within one Business Day of request by the Issuer.

The Issuer shall, within three Business Days of the date of the Exercise Notice, serve on the Portfolio Option Holder(s) with copy to each of the Security Trustee, the Note Trustee, the Seller, the Servicer, the Cash Manager and on any other Portfolio Potential Purchaser(s) nominated in the Exercise Notice, a notice (the "**Counter Notice**") confirming:

- (a) the Portfolio Call Option Completion Date;
- (b) that the Issuer will be able to effect the sale and purchase of the whole beneficial title to the Portfolio Call Option Loans on the Portfolio Call Option Completion Date; and
- (c) the estimated amount of the Portfolio Call Option Purchase Price payable to the Issuer by the Portfolio Option Holder(s).

The Cash Manager shall calculate the final Portfolio Call Option Purchase Price not less than 2 Business Days prior to the Portfolio Call Option Completion Date, and shall, within one Business Day of calculating such amount, inform the Issuer and the Portfolio Option Holder(s) (which shall, if applicable, forward such confirmation to each Portfolio Potential Purchaser) of the final Portfolio Call Option Purchase Price.

The Portfolio Option Holder(s) shall confirm, on behalf of the Portfolio Potential Purchaser(s) named in the Exercise Notice and/or itself, and based on the estimated amount of the Portfolio Call Option Purchase Price, whether it wishes/they wish the Issuer to proceed with the sale, to the Portfolio Option Holder(s) and/or the Portfolio Potential Purchaser(s), of the whole beneficial title to the Portfolio Call Option Loans by serving an acceptance notice on the Issuer by the date falling three Business Days after the Servicer Report Date immediately prior to the Portfolio Call Option Completion Date (an "**Acceptance Notice**"). If no Acceptance Notice is served within the said period, then the Exercise Notice shall be of no further effect, and the Portfolio Option Holder(s) shall be entitled to serve a new Exercise Notice subject to and in accordance with the terms of the Certificate Conditions.

The Issuer shall ensure that Noteholders, Class VRR Noteholders and Certificateholders are notified of the Portfolio Call Option Completion Date not less than 5 calendar days prior to the Portfolio Call Option Completion Date. Prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer (upon which such certificate the Note Trustee shall be entitled to rely absolutely and without enquiry or liability to any person for so doing) to the effect that it will have the funds on the Portfolio Call Option Completion Date, not subject to the interest of any other person, in an amount not less than the Portfolio Call Option Purchase Price.

On the Portfolio Call Option Completion Date, the Portfolio Option Holder(s) (or the Portfolio Potential Purchaser(s) named in the Exercise Notice) will purchase the Portfolio Call Option Loans and the Notes and Class VRR Notes will be redeemed in full and the Certificates will be

cancelled following application of the Portfolio Call Option Purchase Price in accordance with the Post-Enforcement Priority of Payments.

In these Class VRR Note Conditions:

"Portfolio Call Option Completion Date" means the Interest Payment Date falling in November 2024 or any other Interest Payment Date thereafter.

"Portfolio Call Option Exercise Date" means:

- (a) if no Refinancing Option Exercise Notice has been served, the date falling 60 calendar days prior to the Portfolio Call Option Completion Date;
- (b) if a Refinancing Option Exercise Notice has been served and the Class VRR Noteholders have exercised their Class VRR Veto, the date on which the Class VRR Noteholders serve the Class VRR Veto Notice;

"Portfolio Call Option Loans" means the Loans and the Related Security in the Portfolio (excluding those Loans which have been redeemed or released from the Portfolio or repurchased by the Seller since the Closing Date).

"Portfolio Call Option Purchase Price" means an amount equal to the greater of:

- (a) the sum of:
 - (i) an amount equal to the aggregate of the amounts payable under items (a) to (f)(x) (inclusive) and (g)(i) to (g)(x) (inclusive) of the Post-Enforcement Priority of Payments; plus
 - (ii) an amount equal to the amount which the Certificateholders would have been paid in accordance with the Pre-Enforcement Revenue Priority of Payments if the Portfolio Call Option Completion Date were an ordinary Interest Payment Date (and not the Interest Payment Date on which the exercise of the Portfolio Call Option is completed) *multiplied* by 100/95; minus
 - (iii) the balance standing to the credit of each Transaction Account and any other cash held by or on behalf of the Issuer in any other Issuer Account (excluding for these purposes (A) any amounts recorded to the credit of the General Reserve Fund Ledger and any amounts recorded to the credit of the Liquidity Reserve Fund Ledger and (B) and Purchaser Receipts) (and other than any amounts which are to be applied in accordance with the Swap Collateral Account Priority of Payments, including for the avoidance of doubt, (i) Swap Collateral, (ii) any Replacement Swap Premium paid to the Issuer, and (iii) amounts in respect of Swap Tax Credits),

in each case as calculated on the Calculation Date immediately preceding the Interest Payment Date on which the Notes are redeemed pursuant to the Note Conditions, the Class VRR Notes are redeemed pursuant to the Class VRR Note Conditions and the Certificates cancelled and redeemed pursuant to the Certificate Conditions,

(the **"Base Portfolio Purchase Option Purchase Price"**); or

- (b) the current value of the principal balance of all of the Portfolio Call Option Loans as at the end of the Collection Period prior to the Portfolio Call Option Completion Date (including any amounts and market value payable in relation to the termination of the Swap Agreement).

(the "**Portfolio Purchase Option Current Value Purchase Price**", as calculated in accordance with Clause 36 of the Trust Deed).

"**Purchaser Receipts**" means Redemption Receipts and Revenue Receipts received by the Issuer from and including the Collection Period End Date relating to the Interest Payment Date on which the Notes and Class VRR Notes are redeemed and the Certificates cancelled and redeemed, pursuant to Note Condition 8.3(a) or (b) (as applicable), Class VRR Note Condition 8.3(a) or (b) (as applicable) or Certificate Condition 7.2(a) or (b) (as applicable) to and including such Interest Payment Date.

(c) ***Ten per cent. clean-up call***

The Issuer may redeem all (but not some only) of the Notes in each Class and the Class VRR Notes at their Principal Amount Outstanding and the Certificates out of Available Revenue Receipts on any Interest Payment Date when, on the related Calculation Date, the Current Balance of the Portfolio is (or would, on such Interest Payment Date be) less than 10% of the Current Balance of the Portfolio as at the Cut-Off Date subject to the following:

- (i) a Refinancing Option Exercise Notice (in respect of which the Class VRR Noteholders have not yet exercised their Class VRR Veto) has not been served by the Refinancing Option Holder(s) in accordance with the terms of the Certificate Conditions;
- (ii) an Exercise Notice has not been served by the Portfolio Call Option Holder(s) in accordance with the terms of the Certificate Conditions;
- (iii) no Enforcement Notice has been delivered by the Note Trustee;
- (iv) the Issuer has given not more than 60 nor less than 15 days' notice to the Note Trustee, the Paying Agent, the Registrar, each Rating Agency, the Swap Provider, the Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*), the Noteholders in accordance with Note Condition 16 (*Notice to Noteholders*) and the Class VRR Noteholders in accordance with Class VRR Note Condition 16 (*Notice to Class VRR Noteholders*) of its intention to redeem all (but not some only) of the Notes in each Class and the Class VRR Notes and the Certificates; and
- (v) prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer (upon which such certificate the Note Trustee shall be entitled to rely absolutely and without enquiry or liability to any person for so doing) to the effect that it will have the funds on the relevant Interest Payment Date, not subject to the interest of any other person, in an amount not less than the 10 Per. Cent Clean-up Call Purchase Price.

For the purposes of this Class VRR Note Condition 8.3, "**10 Per Cent. Clean-up Call Purchase Price**" means an amount equal to the greater of:

- (a) the sum of:
- (i) an amount equal to the aggregate of the amounts payable under items (a) to (f)(x) (inclusive) and (g)(i) to (g)(x) (inclusive) of the Post-Enforcement Priority of Payments; plus
 - (ii) an amount equal to the amount which the Certificateholders would have been paid in accordance with the Pre-Enforcement Revenue Priority of Payments if the Interest Payment Date on which the Class VRR Notes are redeemed under this Class VRR Note Condition 8.3(c) were an ordinary Interest Payment Date (and not the Interest Payment Date on which the Class VRR Notes are redeemed under this Class VRR Note Condition 8.3(c)) *multiplied* by 100/95; minus
 - (iii) the balance standing to the credit of each Transaction Account and any other cash held by or on behalf of the Issuer in any other Issuer Account (excluding for these purposes (A) any amounts recorded to the credit of the General Reserve Fund Ledger and any amounts recorded to the credit of the Liquidity Reserve Fund Ledger and (B) and Purchaser Receipts) (and other than any amounts which are to be applied in accordance with the Swap Collateral Account Priority of Payments, including for the avoidance of doubt, (i) Swap Collateral, (ii) any Replacement Swap Premium paid to the Issuer, and (iii) amounts in respect of Swap Tax Credits),

in each case as calculated on the Calculation Date immediately preceding the Interest Payment Date on which the Class VRR Notes are redeemed pursuant to this Class VRR Note Condition 8.3(c),

(the "**Base 10 Per Cent. Clean-up Call Purchase Price** "); or

- (b) the current value of the principal balance of all of the Loans and their Related Security comprising the Portfolio as at the end of the Collection Period prior to the Interest Payment Date on which the Notes are redeemed under this Class VRR Note Condition 8.3(c) (including any amounts and market value payable in relation to the termination of the Swap Agreement),

(the "**10 Per Cent. Clean-up Call Current Value Purchase Price** ").

The Cash Manager shall calculate the final 10 Per Cent. Clean-up Call Purchase Price not less than 2 Business Days prior to the date on which the Notes and Class VRR Notes are redeemed and the Certificates are cancelled following the exercise of the 10 Per Cent. Clean-Up Call, and shall, within one Business Day of calculating such amount, inform the Issuer (which shall inform the relevant purchaser of the Portfolio) of the final 10 Per Cent. Clean-up Call Purchase Price.

The 10 Per Cent. Clean-up Call Purchase Price will be applied in accordance with the Post-Enforcement Priority of Payments on the Interest Payment date on which the Notes are redeemed pursuant to the Note Conditions and the Class VRR Notes are redeemed pursuant to this Class VRR Note Condition.

In the event that the Refinancing Option is exercised, following the Refinancing Date, the 10 Per Cent. Clean-Up Call shall, for the avoidance of doubt, be exercisable when the Current Balance of the Portfolio is less than 10% of the Current Balance of the Portfolio as at the Cut-Off Date. Following any sale of Loans and their Related Security in connection with this Class VRR Note Condition, the servicing of such Loans and their Related Security may be carried

out by Atom Bank on substantially the same terms as those contained in the Servicing Agreement.

8.4 Redemption of the Notes, Class VRR Notes and Certificates for Taxation or Other Reasons

If:

- (a) by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on or before the next Interest Payment Date the Issuer or the Paying Agents would be required to deduct or withhold from any payment of principal or interest on any Notes (other than because the relevant holder has some connection with the United Kingdom other than the holding of such Notes) any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political sub-division thereof or any authority thereof or therein having power to tax;
- (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 the Class VRR Notes or the Certificates; 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 subparagraph (a), (b) or (c) above, appoint a Paying Agent in another jurisdiction or use its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another jurisdiction approved in writing by the Note Trustee as principal debtor under the Notes and the Class VRR Notes and the Certificates 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 Class VRR Notes and the Notes (and in making such determination, the Note Trustee may rely, without further investigation or inquiry, on (A) any confirmation made orally to the Issuer (in which case the Servicer on behalf of the Issuer shall confirm the same in writing to the Note Trustee) or in writing from each of the Rating Agencies that the then current ratings of the Rated 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 Manager and the Note Trustee (an "**Issuer Certificate**"), a written certification from the Issuer to the Note Trustee and the Security Trustee (a "**Certificate**") that such proposed action (i) (while any Rated Notes remain outstanding) has been notified to the Rating Agencies, (ii) would not have an adverse impact on the Issuer's ability to make payment when due in respect of the Rated Notes, would not affect the legality, validity and enforceability of any of the Transaction Documents or any Security and (iii) (while any of the Rated Notes remain outstanding) would not have an adverse effect on the rating of the Rated Notes) (upon which confirmation or certificate the Note Trustee shall be entitled to rely absolutely without liability to any person for so doing); and

- (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.

On any Interest Payment Date following the occurrence of a Redemption Event, the Issuer may redeem all (but not some only) of the Notes in each class and the Class VRR Notes at their Principal Amount Outstanding on such Interest Payment Date pursuant to Note Condition 8.4 and this Class VRR Note Condition 8.4 and cancel the Certificates pursuant to Certificate Condition 7.3. 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 sub-paragraph (a), (b) or (c) above is continuing and that the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such appointment or substitution. The Issuer shall: (i) give not more than 60 nor less than 15 days' notice to the Noteholders in accordance with Note Condition 16 (*Notice to Noteholders*), the Class VRR Noteholders in accordance with Class VRR Note Condition 16 (*Notice to Class VRR Noteholders*), the Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*) and the Note Trustee, the Paying Agent, the Registrar, each Rating Agency and the Swap Provider, of its intention to redeem all (but not some only) of the Notes in each Class and the Class VRR Notes and the Certificates; and (ii) provide to the Note Trustee, prior to giving the notice referred to in (i) above, a certificate signed by two directors of the Issuer to the effect that the Issuer will have sufficient funds required to redeem the Notes and the Class VRR Notes at their Principal Amount Outstanding pursuant to Note Condition 8.4 and this Class VRR Note Condition 8.4 and cancel the Certificates pursuant to Certificate Condition 7.3, and meet the Issuer's payment obligations of a higher priority under the Pre-Enforcement Revenue Priority of Payments (upon which the Note Trustee shall rely absolutely and without enquiry or liability).

Following the occurrence of a Redemption Event, the Portfolio Call Option shall be capable of being exercised in accordance with the Certificate Conditions and if the Portfolio Call Option is exercised then the Issuer will not redeem any of the Notes pursuant to Note Condition 8.4 or any of the Class VRR Notes pursuant to this Class VRR Note Condition 8.4 and shall not cancel the Certificates pursuant to Certificate Condition 7.3.

8.5 Principal Amount Outstanding

The "**Principal Amount Outstanding**" of the Class VRR Notes on any date shall:

- (a) in relation to a Class VRR Note, be the original principal amount of that Class VRR Note on the Closing Date less the aggregate amount of any principal payments in respect of that Class VRR Note which have become due and payable (and have been paid) on or prior to that day; and
- (b) in relation to all the Class VRR Notes outstanding at any time, be the aggregate of the amount in paragraph (a) above in respect of all Class VRR Notes outstanding.

8.6 Notice of Redemption

Any such notice as is referred to in Class VRR Note Condition 8.3 (*Redemption of the Notes, Class VRR Notes and Certificates in Full*), Note Condition 8.3 (*Redemption of the Notes, Class VRR Notes and Certificates in Full*), Class VRR Note Condition 8.4 (*Redemption of the Notes, Class VRR Notes and Certificates for Taxation or Other Reasons*) or Note Condition 8.4 (*Redemption of the Notes, Class VRR Notes and Certificates for Taxation or Other Reasons*) shall be irrevocable and, upon the expiry of such notice (subject always, in the case of a Refinancing, to the Class VRR Veto), the Issuer shall be bound to redeem the relevant Class VRR Notes and Notes at the applicable amounts specified in the relevant Class VRR Note

Conditions and Note Conditions. Any certificate or legal opinion given by or on behalf of the Issuer in connection with the exercise of the Refinancing Option may be relied on by the Note Trustee without further investigation and, if so relied on, shall be conclusive and binding on the Class VRR Noteholders as well as the Noteholders.

8.7 No Purchase by the Issuer

The Issuer will not be permitted to purchase any of the Class VRR Notes.

8.8 Cancellation on redemption in full and/or the exercise of the Refinancing Option

All Class VRR Notes redeemed in full will be cancelled upon redemption. Class VRR Notes cancelled upon redemption in full may not be resold or re-issued.

9 TAXATION

- 9.1 All payments in respect of the Class VRR 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, assessments, deductions, withholdings or charges of any nature whatsoever and wheresoever imposed, including (but not limited to) 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 Class VRR Note Condition 8.4 (*Redemption of the Notes, Class VRR Notes and Certificates 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 Class VRR Noteholders in respect of such withholding or deduction.

10 PRESCRIPTION

Claims in respect of principal and interest on the Class VRR 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 Class VRR Note 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 Class VRR Noteholders in accordance with Class VRR Note Condition 16 (*Notice to Class VRR Noteholders*).

11 EVENTS OF DEFAULT

11.1 Class VRR Notes

The Note Trustee at its absolute discretion may, and if so directed in writing by (i) the Noteholders of not less than 25% in aggregate Principal Amount Outstanding of the Most Senior Class, for so long as there are any Notes outstanding, (ii) not less than 25% of the Certificateholders, for so long as there are no Notes outstanding, (iii) or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class outstanding, shall (subject to being indemnified and/or prefunded and/or secured to its satisfaction as more particularly

described in the Trust Deed) deliver a notice (an "**Enforcement Notice**") to the Issuer (with a copy to the Swap Provider, the Cash Manager, the Security Trustee, the Servicer, the Standby Facilitator, the Citi Transaction Account Bank, the Elavon Account Bank, the Swap Collateral Account Bank and the Seller) that all Classes of the Notes and all of the Class VRR Notes then outstanding shall thereby immediately become due and repayable at their respective Principal Amount Outstanding, together with accrued (and unpaid) interest and the Certificateholders will be entitled to Residual Payments (if any) in each case as provided in the Trust Deed, if any of the following events (each, an "**Event of Default**") occur:

- (a) non-payment of any amount due in respect of the Class VRR Notes, and such non-payment continues for a period of five Business Days (and, for the avoidance of doubt, non-payment of any amount in respect of the Class VRR Notes which corresponds to an amount which is permitted to be deferred in accordance with Note Condition 18 (*Subordination by Deferral*) shall not be an Event of Default); or
- (b) failure by the Issuer to perform or observe any of its other obligations under the Note Conditions, Class VRR Note Conditions, Certificate Conditions or any Transaction Document to which it is a party which in the opinion of the Note Trustee is materially prejudicial to the interests of the holders of the Most Senior Class and the failure continues for a period of 15 days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the failure to be incapable of remedy, then no continuation or notice as is aforementioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) any representation or warranty made by the Issuer under any Transaction Document is incorrect in any material respect when made which in the opinion of the Note Trustee is materially prejudicial to the interests of the holders of the Most Senior Class and the matters giving rise to such misrepresentation are not remedied within a period of 15 days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the matters giving rise to such misrepresentation to be incapable of remedy, then no continuation or notice as is hereinafter mentioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or
- (d) if any order is made by any competent court or any resolution is passed for the winding up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the holders of the Most Senior Class; 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 holders of the Most Senior Class, 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 Issuer is deemed unable to pay its debts within the meaning of Sections 123(1) or (2) of the Insolvency Act (or any equivalent or analogous legislative provision, as applicable to such person) or (iii) the Issuer 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 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 Class VRR Note Condition 11.1 (*Class VRR Notes*), all Classes of the Notes and all of the Class VRR Notes then outstanding shall thereby immediately become due and repayable at their respective Principal Amount Outstanding, together with accrued (and unpaid) interest. The Certificateholders will be entitled to Residual Payments, if any.

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 Class VRR Notes, the Notes or the Trust Deed (including these Class VRR Note Conditions and the Note Conditions) or (in the case of the Security Trustee) the Deed of Charge or (in either case) any of the other Transaction Documents to which it is a party and, at any time after the service of an Enforcement Notice, the Security Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce the Security, but neither of them shall be bound to take any such proceedings, action or steps unless:

- (a) the Note Trustee or Security Trustee shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class then outstanding or directed in writing by (i) the Noteholders of not less than least 25% in aggregate Principal Amount Outstanding of the Most Senior Class, for so long as there are any Notes outstanding, or (ii) not less than 25% of the Certificateholders, for so long as there are no Notes outstanding; and
- (b) in all cases, it shall have been indemnified and/or prefunded and/or secured to its satisfaction.

No Class VRR Noteholder or other Secured Creditor may proceed directly against the Issuer unless the Note Trustee or Security Trustee, having become bound to do so, fails to do so within a reasonable period of time and such failure is continuing.

The Class VRR Noteholders shall have no ability to direct the Note Trustee or the Security Trustee in relation to the enforcement of the security.

12.2 Preservation of Assets

If the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes or the Class VRR Notes, the Security Trustee will not be entitled to dispose of any of the Charged Assets or any part thereof unless either (a) a sufficient amount would be realised to allow discharge in full on a *pro rata* and *pari passu* basis of all amounts owing to the holders of the Notes and the Class VRR Notes (and all persons ranking in priority to the holders of the Notes and Class VRR Notes), or (b) the Security Trustee is of the opinion, which shall be binding on the Secured Creditors, reached after considering at any time and from time to time the advice of any financial adviser (or such other professional advisers selected by the Security Trustee for the purpose of giving such advice), that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing: (i) to the Noteholders and the Class VRR Noteholders (and all persons ranking in priority to the Noteholders and the Class VRR Noteholders as set out in the order of priority set out in the Post-Enforcement Priority of Payments); and (ii) once all the Noteholders and the Class VRR Noteholders (and all such higher ranking persons) have been repaid, to the remaining Secured Creditors in the order of priority set out in the Post-Enforcement Priority of Payments. The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer. The Security Trustee shall be entitled to rely upon any financial or other professional advice referred to in this Class VRR Note Condition 12.2 without further enquiry and shall incur no liability to any person for so doing.

12.3 Limitations on Enforcement

No Class VRR Noteholder or any other Secured Creditor 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 Class VRR Note 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 Class VRR Noteholder or any other Secured Creditor shall be entitled to take any steps or proceedings to procure the winding up, administration or liquidation of the Issuer.

12.4 Limited Recourse

Notwithstanding any other Note Condition, Class VRR Note Condition or any provision of any Transaction Document, all obligations of the Issuer to the Class VRR Noteholders are limited in recourse to the property, assets and undertaking 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 and the Class VRR Notes,

then the Class VRR 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 Class VRR Notes (including, for the avoidance of doubt, payments of principal, premium (if any) or interest in respect of the Class VRR Notes) and the Issuer shall be deemed to be discharged from making any further payments in respect of the Class VRR Notes and any further payment rights shall be extinguished.

13 MEETINGS OF NOTEHOLDERS, CERTIFICATEHOLDERS AND CLASS VRR NOTEHOLDERS - MODIFICATION, WAIVER AND SUBSTITUTION

13.1 The Trust Deed contains provisions for convening separate or combined meetings of the Noteholders of each Class (and, in certain cases, more than one Class) and/or the Certificateholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions or the provisions of any of the Transaction Documents.

13.2 For the purposes of these Class VRR Note Conditions, "**Most Senior Class**" means the Class A Notes or, if there are no Class A Notes then outstanding, the Class B Notes or, if there are no Class B Notes outstanding, the Class C Notes or, if there are no Class C Notes outstanding, the Class D Notes or, if there are no Class D Notes outstanding, the Class E Notes or, if there are no Class E Notes outstanding, the Class F Notes or, if there are no Class F Notes outstanding, the Class Z Notes or, if there are no Class Z Notes outstanding, the Certificates.

13.3 Separate and combined meetings

13.3.1 The Trust Deed provides that:

- (a) an Extraordinary Resolution which in the opinion of the Note Trustee affects the interests of the holders of the Notes of only one Class or the Certificateholders only shall be considered at a separate meeting of the holders of the Notes of that Class (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) or at a separate meeting of the Certificateholders only (as relevant);
- (b) an Extraordinary Resolution which in the opinion of the Note Trustee affects holders of (i) more than one Class of Notes or (ii) at least one Class of Notes, and the Certificateholders, but in each case does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the holders of another Class of Notes and/or the Certificateholders shall be considered either at separate meetings of the Noteholders of each such Class and/or Certificateholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1), or at a single meeting of the Noteholders of all such Classes of Notes and/or the Certificateholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) as the Note Trustee shall determine in its absolute discretion;

- (c) an Extraordinary Resolution which in the opinion of the Note Trustee affects holders of (i) more than one Class of Notes or (ii) at least one Class of Notes, and the Certificateholders, and in each case gives rise to any actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes and/or the Certificateholders, shall be considered at separate meetings of the Noteholders of each such Class and the Certificateholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1); and
- (d) no Extraordinary Resolution of the Noteholders or the Certificateholders shall take effect for any purpose while more than a single Class of Notes remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Most Senior Class of Noteholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1), or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Most Senior Class of Noteholders.

13.3.2 The Trust Deed also provides that, notwithstanding any other provision of the Note Conditions, these Class VRR Note Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver which constitutes or comprises a Class VRR Entrenched Right unless all the Class VRR Noteholders have consented to such modification or waiver by way of a unanimous Written Resolution. Otherwise, all Extraordinary Resolutions and Ordinary Resolutions of the Noteholders will be binding on the holders of the Class VRR Notes and the Certificateholders.

13.3.3 The references above to meetings of the holders of the Notes of a particular Class (whether or not that provision refers to holders of those Notes voting with the Class VRR Noteholders) shall mean that the Class VRR Noteholders shall, where they are considered to be outstanding (as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1), be entitled to vote in respect of the amount of the Relevant Class VRR Note Portion together with the Corresponding Instrument.

13.4 Request from Noteholders or the Certificateholders

- (a) A meeting of Noteholders of a particular Class (and the Class VRR Noteholders in respect of the Relevant Class VRR Note Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) may be convened by the Note Trustee or the Issuer at any time and must be convened by the Note Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Noteholders of a particular Class (and the Class VRR Noteholders in respect of the Relevant Class VRR Note Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) holding not less than ten per cent. of the aggregate Principal Amount Outstanding of the Notes of that Class (together with the Relevant Class VRR Note Portion if the Class VRR Noteholders are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1).
- (b) A meeting of the Certificateholders (and the Class VRR Noteholders in respect of the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding"

as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) only may be convened by the Note Trustee or the Issuer at any time and must be convened by the Note Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of the Certificateholders and Class VRR Noteholders holding not less than ten per cent. of the total number of Certificates and the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1.

In the case of Class VRR Note Condition 13.4(a) and (b) above, so long as no Event of Default has occurred and is continuing, the Noteholders, the Class VRR Noteholders and the Certificateholders are not entitled to instruct or direct the Issuer to take any action, either directly or indirectly through the Note Trustee, without consent of the Issuer and, if applicable, certain other Transaction Parties pursuant to any relevant Transaction Documents, unless the Issuer has an obligation to take such action under the relevant Transaction Documents.

13.5 Quorum

13.5.1 Initial Meeting

The quorum at any initial meeting convened to vote on:

- (i) an Ordinary Resolution shall be one or more persons present and holding or representing in aggregate not less than one quarter of the total of:
 - (A) the Principal Amount Outstanding of the relevant Class or Classes of Notes, then outstanding; and
 - (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument);
- (ii) an Extraordinary Resolution (other than a Basic Terms Modification or a Class VRR Entrenched Right) shall be one or more persons present and holding or representing in the aggregate not less than 50 per cent. of the total of:
 - (A) the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding; and
 - (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument); and
- (iii) a Basic Terms Modification shall be one or more persons present and holding or representing in the aggregate not less than three-quarters of the total of:
 - (A) the Principal Amount Outstanding of such Class or Classes of Notes then outstanding; and
 - (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument).

13.5.2 Adjourned Meeting

The quorum at any adjourned meeting re-convened to vote on:

- (i) an Ordinary Resolution shall be one or more persons present and holding or representing in aggregate not less than 10 per cent. of the total of:
 - (A) the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding; and
 - (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument);
- (ii) an Extraordinary Resolution (other than a Basic Terms Modification or a Class VRR Entrenched Right) shall be one or more persons present and holding or representing in the aggregate not less than 25 per cent. of the total of:
 - (A) the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding; and
 - (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument); and
- (iii) a Basic Terms Modification shall be one or more persons present and holding or representing in the aggregate not less than 50 per cent. of the total of:
 - (A) the Principal Amount Outstanding of such Class or Classes of Notes then outstanding; and
 - (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument).

13.5.3 Certificates – Initial Meeting

The quorum at any initial meeting convened to vote on:

- (i) an Ordinary Resolution, shall be one or more persons present and holding or representing in aggregate not less than one quarter of the total number of:
 - (A) Certificates then outstanding; and
 - (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1;
- (ii) an Extraordinary Resolution (other than a Basic Terms Modification or a Class VRR Entrenched Right) shall be one or more persons present and holding or representing in the aggregate not less than 50 per cent. of the total number of:
 - (A) Certificates then outstanding; and
 - (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1; and
- (iii) a Basic Terms Modification shall be one or more persons present and holding or representing in the aggregate not less than three-quarters of the total number of:
 - (A) Certificates then outstanding; and

- (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1.

13.5.4 Certificates – Adjourned Meeting

The quorum at any adjourned meeting re-convened to vote on:

- (i) an Ordinary Resolution shall be one or more persons present and holding or representing in aggregate not less than 10 per cent. of the total number of:
 - (A) Certificates then outstanding; and
 - (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1;
 - (ii) an Extraordinary Resolution (other than a Basic Terms Modification or a Class VRR Entrenched Right) shall be one or more persons present and holding or representing in the aggregate not less than 25 per cent. of the total number of:
 - (A) Certificates then outstanding; and
 - (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1; and
 - (iii) a Basic Terms Modification shall be one or more persons present and holding or representing in the aggregate not less than 50 per cent. of the total number of:
 - (A) Certificates then outstanding; and
 - (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1.
- (b) A basic terms modification (a "**Basic Terms Modification**") shall mean:
- (i) sanction a modification of the date of maturity of the Notes, the Class VRR Notes or Certificates;
 - (ii) sanction a modification of the date of payment of principal or interest in respect of the Notes, any amounts in respect of Class VRR Notes or any amounts in respect of the Certificates, or where applicable, of the method of calculating the date of payment of principal or interest in respect of the Notes, any amounts in respect of Class VRR Notes or any amounts in respect of the Certificates, except in accordance with Note Conditions 13.9(i) or (j), or Class VRR Note Conditions 13.9(i) or (j), or Certificate Conditions 12.9(i) or (j) in relation to any Reference Rate Modification or Swap Rate Modification;
 - (iii) sanction a modification of the amount of principal or the rate of interest payable in respect of the Notes, or where applicable, of the method of calculating the amount payable of any principal or interest in respect of the Notes (including, if any such modification is proposed for any Class of Notes), or the amount

payable in respect of the Class VRR Notes, or any amounts payable in respect of the Certificates except in accordance with Note Conditions 13.9(i) or (j), Class VRR Note Conditions 13.9(i) or (j), or Certificate Conditions 12.9(i) or (j) in relation to any Reference Rate Modification or Swap Rate Modification;

- (iv) alter the currency in which payments under any Class of Notes, Class VRR Notes or 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, Class VRR Notes or Certificates; or

any change to the definition of Basic Terms Modification.

13.6 Most Senior Class and Limitations on other Noteholders

(a) Other than in relation to a Basic Terms Modification:

- (i) subject to Note Conditions 13.6(a)(ii) and (iii) and the Class VRR Entrenched Rights, an Extraordinary Resolution passed at any meeting of the holders of the Most Senior Class (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) shall be binding on such Noteholders and all other Classes of Noteholders and the Class VRR Noteholders and the Certificateholders irrespective of the effect upon them (whether or not present at such meeting and whether or not voting);
- (ii) subject to Note Condition 13.6(a)(iii) and the Class VRR Entrenched Rights, an Extraordinary Resolution passed at any meeting of a relevant Class of Noteholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) shall be binding on (i) such Noteholders and all other Classes of Noteholders ranking junior to such Class of Noteholders in the Post-Enforcement Priority of Payments, (ii) the Class VRR Noteholders, and (iii) the Certificateholders, in each case, irrespective of the effect it has upon them (whether or not present at such meeting and whether or not voting); and
- (iii) no Extraordinary Resolution of any Class of Noteholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) shall take effect for any purpose while any of the Most Senior Class remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1), all Notes ranking in priority thereto, or the Note Trustee and/or Security Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class,

provided that, in respect of any Extraordinary Resolution of a Class or Classes of Noteholders relating to any modification, amendment or supplement to any of the Transaction Documents, the Note Conditions, the Class VRR Note Conditions or Certificate Conditions which would encroach on any Swap Provider Entrenched Rights, the prior written consent of the Swap Provider is also needed prior to such amendments being made.

For the purposes of these Class VRR Note Conditions, "**Swap Provider Entrenched Rights**" means any modification, amendment or supplement which would have the effect:

- (1) that immediately thereafter, the Swap Provider would be required to pay more to or receive less from a third party transferee if it were to transfer the Swap Transaction to such third party transferee (subject to and in accordance with Part 5(m) of the Swap Agreement) than would otherwise be the case if such amendment were not made; or
- (2) of altering the amount, timing or priority of any payments or deliveries due to be made by or to the Swap Provider under the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions or any Transaction Document (including, without limitation, the Pre-Enforcement Revenue Priority of Payments, the Post-Enforcement Priority of Payments or the Swap Collateral Account Priority of Payments); or
- (3) of altering the Issuer's ability to make payments or deliveries to the Swap Provider; or
- (4) of altering 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; or
- (5) of amending Note Condition 8 (Redemption), Class VRR Note Condition 8 (Redemption) or any additional redemption rights in respect of the Notes, the Class VRR Notes or the Certificates, provided that such modification, amendment or supplement would be materially prejudicial to the Swap Provider; or
- (6) of altering any requirement to obtain the Swap Provider's prior consent (written or otherwise) in respect of any matter.

13.7 Relationship between Classes of Notes, Class VRR Notes and Certificates

- (a) In relation to each Class of Notes, Class VRR Notes and Certificates, no Extraordinary Resolution:
 - (i) involving a Basic Terms Modification shall be effective unless it is sanctioned by separate Extraordinary Resolutions of:
 - (A) the holders of each of the other Classes of Notes (to the extent that there are outstanding Notes in each such other classes) where the Class VRR Noteholders would be entitled to vote in respect of the Relevant Class VRR Note Portion that corresponds with the Corresponding Instrument, if the Relevant Class VRR Note Portion is considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1); or

- (B) the Certificateholders where the Class VRR Noteholders would be entitled to vote in respect of the Relevant Class VRR Note Certificate Portion, if the Relevant Class VRR Note Certificate Portion is considered to be "outstanding" as defined in Certificate Condition 1; or
- (ii) involving a Class VRR Entrenched Right shall be effective unless it has been sanctioned by a unanimous written resolution of the holders of all Class VRR Notes (to the extent that there are outstanding Class VRR Notes).
- (b) Any resolution passed at a meeting of Class VRR Noteholders duly convened and held in accordance with the Trust Deed shall be binding upon all Class VRR Noteholders, whether or not present at such meeting and whether or not voting.
- (c) Except in the case of a meeting relating to a Basic Terms Modification or a Class VRR Entrenched Right, any resolution passed at a meeting of the holders of the Most Senior Class duly convened and held as aforesaid shall also be binding upon the holders of all the other Classes of Notes, the holders of the Class VRR Notes and the Certificateholders.
- (d) A written resolution shall take effect as if it were an Extraordinary Resolution.

13.8 The Class VRR Notes

- (a) Any Class VRR Entrenched Rights shall be exercisable solely by way of a unanimous written resolution, without the need for a meeting.
- (b) Where meetings of Noteholders or Certificateholders are held, the Class VRR Noteholders shall count for the purposes of quorum and be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1.
- (c) However, if the Class VRR Noteholders are not considered to be "outstanding", they shall not be entitled to count towards quorum or voting at meetings of Noteholders or Certificateholders, and shall not be entitled to consider the relevant matter separately on their own either.
- (d) For the avoidance of doubt, as defined in Note Condition 1, Class VRR Note Condition 1, and Certificate Condition 1, in relation to the Class VRR Notes and for the purposes of meetings of Noteholders, "**outstanding**" means, all the Class VRR Notes issued from time to time which are held by or on behalf of the Seller, and, shall, for the avoidance of doubt, be deemed to remain outstanding (i) in respect of a Basic Terms Modification and/or (ii) Class VRR Entrenched Rights.
- (e) The Note Trustee shall, as regards all the powers, trusts, authorities, duties and discretions vested in it by the Transaction Documents, the Notes, the Certificates, or the Class VRR Notes, except where expressly provided otherwise, have regard to the interests of the Noteholders, the Certificateholders, the Class VRR Noteholders and the other Secured Creditors, but if, in the Note Trustee's sole opinion, there is a conflict between their interests, it will have regard solely to the interests of the Noteholders and no Class VRR Noteholder or any other Secured Creditor shall have any claim against the Note Trustee for so doing. Where, in the opinion of the Note Trustee there is a conflict of interests of holders of the different Classes of Notes and Class VRR Notes, the Note Trustee shall give priority to the interests of the Noteholders whose interests shall prevail, save where any Class VRR Entrenched Rights are affected (in which case the Note Trustee, or as relevant, the Security Trustee, will have regard to the interests of

the Class VRR Noteholders as well and regard to their ability to exercise the Class VRR Veto in respect of such Class VRR Entrenched Rights).

(f) In these Class VRR Note Conditions:

"Corresponding Instrument" means:

- (i) in respect of the Relevant Class VRR Note Class A Portion, the Class A Notes;
- (ii) in respect of the Relevant Class VRR Note Class B Portion, the Class B Notes;
- (iii) in respect of the Relevant Class VRR Note Class C Portion, the Class C Notes;
- (iv) in respect of the Relevant Class VRR Note Class D Portion, the Class D Notes;
- (v) in respect of the Relevant Class VRR Note Class E Portion, the Class E Notes;
- (vi) in respect of the Relevant Class VRR Note Class F Portion, the Class F Notes;
- (vii) in respect of the Relevant Class VRR Note Class Z Portion, the Class Z Notes;
and
- (viii) in respect of the Relevant Class VRR Note Certificate Portion, the Certificates.

"Relevant Class VRR Note Portion" means, as the context requires:

- (i) **"Relevant Class VRR Note Class A Portion"** which shall mean:
 - (A) Class A Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*
 - (B) the Class VRR Note Principal Amount Outstanding;
- (ii) **"Relevant Class VRR Note Class B Portion"** which shall mean:
 - (A) Class B Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*
 - (B) the Class VRR Note Principal Amount Outstanding;
- (iii) **"Relevant Class VRR Note Class C Portion"** which shall mean:
 - (A) Class C Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*

- (B) the Class VRR Note Principal Amount Outstanding;
- (iv) **"Relevant Class VRR Note Class D Portion"** which shall mean:
 - (A) Class D Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*
 - (B) the Class VRR Note Principal Amount Outstanding;
 - (v) **"Relevant Class VRR Note Class E Portion"** which shall mean:
 - (A) Class E Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*
 - (B) the Class VRR Note Principal Amount Outstanding;
 - (vi) **"Relevant Class VRR Note Class F Portion"** which shall mean:
 - (A) Class F Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*
 - (B) the Class VRR Note Principal Amount Outstanding;
 - (vii) **"Relevant Class VRR Note Class Z Portion"** which shall mean:
 - (A) Class Z Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*
 - (B) the Class VRR Note Principal Amount Outstanding; or
 - (viii) **"Relevant Class VRR Note Certificate Portion"** which shall be deemed to mean 526 Certificates for the purposes of voting provisions;

"Class A Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class A Notes;

"Class B Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class B Notes;

"Class C Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class C Notes;

"Class D Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class D Notes;

"Class E Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class E Notes;

"Class F Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class F Notes;

"Class Z Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class Z Notes; and

"Class VRR Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class VRR Notes.

For the avoidance of doubt, references to meetings of Noteholders and other related provisions should be construed to include the Relevant Class VRR Note Portion and the rights of the Class VRR Noteholders to exercise those rights (as the case may be).

13.9 Modification to the Transaction Documents

- (a) The Note Trustee may (or in the case of (iv) below, shall) at any time and from time to time, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) but without the consent or sanction of the Noteholders, Class VRR Noteholders, Certificateholders, or any other Secured Creditors agree with the Issuer and any other parties (and/or direct the Security Trustee to agree with the Issuer or any such other parties) in making or sanctioning any modification:
- (i) other than in respect of a Basic Terms Modification or Class VRR Entrenched Rights, to the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document, which in the opinion of the Note Trustee (acting in accordance with the Trust Deed) or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee), will not be materially prejudicial to the interests of the Noteholders, the Class VRR Noteholders, the Certificateholders, or the interests of the Note Trustee or the Security Trustee;
 - (ii) other than in respect of a Basic Terms Modification or Class VRR Entrenched Rights, to the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document for the purposes of making any changes which are necessary to facilitate a Refinancing;
 - (iii) to the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document if in the opinion of the Note Trustee (acting in accordance with the Trust Deed) or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee), such modification is of a formal, minor or technical nature or to correct a manifest error; or
 - (iv) to the Transaction Documents, the Note Conditions, the Class VRR Note Conditions or the Certificate Conditions that are requested in writing by the Issuer (acting in its own discretion or at the direction of any transaction party including the Swap Provider)

in order to enable the Issuer (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 ("**EMIR**"), irrespective of whether such modifications are (i) materially prejudicial to the interests of the holders of any Class of Notes, the holders of any Class VRR Notes, the holders of any Certificates or any other Secured Creditor or (ii) in respect of a Basic Terms Modification or Class VRR Entrenched Rights (any such modification, an "**EMIR Amendment**") and subject to receipt by the Note Trustee and the Security Trustee of a certificate of (i) the Issuer signed by two directors or (ii) the Servicer on behalf of the Issuer certifying to the Note Trustee and the Security Trustee that the amendments requested by the Issuer (either on its own behalf or at the direction of any transaction party including the Swap Provider) are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under EMIR,

provided that, in respect of any such modification, amendment or supplement to any of the Transaction Documents, the Note Conditions, the Class VRR Note Conditions or Certificate Conditions which would encroach on any Swap Provider Entrenched Rights, the prior written consent of the Swap Provider is also needed prior to such amendments being made.

Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification pursuant to this Class VRR Note Condition 13.9(a) which, in the sole opinion of the Note Trustee or, as the case may be, the Security Trustee, would have the effect of:

- (A) exposing the Note Trustee (or, as the case may be, the Security Trustee) to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction; or
 - (B) increasing the obligations or duties, or decreasing the protections of the Note Trustee (or, as the case may be, the Security Trustee) in the Transaction Documents and/or the Note Conditions, the Class VRR Note Conditions or the Certificate Conditions.
- (b) Notwithstanding anything to the contrary in the Trust Deed or the other Transaction Documents, when implementing any EMIR Amendment pursuant to this Class VRR Note Condition 13.9, the Note Trustee (or, as the case may be, the Security Trustee) shall not consider the interests of the Noteholders, any other Secured Creditor or any other person, but shall act and rely solely and without further investigation on any certificate provided to it by the Issuer pursuant to this Class VRR Note Condition 13.9 and shall not be liable to any Noteholder, Class VRR Noteholder, Certificateholder or any other Secured Creditor for so acting or relying.

13.10 Additional Right of Modification

Notwithstanding the provisions of VRR Note Condition 13.9 (*Modification to the Transaction Documents*), Class Note Condition 13.9 (*Modification to the Transaction Documents*) or Certificate Condition 12.9 (*Modification to the Transaction Documents*), the Note Trustee shall be obliged, without any consent or sanction of the Noteholders, the Class VRR 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 agree with the Issuer, and/or to direct the Security Trustee to agree with the Issuer, in making any modification (other than in respect of a Basic Terms Modification or in respect of any Class VRR Entrenched Rights) to the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document to which it is a party or in relation to which it holds security or to

enter into any new, supplemental or additional documents that the Issuer (in each case) considers necessary:

- (a) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that:
 - (i) the Issuer certifies in writing to the Note Trustee and the Security Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and
 - (ii) in the case of any modification to a Transaction Document proposed by any of the Seller, the Servicer, the Swap Provider, the Cash Manager the Agent Bank, the Principal Paying Agent, the Citi Transaction Account Bank, the Elavon Account Bank, the Custodian or the Swap Collateral Account Bank (for the purpose of this Class VRR Note Condition 13.10 only, each a "**Relevant Party**"), in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):
 - (A) the Relevant Party certifies in writing to the Issuer, the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in paragraph (ii)(x) and/or (y) above; and
 - (B) either:
 - I. the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) obtains from each of the Rating Agencies, a Rating Agency Confirmation (or certifies in writing to the Issuer (in the case of the Relevant Party or the Servicer), the Note Trustee and the Security Trustee that no Rating Agency Confirmation has been received within 30 days of a written request for such Rating Agency Confirmation) that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency and would not result in any Rating Agency placing any Rated Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer (in the case of the Relevant Party or the Servicer), the Note Trustee and the Security Trustee; or
 - II. the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent); and
 - (C) the Relevant Party pays all costs and expenses (including legal fees) incurred by the Issuer and the Note Trustee and the Security Trustee in connection with such modification; and/or

- (b) for the purpose of complying with any changes in the requirements of Article 405 of the CRR, Article 51 of the AIFM Regulation or Article 254 of the Solvency II Regulation after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the CRR, the AIFM Regulation or the Solvency II Regulation or any other risk retention legislation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect; and/or
- (c) for the purpose of enabling the Notes, the Class VRR Notes and the Certificates to comply with the requirements of the Securitisation Regulation, including relating to (i) the treatment (if any) of the Notes, the Class VRR Notes and the Certificates as a simple, transparent and standardised securitisation, and (ii) any related regulatory technical standards authorised under the Securitisation Regulation *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; and/or
- (d) for the purpose of complying with any changes in the requirements of (i) Section 15G of the Securities Exchange Act of 1934, as amended, as added by section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, after the Closing Date, (ii) the CRR Amendment Regulation, or (iii) any other risk retention legislation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect; and/or
- (e) for the purpose of enabling the Notes and Class VRR 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; and/or
- (f) for the purposes of enabling the Issuer or any other person that is party to a Transaction Document (a "**Transaction Party**") to comply with FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto), provided that the Issuer or the relevant Transaction Party, as applicable, certifies to the Security Trustee and the Note Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect; and/or
- (g) for the purposes of making any changes which are necessary to facilitate a Refinancing; and/or
- (h) for the purposes of making any changes necessary to allow the Issuer to open additional accounts held and maintained at a bank that has the Account Bank Required Minimum Rating, and to enter into additional account bank (or other similar agreements) agreements and agreements and agreements ancillary thereto, including in relation to any Securities Custody Account and its related Securities Custody Agreement, such additional bank account agreements shall be designated as Transaction Documents,

(the certificate to be provided by the Issuer or Servicer (on behalf of the Issuer), and/or the Relevant Party, as the case may be, pursuant to Class VRR Note Conditions 13.10(a) to (h) above being a "**Modification Certificate**"); and/or
- (i) for the purpose of changing the reference rate in respect of the Notes from SONIA to an alternative reference rate (including where such reference rate may remain linked to SONIA but may be calculated in a different manner) (any such reference rate, an

"**Alternative Reference Rate**") and make such other amendments to any of the Transaction Documents as are necessary or advisable in the reasonable judgement of the Issuer (or the Servicer on behalf of the Issuer) to facilitate such change or which are required as a consequence of adopting an Alternative Reference Rate (a "**Reference Rate Modification**"), provided that:

- (i) the Issuer (or the Servicer on behalf of the Issuer), certifies to the Note Trustee and the Security Trustee in writing (such certificate, a "**Reference Rate Modification Certificate**") that:
 - (A) such Reference Rate Modification is being undertaken due to a Reference Rate Disruption; and
 - (B) such Alternative Reference Rate satisfies the Reference Rate Eligibility Requirement; and
 - (C) the modifications proposed in the context of the Reference Rate Modification are required solely for the purpose of applying the Alternative Reference Rate and making consequential modifications to the Notes Conditions, the Class VRR Note Conditions, the Certificate Conditions or any Transaction Document which are, as determined by the Issuer (or the Servicer on behalf of the Issuer) in its commercially reasonable judgement, necessary or advisable, and the modifications have been drafted solely to such effect,

- (ii) and provided further that either:
 - (A) the Issuer has obtained from each of the Rating Agencies written confirmation (or certifies in the Reference Rate Modification Certificate that it has been unable to obtain written confirmation from each Rating Agency) that the proposed Reference Rate Modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent) and, if relevant, it has provided a copy of any written confirmation to the Note Trustee and the Security Trustee with the Reference Rate Modification Certificate; or
 - (B) the Issuer (or the Servicer on behalf of the Issuer), certifies in the Reference Rate Modification Certificate that it has given the Rating Agencies at least 10 Business Days prior written notice of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent).

"**Reference Rate Disruption**" means the occurrence of any of the following:

- (a) an alternative manner of calculating a SONIA-based rate being introduced and becoming a standard means of calculating interest in the publicly listed asset backed floating rate notes market; or
- (b) a material disruption to SONIA (as determined by the Servicer acting reasonably), an adverse change in the methodology of calculating SONIA (as

determined by the Servicer acting reasonably), SONIA ceasing to exist or be published or the administrator of SONIA having used a fall-back methodology for calculating SONIA for a period of at least 30 calendar days; or

- (c) the insolvency or cessation of business of the administrator of SONIA (in circumstances where no successor administrator has been appointed); or
- (d) a public statement by the SONIA administrator that it will cease publishing SONIA permanently or indefinitely (in circumstances where no successor SONIA administrator has been appointed that will continue publication of SONIA) in each case with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or
- (e) a public statement by the supervisor of the SONIA administrator that SONIA has been or will be permanently or indefinitely discontinued or there will be a material change to the methodology of calculating SONIA with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or
- (f) a public statement by the supervisor of the SONIA administrator that means SONIA will be prohibited from being used or that its use is subject to restrictions or adverse consequences with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or
- (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 Financial Conduct Authority or the Prudential Regulation Authority 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; or
- (h) it having become unlawful and/or impossible and/or impracticable for any Agent Bank, the Issuer or the Cash Manager to calculate any payments due to be made to any Noteholder using SONIA; or
- (i) following the implementation of a Reference Rate Modification, it becomes generally accepted market practice in the publicly listed asset backed floating rate notes market to use a Reference Rate of interest which is different from the Alternative Reference Rate which had already been adopted by the Issuer in respect of the Notes pursuant to a Reference Rate Modification; or
- (j) it being the reasonable expectation of the Issuer (or the Servicer on its behalf) that any of the events specified in sub-paragraphs (b) to (i) (inclusive) above will occur or exist within six months of the proposed effective date of such Reference Rate Modification.

"Reference Rate Eligibility Requirement "means the Alternative Reference Rate being any one of the following:

- (a) a reference rate published, endorsed, approved or recognised by the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority 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 (which, for the avoidance of doubt, may be an alternative reference rate together with a specified adjustment factor which may increase or decrease the relevant alternative reference rate); or

- (b) a reference rate utilised in 5 publicly-listed new issues of Sterling denominated asset backed floating rate notes prior to the effective date of such Reference Rate Modification; or
- (c) a reference rate utilised in a publicly-listed new issue of Sterling denominated asset backed floating rate notes where the originator of the relevant assets is Atom Bank or an affiliate (including any parent entity of Atom Bank, any subsidiary of any parent entity of Atom Bank and any subsidiary of Atom Bank) of Atom Bank; or
- (d) such other reference rate as the Issuer (or the Servicer on its behalf) reasonably determines, *provided that* this option may only be used if the Issuer (or the Servicer on behalf of the Issuer) certifies to the Note Trustee and the Security Trustee that, in its reasonable opinion, none of sub-paragraph (a) to (c) above (inclusive) are applicable and/or practicable in the context of this transaction, and sets out the rationale in the Reference Rate Modification Certificate for choosing the proposed Alternative Benchmark Rate.

In the case of a Reference Rate Modification, such written notice shall include details of the adjustment which the Issuer (or the Servicer on behalf of the Issuer) proposes to make (if any) to the margin payable on each Class of Notes which are the subject of the Reference Rate Modification in order to, so far as reasonably and commercially practicable, preserve what would have been the expected Rate of Interest applicable to each such Class of Notes had no such Reference Rate Modification been effected (the "**Note Rate Maintenance Adjustment**" which, for the avoidance of doubt, may effect an increase or a decrease to the margin or may be set at zero), provided that:

- (i) in the event that the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority 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, has published, endorsed, approved or recognised a note rate maintenance adjustment mechanism which could be used in the context of a transition from the Relevant Reference Rate to the Alternative Reference Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Reference Rate Modification; or
 - (ii) in the event that it has become generally accepted market practice in the Sterling-denominated asset backed floating rate notes market to use a particular note rate maintenance adjustment mechanism in the context of a transition from the Relevant Reference Rate to the Alternative Reference Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Reference Rate Modification; or
- (j) for the purpose of changing the reference rate that then applies in respect of the Swap Agreement to an alternative reference rate as is necessary or advisable in the

commercially reasonable judgement of the Issuer (or the Servicer on its behalf) and the Swap Provider solely as a consequence of a Reference Rate Modification and solely for the purpose of aligning the reference rate of the Swap Agreement to the reference rate of the Notes following such Reference Rate Modification (a "**Swap Rate Modification**"), provided that the Issuer, or the Servicer on behalf of the Issuer, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and it has been drafted solely to such effect (such certificate being a "**Swap Rate Modification Certificate**"),

provided that, in the case of any modification made pursuant to Class VRR Note Condition 13.10 (a) to (j) 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, Reference Rate Modification Certificate or Swap Rate Modification Certificate, as applicable, in relation to such modification shall be provided to the Note Trustee and the Security Trustee both at the time the Note Trustee and the Security Trustee are notified of the proposed modification and on the date that such modification takes effect; and
- (iii) the consent of each Secured Creditor which is party to the relevant Transaction Document has been obtained;
- (iv) other than in the case of a modification pursuant to Class VRR Note Condition 13.10(a)(ii), either:
 - (A) the Issuer or the Servicer (on behalf of the Issuer) obtains from each of the Rating Agencies a Rating Agency Confirmation (or certifies in the Modification Certificate that no such Rating Agency Confirmation has been received within 30 days of a written request for such Rating Agency Confirmation) that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent); or
 - (B) the Issuer or the Servicer (on behalf of the Issuer) certifies in the Modification Certificate, Reference Rate Modification Certificate or Swap Rate Modification Certificate, as applicable, that it has informed the Rating Agencies of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent); and
- (v) the Issuer (or the Servicer on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee (which certification may be in the Modification Certificate, Reference Rate Modification Certificate or Swap Rate Modification Certificate, as applicable) that (I) the Issuer has provided at least 30 calendar days' notice to the Noteholders, Class VRR Noteholders and Certificateholders of the proposed modification in accordance with Note Condition 16 (*Notice to Noteholders*), Class VRR Note Condition 16 (*Notice to Class VRR Noteholders*), Certificate Condition 15 (*Notice to*

Certificateholders) and by publication on Bloomberg on the Company News screen relating to the Notes, Class VRR Notes and, if applicable, the Certificates, and (II) Noteholders or Certificateholders representing at least (i) 10% of the aggregate Principal Amount Outstanding of the Most Senior Class then outstanding, and/or (ii) 10% of the number of Certificates then in issue have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes and/or Certificates may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the modification.

If Noteholders or Certificateholders representing at least (i) 10% of the aggregate Principal Amount Outstanding of the Most Senior Class then outstanding, and/or (ii) 10% of the number of Certificates then in issue have notified the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes and/or Certificates 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 (i) the Noteholders of the Most Senior Class then outstanding (in the event that the objection is made by such Noteholders), and/or (ii) the Certificates then in issue (in the event that the objection is made by such Certificateholders) is passed in favour of such modification in accordance with Note Condition 13 (*Meetings of Noteholders, Certificateholders and Class VRR Noteholders - Modification, Waiver and Substitution*) and/or Certificate Condition 12 (*Meetings of Noteholders, Certificateholders and Class VRR Noteholders - Modification, Waiver and Substitution*). Objections made in writing, other than through the applicable clearing system, must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes and/or the relevant Certificateholder's holding of the Certificates.

When implementing any modification pursuant to Note Condition 13.10 or Class VRR Note Condition 13.10 or Certificate Condition 12.10 (save to the extent the Note Trustee considers that the proposed modification would constitute a Basic Terms Modification or impact any Class VRR Entrenched Rights), neither the Note Trustee nor the Security Trustee shall consider the interests of the Noteholders, Class VRR Noteholders, Certificateholders, any other Secured Creditor or any other person but shall act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to Note Condition 13.10 or Class VRR Note Condition 13.10, or Certificate Condition 12.10 and shall not be liable to the Noteholders, Class VRR Noteholders, 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.

Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification which, in the sole opinion of the Note Trustee (or, as the case may be, the Security Trustee) would have the effect of (i) exposing the Note Trustee (or, as the case may be, the Security Trustee) to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Note Trustee (or, as the case may be, the Security Trustee) in the Transaction Documents and/or the Note Conditions, the Class VRR Note Conditions or the Certificate Conditions.

Any such modification shall be binding on all Noteholders, Class VRR Noteholders and Certificateholders, and shall be notified by the Issuer as soon as reasonably practicable to:

- (a) so long as any of the Rated Notes rated by the Rating Agencies remains outstanding, each Rating Agency;
- (b) the Secured Creditors; and

- (c) the Noteholders in accordance with Note Condition 16 (*Notice to Noteholders*) and to Class VRR Noteholders in accordance with Class VRR Note Condition 16 (*Notice to Class VRR Noteholders*) and to the Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*).

13.11 Authorisation or Waiver of Breach

The Note Trustee (or, as the case may be, the Security Trustee) may, without the consent or sanction of the Noteholders, Class VRR 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, but only if and in so far as in its opinion the interests of the holders of the Most Senior Class shall not be materially prejudiced thereby, authorise or waive on such terms and subject to such conditions (if any) as it may decide, any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to the Note Conditions, these Class VRR Note Conditions, the Certificate Conditions or any of the Transaction Documents by any party thereto, provided that the Note Trustee (or, as the case may be, the Security Trustee) shall not exercise any powers conferred on it by this Class VRR Note Condition 13.11 in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class or by a direction under Note Condition 11 (*Events of Default*) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made.

13.12 Notification of modifications, waivers, authorisations or determinations

Any such modification, waiver, authorisation or determination by the Note Trustee or, as applicable, the Security Trustee in accordance with these Class VRR Note Conditions or the Transaction Documents shall be binding on the Class VRR Noteholders and, unless the Note Trustee or, as applicable, the Security Trustee agrees otherwise, any such modification shall be notified by the Issuer to the Noteholders in accordance with Note Condition 16 (*Notice to Noteholders*), to the Class VRR Noteholders in accordance with Class VRR Note Condition 16 (*Notice to Class VRR Noteholders*), to the Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*), the Rating Agencies (while any Rated Notes remain outstanding) and the other Secured Creditors as soon as practicable thereafter.

- 13.13 In determining whether a proposed action will not be materially prejudicial to the Noteholders or any Class thereof or the Class VRR Noteholders or the Certificateholders, the Note Trustee may, among other things, have regard to whether the Rating Agencies have confirmed in writing to the Issuer or any other party to the Transaction Documents that any proposed action will not result in the withdrawal or reduction of, or entail any other adverse action with respect to, the then current ratings of the Rated Notes. It is agreed and acknowledged by the Note Trustee that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders, and/or the Class VRR Noteholders, and/or the Certificateholders. In being entitled to take into account that each of the Rating Agencies has confirmed that the then current ratings of the Rated Notes would not be adversely affected, it is agreed and acknowledged by the Note Trustee this does not impose or extend any actual or contingent liability for each of the Rating Agencies to the Note Trustee, the Noteholders, the Class VRR Noteholders, the Certificateholders or any other person, or create any legal relations between each of the Rating Agencies and the Note Trustee, the Noteholders, the Class VRR Noteholders, the Certificateholders or any other person, whether by way of contract or otherwise.
- 13.14 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 the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions or any of the Transaction Documents (including in relation to any modification, waiver, authorisation, determination, substitution or change of

laws as referred to above), the Note Trustee or the Security Trustee is required to have regard to the interests of the Noteholders of any Class or Classes and/or the Class VRR Noteholders, it shall (A) have regard to the general interests of the Noteholders of such Class or Classes and/or the Class VRR Noteholders as a whole but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Class VRR Noteholders (whatever their number) or the Certificateholders and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders or Class VRR Noteholders or Certificateholders (in each case, whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof, and the Note Trustee or, as the case may be, the Security Trustee shall not be entitled to require, nor shall any Noteholder, Class VRR Noteholder or Certificateholder be entitled to claim, from the Issuer, the Note Trustee or the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Class VRR Noteholders or Certificateholders, and (B) subject to the more detailed provisions of the Trust Deed and the Deed of Charge, as applicable, have regard to the interests of holders of each Class of Notes and/or the Class VRR Noteholders and/or Certificateholders (except where expressly provided otherwise) but requiring the Note Trustee or, as the case may be, the Security Trustee where there is a conflict of interests between one or more Classes of Notes in any such case to have regard (except as expressly provided otherwise) to the interests of the holders of the Class or Classes of Notes ranking in priority to the other relevant Classes of Notes.

13.15 Other than in respect of any matter requiring an Extraordinary Resolution, Class VRR Noteholders may vote by way of an Ordinary Resolution.

13.16 "**Ordinary Resolution**" means, in respect of the holders of any of the Classes of Notes, Certificates, and/or Class VRR Notes:

(a) a resolution passed at a meeting of Noteholders and/or Certificateholders duly convened and held in accordance with the Trust Deed and these Class VRR Note 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 (including any votes cast by the Class VRR Noteholders entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1);

(b) a resolution in writing signed by or on behalf of:

(i) the Noteholders of not less than a clear majority in aggregate Principal Amount Outstanding of the relevant Class of Notes; and/or

(ii) the Certificateholders of not less than a clear majority in number of the Certificates,

in each case including the Relevant Class VRR Note Portion with the Corresponding Instrument, if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1, represented by the Class VRR Noteholders, 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 Certificateholders, and/or Class VRR Noteholders, as the case may be; or

- (iii) 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:
- (iv) the Noteholders of not less than a clear majority in aggregate Principal Amount Outstanding of the relevant Class of Notes; and/or
- (v) the Certificateholders of not less than a clear majority in number of the Certificates,

in each case including the Relevant Class VRR Note Portion with the Corresponding Instrument, if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1, represented by the Class VRR Noteholders.

See also Class VRR Note Condition 13.8 (*The Class VRR Notes*).

13.17 "**Extraordinary Resolution**" means, in respect of the holders of any of the Classes of Notes, Certificates, and/or Class VRR Notes:

- (a) a resolution passed at a meeting of Noteholders and/or Certificateholders duly convened and held in accordance with the Trust Deed and these Class VRR Note Conditions by a majority consisting of not less than three-quarters of Eligible Persons voting at such meeting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-quarters of the votes cast on such poll (including any votes cast by the Class VRR Noteholders entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1);
- (b) a resolution in writing signed by or on behalf of
 - (i) the Noteholders of not less than three-quarters in aggregate Principal Amount Outstanding of the relevant Class of Notes; and/or
 - (ii) the Certificateholders of not less than three-quarters in number of the Certificates,

in each case including the Relevant Class VRR Note Portion with the Corresponding Instrument, if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1, represented by the Class VRR Noteholders, 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, Certificateholders, and/or Class VRR Noteholders, as the case may be; or

- (iii) 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
- (iv) the Noteholders of not less than three-quarters in aggregate Principal Amount Outstanding of the relevant Class of Notes; and/or
- (v) the Certificateholders of not less than three-quarters in number of the Certificates,

in each case including the Relevant Class VRR Note Portion with the Corresponding Instrument, if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1, represented by the Class VRR Noteholders.

See also Class VRR Note Condition 13.8 (*The Class VRR Notes*).

13.18 "**Eligible Person**" means any one of the following persons who shall be entitled to attend and vote at a meeting:

- (a) a bearer of any Voting Certificate; and
- (b) a proxy specified in any Block Voting Instruction.

13.19 "**Voting Certificate**" means an English language certificate issued by a Paying Agent in which it is stated that on the date thereof the:

- (a) Notes (not being the Notes (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate); and/or
- (b) Class VRR Notes (not being the Class VRR Notes (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate); and/or
- (c) Certificates (not being the Certificates (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate),

are blocked in an account with a Clearing System and that no such Notes and/or Class VRR Notes will cease to be so blocked until the first to occur of:

- (i) the conclusion of the meeting specified in such Voting Certificate; and
- (ii) the surrender of the Voting Certificate to the Paying Agent who issued the same; and
- (iii) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes and/or Class VRR Notes and/or Certificates represented by such Voting Certificate.

13.20 "**Block Voting Instruction**" means an English language document issued by a Paying Agent in which it is certified that on the date thereof:

- (a) 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); and/or
- (b) Class VRR Notes (not being the Class VRR Notes (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction); and/or

- (c) Certificates (not being Certificates 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:

- (i) the conclusion of the meeting specified in such Block Voting Instruction; and
- (ii) the Notes and/or the Class VRR Notes and/or Certificates ceasing with the agreement of the Paying Agent to be so blocked and the giving of notice by the Paying Agent to the Issuer of the necessary amendment to the Block Voting Instruction;
- (iii) it is certified that each holder of such Notes and/or Class VRR Notes and/or Certificates has instructed such Paying Agent that the vote(s) attributable to the Notes, Certificates and/or Class VRR Notes (entitled to vote at a meeting of the Corresponding Instrument in respect of the Relevant Class VRR Note Portion) 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;
- (iv) the aggregate principal amount or aggregate total amount of the Notes and/or Class VRR Notes and/or the number of Certificates so blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
- (v) one or more persons named in such Block Voting Instruction (each hereinafter called a "**proxy**") is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes and/or the Certificates, and/or Class VRR Notes (entitled to vote at a meeting of the Corresponding Instrument in respect of the Relevant Class VRR Note Portion) so listed in accordance with the instructions referred to in (c) above as set out in such Block Voting Instruction, provided that no such person shall be named as a proxy: so listed in accordance with the instructions referred to in (c) above as set out in such Block Voting Instruction, provided that no such person shall be named as a proxy:
 - (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.

13.21 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.

13.22 Issuer Substitution Condition

The Note Trustee and the Security Trustee may agree, subject to such amendment of the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions and of any of the Transaction Documents, and to such other conditions as the Note Trustee and the Security Trustee may require and subject to the terms of the Trust Deed, but without the consent of the Noteholders or the Class VRR Noteholders or the Certificateholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed, the Notes, the Class VRR Notes, the Certificates and in respect of the other Secured Obligations, provided that the conditions set out in the Trust Deed are satisfied including, *inter alia*, that the Notes and the Class VRR Notes and the Certificates are unconditionally and irrevocably guaranteed by the Issuer (unless all of the assets of the Issuer are transferred to such body corporate) and that such body corporate is a single purpose vehicle and undertakes itself to be bound by provisions corresponding to those set out in Class VRR Note Condition 5 (*Covenants*) and Note Condition 5 (*Covenants*) and Certificate Condition 5 (*Covenants*) (the "**Issuer Substitution Condition**"). In the case of a substitution pursuant to this Class VRR Note Condition 13.22 or Note Condition 13.22 or Certificate Condition 12.22, the Note Trustee and the Security Trustee may in their absolute discretion agree, without the consent of the Noteholders or the Class VRR Noteholders or the Certificateholders, to a change in law governing the Notes, the Class VRR Notes, the 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 Noteholders or the Class VRR Noteholders or the Certificateholders.

14 INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

The Trust Deed and the Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee respectively and providing for their indemnification in certain circumstances, including provisions relieving them from taking action or, in the case of the Security Trustee, enforcing the Security, unless indemnified and/or prefunded and/or secured to their satisfaction.

The Trust Deed and the Deed of Charge also contain provisions pursuant to which the Note Trustee and the Security Trustee are entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Transaction Documents, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, individual Class VRR 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 CLASS VRR NOTES

If any Class VRR 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 Class VRR 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 Class VRR Note must be surrendered before a new one will be issued.

16 NOTICE TO CLASS VRR NOTEHOLDERS

16.1 Publication of Notice

- (a) Subject to Class VRR Note Condition 16.1(d), any notice to Class VRR 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 Class VRR Noteholders (in each case a "**Relevant Class VRR Note Screen**"), or (ii) paragraph (c) below applies and the Issuer has so elected, publication in the newspaper set out above or such other newspaper or newspapers shall not be required with respect to such notice. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which (or on the Relevant Class VRR Note Screen) publication is required.
- (b) In respect of Class VRR Notes in definitive form, notices to Class VRR 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 Class VRR Notes are represented by the Class VRR Global Note, notices to Class VRR Noteholders will be valid if published as described above or, at the option of the Issuer, if submitted to Euroclear and/or Clearstream, Luxembourg for communication by them to Class VRR 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 Class VRR Notes are admitted to trading on, and listed on the official list of, Euronext Dublin all notices to the Class VRR 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 Class VRR Noteholders or category of them if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges, competent listing authorities and/or quotation systems on or by which the Class VRR Notes are then listed, quoted and/or traded and provided that notice of such other method is given to the Class VRR Noteholders in such manner as the Note Trustee shall require.

17 REPLACEMENT CLASS VRR NOTES

If the Issuer Substitution Condition is satisfied in accordance with these Class VRR Note Conditions and the Trust Deed, the Issuer may, without the consent of the Class VRR Noteholders, issue replacement notes ("**Replacement Class VRR Notes**") to replace the Class VRR Notes, each of which shall have terms and conditions which may differ from the terms and conditions of the Class VRR Notes which they replace.

18 *[Intentionally blank]*

19 NON-RESPONSIVE RATING AGENCY

- (a) In respect of the exercise of any power, duty, trust, authority or discretion as contemplated hereunder or in relation to the Class VRR Notes and any of the Transaction Documents, the Note Trustee and the Security Trustee shall be entitled but not obliged to take into account any written confirmation or affirmation (in any form acceptable to the Note Trustee and the Security Trustee) from the relevant Rating Agencies that the then current ratings of the Rated Notes will not be reduced, qualified, adversely affected or withdrawn thereby (a "**Rating Agency Confirmation**").
- (b) If a Rating Agency Confirmation or other response by a Rating Agency is a condition to any action or step under any Transaction Document and a written request for such Rating Agency Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and the Security Trustee, as applicable) and:
- (i) (A) one Rating Agency (such Rating Agency, a "**Non-Responsive Rating Agency**") indicates that it does not consider such Rating Agency Confirmation or response necessary in the circumstances or that it does not, as a matter of practice or policy, provide such Rating Agency Confirmation or response or (B) within 30 days of delivery of such request, no Rating Agency Confirmation or response is received and/or such request elicits no statement by such Rating Agency that such Rating Agency Confirmation or response could not be given; and
- (ii) one Rating Agency gives such Rating Agency Confirmation or response based on the same facts,

then such condition to receive a Rating Agency Confirmation or response from each Rating Agency shall be modified so that there shall be no requirement for the Rating Agency Confirmation or response from the Non-Responsive Rating Agency if the Issuer provides to the Note Trustee and the Security Trustee a certificate signed by two directors certifying and confirming that each of the events in paragraphs (i)(A) or (B) and (ii) above has occurred and the Note Trustee and the Security Trustee shall be entitled to rely on such certificate without further enquiry or liability.

20 JURISDICTION AND GOVERNING LAW

- (a) The Courts of England and Wales (the "**Courts**") are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Class VRR 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 Class VRR 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 Class VRR Notes and/or the Transaction Documents may be brought in such Courts.
- (b) The Transaction Documents, the Class VRR Notes, and these Class VRR Note Conditions (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, the laws of England and Wales except that, to the extent that the provisions of the Mortgage Sale Agreement, the Deed of Charge and any security documents supplemental thereto relate to the Scottish Loans, such provisions and documents shall be construed and/or (as applicable) governed by Scots law.

21 RIGHTS OF THIRD PARTIES

No rights are conferred on any person (other than the Note Trustee, the Security Trustee, the Class VRR Noteholders, and in relation to the Refinancing Option and the Portfolio Call Option, the Certificateholders (in their capacities as Refinancing Option Holder and Portfolio Option Holder), the Cash Manager, the Servicer, the Swap Provider, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank and the Registrar) under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes or these Note Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates in the form (subject to amendment) in which they will be set out in the Trust Deed (as defined below). If the Certificates were to be represented by Registered Definitive Certificates, the Certificates Conditions set out on the reverse of each of such Registered Definitive Certificates would be as follows. While the Certificates are represented by Global Certificates, they will be governed by the same terms and conditions except to the extent that such terms and conditions are appropriate only to securities in definitive form or are expressly varied by the terms of such Global Certificates. These terms and conditions are subject to the detailed provisions of the Trust Deed and the other Transaction Documents (as defined below).

1 GENERAL

The 10,000 certificates issued on the Closing Date, or, as the case may be, a specific number thereof (the "**Certificates**" and the holders thereof, the "**Certificateholders**"), of Elvet Mortgages 2019-1 PLC (the "**Issuer**") are constituted by a trust deed (the "**Trust Deed**") dated on or about (the "**Closing Date**") and made between, among others, the Issuer and Citicorp Trustee Company Limited as trustee for the Certificateholders (in such capacity, the "**Note Trustee**"). Any reference in these terms and conditions (the "**Certificate Conditions**") to the Certificateholders means the registered holders for the time being of the Certificates. The security for the 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 Agent**"), 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*, any payments made at item (f)(xix) of the Pre-Enforcement Revenue Priority of Payments, or (as relevant) item (f)(xi) of the Post-Enforcement Priority of Payments ("**Residual Payments**") on the Certificates.

The statements in these Certificate Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and a master definitions and construction schedule (the "**Master Definitions and Construction Schedule**") entered into by, among others, the Issuer, the Note Trustee and the Security Trustee on the Closing Date and the other Transaction Documents (as defined therein).

For the purposes of: (1) these Certificate Conditions; (2) the right to attend and vote at any meeting of the Certificateholders of any Class or Classes, an Extraordinary Resolution in writing or an Ordinary Resolution in writing, a written resolution or an electronic consent through the relevant Clearing System(s) as envisaged by the Trust Deed and/or these Certificate Conditions and any direction or request by the Certificateholders; the determination of how many and which Certificates are for the time being outstanding; (3) any discretion, power or authority (whether contained in the trust presents, or vested by operation of law) which the Security Trustee and/or the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Certificateholders; and (4) the determination by the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Certificateholders, "**outstanding**" means, in relation to the Certificates, all the Certificates issued from time to time other than those Certificates (if any) which are for the being held by or on behalf of the Seller, any holding company as defined in section 1159 of the Companies Act 2006 ("**Holding Company**") of the Seller or any other

subsidiary as defined in section 1159 of the Companies Act 2006 ("**Subsidiary**") of either such Holding Company or the Seller (each such entity a "**Relevant Person**"), in each case as beneficial owner, and which shall (unless and until ceasing to be so held) be deemed not to remain outstanding except where all of the Certificates are held by, or on behalf of or for the benefit of, one or more Relevant Persons (the "**Relevant Certificates**") shall be deemed to remain outstanding.

For the purposes of: (1) these Certificate Conditions, the Class VRR Note Conditions and the Note Conditions; (2) any discretion, power or authority (whether contained in the trust presents, or vested by operation of law) which the Security Trustee and/or the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Class VRR Noteholders; and (3) the determination by the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Class VRR Noteholders, "**outstanding**" means, in relation to the Class VRR Notes, all the Class VRR Notes issued from time to time which are held by or on behalf of the Seller. However, for the purposes of, the right to attend and vote at any meeting of the Noteholders and/or Certificateholders, an Extraordinary Resolution in writing or an Ordinary Resolution in writing, a written resolution or an electronic consent through the relevant Clearing System(s) as envisaged by the Trust Deed and/or these Class VRR Note Conditions and any direction or request by the holders of Class VRR Notes; the determination of how many and which Class VRR Notes are for the time being outstanding, the Class VRR Notes shall be deemed not to remain outstanding except (i) in respect of a Basic Terms Modification, or (ii) Class VRR Entrenched Rights.

Copies of the Trust Deed, the Deed of Charge, the Agency Agreement, the Master Definitions and Construction Schedule and the other Transaction Documents are available for inspection during normal business hours at the specified office for the time being of each of the Paying Agents. The Certificateholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

2 INTERPRETATION

2.1 Definitions

Capitalised terms not otherwise defined in these Certificate Conditions shall bear the meanings given to them in the Master Definitions and Construction Schedule available as described above.

2.2 Interpretation

These Certificate 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

All Certificates will be issued in fully registered form and will be represented, on issue, by one or more global certificates ("**Global Certificates**").

The Regulation S Certificates sold outside the United States to Non-U.S. Persons in reliance on Regulation S will be represented on issue by beneficial interests in one or more Regulation S Global Certificates in fully registered form. Interests in any Regulation S Certificate may not at any time be held by any U.S. Person. The Regulation S Certificates will initially be offered and sold outside the United States to Non-U.S. Persons pursuant to Regulation S.

The Rule 144A Certificates sold in reliance on Rule 144A to persons who are QIBs will be represented on issue by one or more Rule 144A Global Certificates in fully registered form.

The Rule 144A Certificates have not been and will not be registered under the Securities Act and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. Persons, except to qualified institutional buyers (within the meaning of Rule 144A under the Securities Act) in reliance on the exemption from registration provided by Rule 144A under the Securities Act.

For so long as any of the Certificates are represented by one or more 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 will be deposited with and registered in the name of a common depository (or a nominee thereof) for Euroclear and Clearstream, Luxembourg.

A Global Certificate will be exchanged for the relevant Certificates in registered definitive form (such exchanged Global Certificate in registered definitive form, the "**Registered 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 book-entry systems available for settlement of beneficial interests in the relevant 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 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 Certificates which would not be required were the relevant Certificates in registered definitive form.

If Registered Definitive Certificates are issued in respect of Certificates originally represented by a Global Certificate, the beneficial interests represented by such Global Certificate shall be exchanged by the Issuer for the relevant Certificates in registered definitive form. A Certificateholder's entitlement (if any) to any Residual Payments in respect of the Registered Definitive Certificates shall be equal to their entitlement (if any) to any Residual Payments in respect of the Certificates at the date on which notice of exchange is given of the relevant Global Certificate, subject to and in accordance with the detailed provisions of these Certificate Conditions, the Agency Agreement, the Trust Deed and the relevant Global Certificate.

Registered Definitive Certificates (which, if issued, will be in the denomination set out below) will be serially numbered and will be issued in registered form only.

References to "**Certificates**" in these Certificate Conditions shall include the Global Certificates and the Registered Definitive Certificates.

3.2 Title and transfer

Title to a Global Certificate shall pass by and upon registration in the register (the "**Register**") which the Issuer shall procure to be kept by the Registrar. The registered holder of a Global 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) or, if more than one person, the first named of such persons who will be treated as the absolute owner of such Certificate.

Title to a Registered Definitive Certificate shall only pass by and upon registration of the transfer in the Register.

Transfers and exchanges of any Registered Definitive Certificates and entries on the Register relating thereto, will be made subject to any restrictions on transfers set forth on such Certificates and the detailed regulations concerning transfers of such Certificates contained in the Agency Agreement, the Trust Deed and any legends appearing on the face of the Certificates. In no event will the transfer of a Registered Definitive Certificate be made absent compliance with the regulations referred to above, and any purported transfer in violation of such regulations shall be void ab initio and will not be honoured by the Issuer or the Note Trustee. The regulations referred to above may be changed by the Issuer with the prior written approval of the Registrar and the Note Trustee. A copy of the current regulations will be sent by the Registrar to any holder of a Certificate who so requests (and who provides evidence of such holding where the Certificates are in global form) and will be available upon request at the specified office for the time being of the Registrar.

A Registered Definitive Certificate may be transferred in whole or in part upon the surrender of the relevant Registered Definitive Certificate, together with the form of transfer endorsed on it duly completed and executed, at the specified office for the time being of the Registrar. In the case of a transfer of part only of a Registered Definitive Certificate, a new Registered Definitive Certificate, in respect of the balance remaining will be issued to the transferor by or by order of the Registrar.

Each new Registered Definitive Certificate, to be issued upon transfer of Registered Definitive Certificates will, within five (5) Business Days of receipt of such request for transfer, be available for delivery at the specified office for the time being of the Registrar stipulated in the request for transfer, or be mailed at the risk of the holder entitled to the Registered Definitive Certificate, to such address as may be specified in such request.

Registration of Registered Definitive Certificates on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of (or the giving of such indemnity as the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation to it.

If the Issuer determines at any time that a U.S. holder of Rule 144A Certificates is not a QIB (any such person, a "**Non-Permitted Holder**"), the Issuer shall, promptly after determination that such person is a Non-Permitted Holder by the Issuer, send notice to such Non-Permitted Holder demanding that such holder transfers its Certificates outside the United States to a Non-U.S. Person or within the United States to a U.S. Person that is a QIB within 30 days following receipt of such notice. If such holder fails to sell or transfer its Rule 144A Certificates within such period (a) the Issuer shall cause such Rule 144A Certificates to be transferred in a sale to

a person or entity that certifies to the Issuer, in connection with such transfer, that such person or entity either is not a U.S. Person or is a QIB and (b) pending such transfer, no further payments will be made in respect of such Rule 144A Certificates. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Rule 144A Certificates and selling such Rule 144A Certificates to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion. Each Certificateholder and each other person in the chain of title from the permitted Certificateholder to the Non-Permitted Holder by its acceptance of an interest in the Rule 144A Certificates agrees to cooperate with the Issuer and the Registrar to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the selling Certificateholder. The terms and conditions of any sale hereunder shall be determined in the sole discretion of the Issuer, subject to the transfer restrictions set out herein, and neither the Issuer nor any other person shall be liable to any person having an interest in the Certificates sold as a result of any such sale or the exercise of such discretion. The Issuer reserves the right to require any holder of Certificates to submit a written certification substantiating that it is a QIB or a Non-U.S. Person. If such holder fails to submit any such requested written certification on a timely basis, the Issuer has the right to assume that the holder of the Certificates from whom such a certification is requested is not a QIB or a Non-U.S. Person. Furthermore, the Issuer reserves the right to refuse to honour a transfer of beneficial interests in a Rule 144A Certificate to any Person who is not either a Non-U.S. Person or a U.S. Person that is a QIB.

If any holder of a Certificate is determined by the Issuer to be a holder who has made or is deemed to have made a representation pertaining to ERISA, its status as a Benefit Plan Investor, or Similar Law that is subsequently shown to be false or misleading (any such holder a "**Non-Permitted ERISA Holder**"), the Non-Permitted ERISA Holder may be required by the Issuer to sell or otherwise transfer its Certificates to an eligible purchaser within 10 days of receipt of notice from the Issuer to such Non-Permitted ERISA Holder requiring such sale or transfer, at a price to be agreed between the Issuer and such eligible purchaser at the time of sale. Each Certificateholder and each other Person in the chain of title from the Certificateholder, by its acceptance of an interest in such Certificates, agrees to cooperate with the Issuer to the extent required to effect such transfers. Neither the Issuer nor the Registrar shall be liable to any Certificateholder having an interest in the Certificates sold or otherwise transferred as a result of any such sale or transfer. The Issuer shall be entitled to deduct from the sale or transfer price an amount equal to all the expenses and costs incurred and any loss suffered by the Issuer as a result of such forced transfer. The Non-Permitted ERISA Holder will receive the balance, if any.

No holder of a Registered Definitive Certificate, may require the transfer of such Certificate to be registered during the period of 15 days ending on the due date for any payment of principal or interest on such Certificate.

All transfers of Certificates and entities on the Register are subject to detailed regulations concerning the transfer of Certificates scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Certificateholder who requests in writing a copy of such regulations.

4 STATUS AND RELATIONSHIP BETWEEN THE CERTIFICATES AND SECURITY

4.1 Status and relationship between the Certificates

- (a) The Certificates constitute direct, secured and (subject to the limited recourse provision in Certificate Condition 11 (*Enforcement*)) unconditional obligations of the Issuer. The Certificates 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 Certificate Conditions and the Transaction Documents. The Certificates rank junior to the payment of interest and other amounts (except principal) on the Class A Notes and interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z Notes and the Class VRR Notes.

- (b) In performing its duties as Note Trustee, or as relevant, the Security Trustee, subject to the Class VRR Entrenched Rights, the Note Trustee, or as relevant, the Security Trustee will not be required to take into account the interests of the Issuer or any Certificateholder or any Secured Creditor (other than the Noteholders or the Class VRR Noteholders) for as long as any of the Notes or the Class VRR Notes remain outstanding. If there are no Notes or Class VRR Notes outstanding the Note Trustee, or as relevant, the Security Trustee, in performing its duties as Note Trustee, or as relevant, Security Trustee, will take instructions from the Secured Creditors acting together.
- (c) As long as any Notes are outstanding, but subject to Certificate Condition 12.9 (*Modification to the Transaction Documents*), Class VRR Note Condition 13.9 (*Modification to the Transaction Documents*) and Note Condition 13.9 (*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 Certificateholders and the other Secured Creditors, upon and subject to the terms and conditions of the Deed of Charge.
- (b) The Certificateholders and the other Secured Creditors will share in the benefit of the security constituted by or pursuant to the Deed of Charge, upon and subject to the terms and conditions of the Deed of Charge.

5 COVENANTS

Save with the prior written consent of the Note Trustee or unless otherwise permitted under these Certificate Conditions, the Note Conditions, the Class VRR Note Conditions or any of the Transaction Documents, the Issuer shall not, so long as any Certificate, Note or Class VRR 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, (ii) other than the Swap Agreement (or any replacement), the Issuer will not enter into derivative contracts for the purposes of Article 21(2) of the Securitisation Regulation, or (iii) 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, to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (e) **Dividends or distributions:** pay any dividend or make any other distribution to its shareholders except out of amounts of profit retained by the Issuer in accordance with the applicable Priority of Payments which are available for distribution in accordance with the Issuer's memorandum and articles of association and with applicable laws or issue any further shares;
- (f) **Indebtedness:** incur any financial indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any other obligation of any person;
- (g) **Merger:** consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;
- (h) **No modification or waiver:** permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied, modified, terminated, postponed, waived or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;
- (i) **Bank accounts:** have an interest in any bank account other than the Issuer Accounts and the Issuer's interest in the Collection Account Trust, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee; or
- (j) **Purchase Certificates:** purchase or otherwise acquire any Certificates.
- (k) **U.S. activities:** engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

6 PAYMENTS

6.1 Residual Payment

Each Certificate bears an entitlement to receive a Residual Payment. The amount, if any, of any Residual Payment will be paid to Certificateholders at item (f)(xix) of the Pre-Enforcement Revenue Priority of Payments, or (as relevant) item (f)(xi) of the Post-Enforcement Priority of Payments (as relevant) only on any Interest Payment Date on which an amount remains after application of Available Revenue Receipts in satisfaction of all items above item (f)(xix) of the Pre-Enforcement Revenue Priority of Payments, or (as relevant) item (f)(xi) of the Post-Enforcement Priority of Payments. The amount, if any, of any Residual Payment will be paid in accordance with these Certificate Conditions and the Transaction Documents.

6.2 Payments

Subject to Certificate Condition 3.1 (*Form and Denomination*), payments of any amount in respect of a Certificate, shall be made by:

- (a) (other than in the case of final redemption) Sterling cheque; or
- (b) (other than in the case of final redemption) upon application by the relevant Certificateholder to the specified office of the relevant Paying Agent not later than the 15th day before the due date for any such payment, by transfer to a Sterling account maintained by the payee with a bank in London; and
- (c) (in the case of final redemption) Sterling cheque upon surrender (or, in the case of part payment only, endorsement) of the relevant Global Certificate or Registered Definitive Certificates (as the case may be) at the specified office of the relevant Paying Agent.

6.3 Laws and Regulations

Payments of any amounts in respect of a Certificate are subject, in all cases, to (i) any fiscal or other laws, regulations and directives applicable thereto in the place of payment, and (ii) any withholding or deduction imposed pursuant to an agreement described in Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the "**Code**") any current or future regulations or official interpretations thereof, any agreement described in or entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Section of the Code ("**FATCA**"). Certificateholders will not be charged commissions or expenses on payments.

6.4 Change of Paying Agents

The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent or the Registrar and to appoint additional or other agents provided that there will at all times be a person appointed to perform the obligations of the Principal Paying Agent with a specified office in London and the Registrar with a specified office in Ireland or in London.

Except where otherwise provided in the Trust Deed or the Agency Agreement, the Issuer will cause notice of no more than 30 days and no less than 15 days of any change in or addition to the Paying Agents or the Registrar or their specified offices to be given to the Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*) and will notify the Rating Agencies of such change or addition.

6.5 No Payment on non-Business Day

If the date for payment of any amount in respect of a 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 further payment in respect of such delay. In this Certificate Condition 6.5, the expression "**Presentation Date**" means a day which is (a) a Business Day and (b) a day on which banks are generally open for business in the relevant place.

6.6 Partial Payment

If a Paying Agent makes a partial payment in respect of any Certificate, the Registrar will, in respect of the relevant Certificate, annotate the Register indicating the amount and date of such payment.

7 REDEMPTION

7.1 Redemption and Cancellation at Maturity

Following the redemption in full of the Notes and the Class VRR Notes, in accordance with the Note Conditions and the Class VRR Note Conditions (as relevant), and the realisation of the Charged Property, and payment of the proceeds in accordance with the relevant Priority of Payments, no more Residual Payments will be made by the Issuer and the Certificates shall be cancelled.

7.2 Redemption of the Notes, Class VRR Notes and Certificates in Full

(a) *Refinancing Option*

Exercise

- (i) The Refinancing Option Holder(s) may, not less than 150 calendar days prior to the proposed Refinancing Date, give notice of its intention to exercise the Refinancing Option.
- (ii) Prior to the exercise of the Refinancing Option, and for so long as the Certificates are held by:
 - (A) only one Certificateholder, the Refinancing Option Holder must provide to the Issuer (with a copy to Atom Bank) written notice of the Refinancing Option Holder's intention to exercise the Refinancing Option. Such notice must be sent not less than 150 calendar days prior to the proposed Refinancing Date. Such notice shall include the date which the Refinancing Option Holder designates as the proposed Refinancing Date; or
 - (B) more than one Certificateholder, the holder(s) of more than two thirds of the number of Certificates must, provide to the Issuer (with a copy to Atom Bank) written notice of their intention to exercise the Refinancing Option. Such notice must be sent not less than 150 calendar days prior to the proposed Refinancing Date. Such notice shall include the date which the Refinancing Option Holder(s) designate as the proposed Refinancing Date,

each such written notice a "**Refinancing Option Exercise Notice**". At the same time as sending a Refinancing Option Exercise Notice, the Refinancing Option Holder(s) must also send to the Class VRR Noteholders a term sheet setting out the proposed terms of the proposed Refinancing, and if required by the Class VRR Noteholders, the Refinancing Option Holder(s) must also provide promptly and without delay, any other information which the Class VRR Noteholders may reasonably request in connection with their considerations of the occurrence of a Class VRR Veto Scenario (together with any amendments and/or supplements thereto) (the "**Class VRR Veto Materials**"). For the avoidance of doubt, the Class VRR Veto Materials shall not be expected to include draft transaction documents required to give effect to the Refinancing.

Class VRR Veto Right

- (iii) Following the later of receipt by the Class VRR Noteholders of the Refinancing Option Exercise Notice and the Class VRR Veto Materials (including any amendments and/or supplements thereto), the Class VRR Noteholders shall, within a period of 115 calendar

days (from and including the date on which such notice or, as appropriate, material is received by the Class VRR Noteholders) (the "**Class VRR Veto Period**") either:

- (A) confirm, by way of unanimous decision notified in writing to the Issuer, that no Class VRR Veto Scenario arises and that the proposed Refinancing can proceed; or
- (B) confirm, by way of unanimous decision notified in writing to the Issuer, that a Class VRR Veto Scenario arises but that, notwithstanding this determination, the proposed Refinancing can proceed; or
- (C) decide to veto ("**Class VRR Veto**") the proposed Refinancing, by way of unanimous decision notified in writing to the Issuer on the basis that if the proposed Refinancing were to occur it would give rise, directly or indirectly, to a Class VRR Veto Scenario (a "**Class VRR Veto Notice**").

Modification of Transaction Documents

- (iv) If, during the first 70 days of the Class VRR Veto Period, the Class VRR Noteholders do not provide the Class VRR Veto Notice, such decision to be based on the opinions (in draft form based on the Class VRR Veto Materials) as described under Class VRR Veto Scenario, then the Refinancing Option Holder(s) will have a further period of 45 calendar days to prepare all Refinancing Documents during which, the Refinancing Option Holder shall share all draft Refinancing Documents with the Class VRR Noteholders, the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer and the Swap Provider in sufficient time to allow such persons and their professional advisers to review and consider the same.
- (v) If the Class VRR Noteholders do not exercise the Class VRR Veto within the first 70 days of the Class VRR Veto Period, then not later than 35 days prior to the proposed Refinancing Date the Note Trustee shall agree to the terms of a new trust deed constituting the Refinancing Instruments (the "**Refinancing Trust Deed**") and modifications to the other Transaction Documents to the extent that the Issuer certifies (upon which certification the Note Trustee may rely absolutely and without enquiry or liability) that such modification is necessary to reflect the terms of the Refinancing. Such modification to the terms of the Transaction Documents will be effected by way of a deed of amendment, restatement and supplement (the "**Amendment Deed**"). Subject to the provisions on Basic Terms Modifications and Class VRR Entrenched Rights, no further consent for such amendments shall be required from the holders of Notes, Class VRR Notes or the Certificateholders.
- (vi) The Issuer shall ensure that a refinancing prospectus is prepared in connection with the Refinancing (the "**Refinancing Prospectus**"), and an application is made for admission to trading and (where relevant, listing), of the Refinancing Instruments. In connection with the Refinancing Prospectus, the Issuer shall procure ratings for those Refinancing Instruments which are intended to be rated. For the avoidance of doubt, the Issuer may issue unrated Refinancing Instruments and, in respect of such instruments, the Issuer shall not be under any obligation to procure ratings.
- (vii) Neither the Note Trustee nor the Security Trustee will be obliged to enter into any document or agree to any modification that, in its opinion, would have the effect of (i) exposing the Note Trustee (or, as the case may be, Security Trustee) to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or

decreasing the rights, powers, indemnities and protections, of the Note Trustee (or, as the case may be, the Security Trustee) in respect of the Transaction Documents, and the Note Trustee and the Security Trustee will be entitled to conclusively rely upon an officer's certificate or opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgement of counsel delivering such opinion of counsel) provided by the Issuer or any other party to any Transaction Document to the effect that such amendment meets the requirements specified above and is permitted under the Trust Deed without the consent of the holders of the Notes, Class VRR Notes, Certificates or any other Secured Creditor (except that such officer or counsel will have no obligation to certify or opine as to the sufficiency of the Refinancing Proceeds).

- (viii) If, in the sole determination of the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer or the Swap Provider (as relevant) the Refinancing Documentation contain provisions which would be materially and adversely prejudicial to the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer or the Swap Provider (as relevant), each of these parties may choose to terminate their agreement with the Issuer, such decision to be notified in writing to the Issuer ("**Service Provider Refinancing Document Veto Notice**").
- (ix) If, by the date which is 35 days prior to the proposed Refinancing Date:
 - (A) the Class VRR Noteholders have not provided a Class VRR Veto Notice (to be based on opinions as described under Class VRR Veto Scenario and the draft Refinancing Documents) to the Issuer; and
 - (B) if, by the same date, none of the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer or the Swap Provider has provided a **Service Provider Refinancing Document Veto Notice** to the Issuer, or if any such party has provided such notice to the Issuer and the Issuer has found a suitable replacement, meeting all relevant rating requirements set by the Rating Agencies, for such party and such replacement is willing to carry out the relevant role on the terms of the relevant Refinancing Documents ("**Acceptable Replacement Service Provider**"),

then the Issuer shall, not less than 30 calendar days prior to the proposed Refinancing Date, notify the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer and the Swap Provider that the Refinancing will occur on the proposed Refinancing Date, and on the same date, the Issuer shall notify the Noteholders and the Certificateholders (including the Refinancing Option Holder(s)) of the same.

- (x) If, by the date which is 35 days prior to the proposed Refinancing Date either:
 - (A) the Class VRR Noteholders have provided a Class VRR Veto Notice (to be based on opinions as described under Class VRR Veto Scenario and the draft Refinancing Documents) to the Issuer; or
 - (B) any of the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer or the Swap Provider has provided a **Service Provider**

Refinancing Document Veto Notice to the Issuer and the Issuer has not found an Acceptable Replacement Service Provider,

then the Issuer shall, not less than 30 calendar days prior to the proposed Refinancing Date, notify the Cash Manager, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee, the Note Trustee, the Servicer and the Swap Provider that the Refinancing will not occur on the proposed Refinancing Date, and on the same date, the Issuer shall notify the Refinancing Option Holder(s) of the same.

- (xi) If, during the Class VRR Veto Period, the Class VRR Noteholders exercise the Class VRR Veto, the proposed Refinancing will not occur and the Refinancing Option Holder(s) will, in accordance with the Certificate Conditions, be entitled to serve subsequent Refinancing Option Exercise Notices.
- (xii) If, during the Class VRR Veto Period, the Class VRR Noteholders do not exercise the Class VRR Veto, the Class VRR Noteholders shall be deemed to have confirmed that the proposed Refinancing can occur on the proposed Refinancing Date.
- (xiii) If the Class VRR Noteholders confirm (or are deemed to have confirmed) that the proposed Refinancing can occur on the proposed Refinancing Date, then the Refinancing may occur on the proposed Refinancing Date.
- (xiv) Not less than 2 Business Days prior to the proposed Refinancing Date, the Cash Manager shall calculate the amount of money which the Issuer needs by way of Refinancing Proceeds and the Cash Manager shall, within one Business Day of calculating such amount, confirm the same to the Issuer. Upon receipt by the Issuer of such confirmation, the Issuer shall, on the date of receipt of such confirmation, notify the Refinancing Option Holder(s) (with copy to the Note Trustee and the Security Trustee) of the amount of money which the Issuer needs by way of Refinancing Proceeds.

Refinancing Proceeds

- (i) On the Refinancing Date, the Notes and the Class VRR Notes will be redeemed out of the Refinancing Proceeds at their relevant Principal Amount Outstanding together with all other amounts due in respect of the relevant Note or Class VRR Note, all Accrued Interest and, if applicable, all Deferred Interest. The Certificateholders will be entitled to receive, also out of the Refinancing Proceeds, an amount equal to what they would have received had the Refinancing Date been an ordinary Interest Payment Date (and not a date on which a Refinancing occurs). The Refinancing Proceeds will be applied in accordance with the Post-Enforcement Priority of Payments.
- (ii) All costs and expenses (including but not limited to (A) all legal costs and expenses, including those obtained in connection with any determination by the Class VRR Noteholders as to whether to exercise the Class VRR Veto, and (B) any costs and expenses of the Secured Creditors incurred in connection with the Refinancing) of the Refinancing (including in connection with the exercise of the Refinancing Option and the entry into of the Refinancing Documents and in connection with any exercise by the Class VRR Noteholders of the Class VRR Veto) or any proposed Refinancing which fails to complete, shall be borne by the Refinancing Option Holder(s) failing which, such costs and expenses shall be borne by the Issuer. The Refinancing Option Holder(s) shall be required to deposit such amounts into one of the Issuer's Transaction Accounts (to the extent that the Issuer is expected to make these payments).

- (iii) All Notes, Class VRR Notes and Certificates will, upon completion of the Refinancing, be cancelled and may not be reissued or resold. The Refinancing Instruments will not necessarily benefit from any form of refinancing option, and the terms and conditions of the Refinancing Instruments may differ from the terms and conditions of (as relevant) the Notes, Class VRR Notes and Certificates which they replace.

"Class VRR Veto Scenario" means any scenario resulting from the occurrence of a Refinancing and which is determined by the Class VRR Noteholders, to have the effect of either:

- (a) adversely affecting the capital treatment of the Class VRR Noteholders' interest in the Portfolio or the Class VRR Notes (including, without limitation, under article 244 of the CRR (as amended from time to time including by the CRR Amendment Regulation) (taking into account any regulatory guidance and/or statements issued by relevant competent authorities), any replacement or successor provision(s) to the CRR (as amended from time to time including by the CRR Amendment Regulation) or any similar regulations or laws (taking into account any regulatory guidance and/or statements issued by relevant competent authorities) which enter into force after the Closing Date and which regulate the capital treatment of the Class VRR Noteholders' interest in the Portfolio or the Class VRR Notes), such determination to be based on an opinion of a reputable accountancy firm chosen by the Class VRR Noteholders and, if required by the CRR (as amended from time to time including by the CRR Amendment Regulation) or any similar regulations or laws (taking into account any regulatory guidance and/or statements issued by relevant competent authorities) which enter into force after the Closing Date and which regulate the capital treatment of the Class VRR Noteholders' interest in the Portfolio or the Class VRR Notes, an opinion of a reputable law firm (such opinions to be provided within 115 days of the Class VRR Noteholders receiving the Refinancing Option Exercise Notice and the documents required to be provided at that time by the Refinancing Option Holder(s)); or
- (b) resulting in the Class VRR Noteholders being in breach of their obligations under any of the U.S. Risk Retention Rules (or any amended or replacement rules), or Article 6 of the Securitisation Regulation (or any amended or replacement rules), such determination to be based on an opinion of a reputable law firm chosen by the Class VRR Noteholders; or
- (c) adversely affecting the position of the Class VRR Noteholders in relation to de-recognition of the Portfolio under IFRS 9 or deconsolidation and de-recognition of the Issuer under IFRS 10 (or any other rules which the Class VRR Noteholders rely on to achieve deconsolidation and de-recognition), such determination to be based on an opinion of a reputable accountancy firm chosen by the Class VRR Noteholders.

"Refinancing" means the exercise by the Refinancing Option Holder(s) of the Refinancing Option and the redemption by the Issuer of the Notes, the Class VRR Notes and the Certificates and the issuance by the issuer of the Refinancing Instruments.

"Refinancing Date" means the Interest Payment Date falling in November 2024 or any other Interest Payment Date thereafter.

"Refinancing Documents" means the Refinancing Trust Deed, any new subscription agreement, the Refinancing Instruments, the Amendment Deed/Agreement, the Refinancing Prospectus and any documents or instruments whatsoever ancillary, or necessary to give effect, to the foregoing.

"Refinancing Instruments" means the new class A notes, class B notes, class C notes, class D notes, class E notes, class F notes, class Z notes, new class VRR notes and new certificates issued by the Issuer pursuant to the exercise of the Refinancing Option, or such other class or classes notes as agreed between the Issuer and any arranger retained by (or on behalf of the Issuer) in connection with the issuance of the Refinancing Instruments.

"Refinancing Option Holder(s)" means the holder(s) of more than two thirds, in number, of the Certificates.

"Refinancing Proceeds" means an amount which, when added to the balance standing to the credit of each Transaction Account and any other cash held by or on behalf of the Issuer in any other Issuer Account (other than any amounts which are not to be applied as Available Revenue Receipts in accordance with the Swap Collateral Account Priority of Payments, including for the avoidance of doubt, (i) Swap Collateral, (ii) any Replacement Swap Premium paid to the Issuer, and (iii) amounts in respect of Swap Tax Credits), would be required by the Issuer to:

- (a) pay all amounts payable under items (a) to (f)(x) (inclusive) and (g)(i) to (g)(x) (inclusive) of the Post-Enforcement Priority of Payments; and
- (b) pay to the Certificateholders and the Class VRR Noteholders, *pro rata* and *pari passu*, an amount equal to the amount which would have been paid to the Certificateholders in accordance with the Pre-Enforcement Revenue Priority of Payments if the Refinancing Date were an ordinary Interest Payment Date (and not a date on which a Refinancing occurs), *multiplied* by 100/95,

in each case as calculated on the Calculation Date immediately preceding the Refinancing Date.

(b) ***Portfolio Call Option***

For so long as the Certificates are held by only one Certificateholder that Certificateholder, or for so long as the Certificates are held by more than one Certificateholder, the holder(s) of more than 50 per cent. of the number of Certificates (the "**Portfolio Option Holder(s)**"), may require the Issuer to sell to the Portfolio Option Holders (or to a third party purchaser/or purchasers nominated by the Portfolio Option Holder(s) ("**Portfolio Potential Purchasers**" and each a "**Portfolio Potential Purchaser**")) the beneficial title to the Portfolio Call Option Loans in such a manner as to enable the Issuer to redeem the Notes and the Class VRR Notes in full, and to cancel the Certificates, on the Portfolio Call Option Completion Date (the "**Portfolio Call Option**").

The Portfolio Call Option Purchase Price will be paid by the Portfolio Option Holders(s) on or before the Portfolio Call Option Completion Date. For so long as the Certificates are held by more than one Certificateholder, the liability of the Portfolio Option Holder(s) (or any Portfolio Potential Purchaser(s)) to pay the Portfolio Call Option Purchase Price shall be several, however and for the avoidance of doubt, the Portfolio Call Option Completion Date cannot occur unless the Issuer has received the full amount of the Portfolio Call Option Purchase Price.

The Portfolio Option Holder(s) may, at any time in the period from and including the Portfolio Call Option Exercise Date to and including the date falling 15 calendar days prior to the Portfolio Call Option Completion Date, deliver a notice (the "**Exercise Notice**") to the Issuer (with a copy to the Security Trustee, the Note Trustee, the Seller, the Servicer and the Cash

Manager) that it intends/they intend to exercise the Portfolio Call Option on the Portfolio Call Option Completion Date, provided that:

- (a) on or prior to the proposed Portfolio Call Option Completion Date, no Enforcement Notice has been served; and
- (b) in relation to taxation:
 - (A) either the entity or entities to which the Portfolio Call Option Loans are to be transferred is resident for tax purposes in, and has its usual place of abode in, the United Kingdom; or
 - (B) each of the Issuer and the Seller, having received tax advice from an appropriately qualified and experienced United Kingdom tax adviser in a 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 from HM Revenue and Customs), is satisfied that, following the exercise of the Portfolio Call Option, there shall be no requirement on either (i) any Borrower or (ii) any legal title holder of the Portfolio Call Option Loans to deduct or withhold payments for or on account of UK tax in respect of interest payable pursuant to such Portfolio Call Option Loans; and
- (c) it shall be a term and condition of the exercise of the Portfolio Call Option that the servicing of such Portfolio Call Option Loans may be carried out by Atom Bank following the Portfolio Call Option Completion Date on substantially the same terms as those contained in the Servicing Agreement (except in circumstances where Atom Bank is no longer the Servicer at the time of delivery of the Exercise Notice in respect of the Portfolio Call Option). Subject to the terms of the Mortgage Sale Agreement, it shall also be a term and condition of the exercise of the Portfolio Call Option that Atom Bank may, following the Portfolio Call Option Completion Date, retain legal title to the Portfolio Call Option Loans (except in circumstances where Atom Bank is no longer the holder of the legal title to the Portfolio Call Option Loans at the time of delivery of the Exercise Notice in respect of the Portfolio Call Option).

Within one Business Day of receipt of an Exercise Notice, the Issuer shall request the Cash Manager to calculate and provide (with the assistance of the Issuer and the Servicer where appropriate) the Issuer (with copy to the Servicer) with an estimate of the Portfolio Call Option Purchase Price, and the Cash Manager shall provide such estimate to the Issuer (with copy to the Servicer) within one Business Day of request by the Issuer.

The Issuer shall, within three Business Days of the date of the Exercise Notice, serve on the Portfolio Option Holder(s) with copy to each of the Security Trustee, the Note Trustee, the

Seller, the Servicer, the Cash Manager and on any other Portfolio Potential Purchaser(s) nominated in the Exercise Notice, a notice (the "**Counter Notice**") confirming:

- (a) the Portfolio Call Option Completion Date;
- (b) that the Issuer will be able to effect the sale and purchase of the whole beneficial title to the Portfolio Call Option Loans on the Portfolio Call Option Completion Date; and
- (c) the estimated amount of the Portfolio Call Option Purchase Price payable to the Issuer by the Portfolio Option Holder(s).

The Cash Manager shall calculate the final Portfolio Call Option Purchase Price not less than 2 Business Days prior to the Portfolio Call Option Completion Date, and shall, within one Business Day of calculating such amount, inform the Issuer and the Portfolio Option Holder(s) (which shall, if applicable, forward such confirmation to each Portfolio Potential Purchaser) of the final Portfolio Call Option Purchase Price.

The Portfolio Option Holder(s) shall confirm, on behalf of the Portfolio Potential Purchaser(s) named in the Exercise Notice and/or itself, and based on the estimated amount of the Portfolio Call Option Purchase Price, whether it wishes/they wish the Issuer to proceed with the sale, to the Portfolio Option Holder(s) and/or the Portfolio Potential Purchaser(s), of the whole beneficial title to the Portfolio Call Option Loans by serving an acceptance notice on the Issuer by the date falling three Business Days after the Servicer Report Date immediately prior to the Portfolio Call Option Completion Date (an "**Acceptance Notice**"). If no Acceptance Notice is served within the said period, then the Exercise Notice shall be of no further effect, and the Portfolio Option Holder(s) shall be entitled to serve a new Exercise Notice subject to and in accordance with the terms of the Certificate Conditions.

The Issuer shall ensure that Noteholders, Class VRR Noteholders and Certificateholders are notified of the Portfolio Call Option Completion Date not less than 5 calendar days prior to the Portfolio Call Option Completion Date. Prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer (upon which such certificate the Note Trustee shall be entitled to rely absolutely and without enquiry or liability to any person for so doing) to the effect that it will have the funds on the Portfolio Call Option Completion Date, not subject to the interest of any other person, in an amount not less than the Portfolio Call Option Purchase Price.

On the Portfolio Call Option Completion Date, the Portfolio Option Holder(s) (or the Portfolio Potential Purchaser(s) named in the Exercise Notice) will purchase the Portfolio Call Option Loans and the Notes and Class VRR Notes will be redeemed in full and the Certificates will be cancelled following application of the Portfolio Call Option Purchase Price in accordance with the Post-Enforcement Priority of Payments.

In these Certificate Conditions:

"Portfolio Call Option Completion Date" means the Interest Payment Date falling in November 2024 or any other Interest Payment Date thereafter.

"Portfolio Call Option Exercise Date" means:

- (a) if no Refinancing Option Exercise Notice has been served, the date falling 60 calendar days prior to the Portfolio Call Option Completion Date;
- (b) if a Refinancing Option Exercise Notice has been served and the Class VRR Noteholders have exercised their Class VRR Veto, the date on which the Class VRR Noteholders serve the Class VRR Veto Notice;

"Portfolio Call Option Loans" means the Loans and the Related Security in the Portfolio (excluding those Loans which have been redeemed or released from the Portfolio or repurchased by the Seller since the Closing Date).

"Portfolio Call Option Purchase Price" means an amount equal to the greater of:

- (a) the sum of:
 - (i) an amount equal to the aggregate of the amounts payable under items (a) to (f)(x) (inclusive) and (g)(i) to (g)(x) (inclusive) of the Post-Enforcement Priority of Payments; plus
 - (ii) an amount equal to the amount which the Certificateholders would have been paid in accordance with the Pre-Enforcement Revenue Priority of Payments if the Portfolio Call Option Completion Date were an ordinary Interest Payment Date (and not the Interest Payment Date on which the exercise of the Portfolio Call Option is completed) *multiplied* by 100/95; minus
 - (iii) the balance standing to the credit of each Transaction Account and any other cash held by or on behalf of the Issuer in any other Issuer Account (excluding for these purposes (A) any amounts recorded to the credit of the General Reserve Fund Ledger and any amounts recorded to the credit of the Liquidity Reserve Fund Ledger and (B) and Purchaser Receipts) (and other than any amounts which are to be applied in accordance with the Swap Collateral Account Priority of Payments, including for the avoidance of doubt, (i) Swap Collateral, (ii) any Replacement Swap Premium paid to the Issuer, and (iii) amounts in respect of Swap Tax Credits),

in each case as calculated on the Calculation Date immediately preceding the Interest Payment Date on which the Notes are redeemed pursuant to the Note Conditions, the Class VRR Notes are redeemed pursuant to the Class VRR Note Conditions and the Certificates cancelled and redeemed pursuant to the Certificate Conditions,

(the "**Base Portfolio Purchase Option Purchase Price**"); or

- (b) the current value of the principal balance of all of the Portfolio Call Option Loans as at the end of the Collection Period prior to the Portfolio Call Option Completion Date (including any amounts and market value payable in relation to the termination of the Swap Agreement),

(the "**Portfolio Purchase Option Current Value Purchase Price**", as calculated in accordance with Clause 36 of the Trust Deed).

"Purchaser Receipts" means Redemption Receipts and Revenue Receipts received by the Issuer from and including the Collection Period End Date relating to the Interest Payment Date on which the Notes and Class VRR Notes are redeemed and the Certificates cancelled and redeemed, pursuant to Note Condition 8.3(a) or (b) (as applicable), Class VRR Note Condition

8.3(a) or (b) (as applicable) or Certificate Condition 7.2(a) or (b) (as applicable) to and including such Interest Payment Date.

(c) ***Ten per cent. clean-up call***

The Issuer may redeem all (but not some only) of the Notes in each Class and the Class VRR Notes at their Principal Amount Outstanding and the Certificates out of Available Revenue Receipts on any Interest Payment Date when, on the related Calculation Date, the Current Balance of the Portfolio is (or would, on such Interest Payment Date be) less than 10% of the Current Balance of the Portfolio as at the Cut-Off Date subject to the following:

- (i) a Refinancing Option Exercise Notice (in respect of which the Class VRR Noteholders have not yet exercised their Class VRR Veto) has not been served by the Refinancing Option Holder(s) in accordance with the terms of the Certificate Conditions;
- (ii) an Exercise Notice has not been served by the Portfolio Call Option Holder(s) in accordance with the terms of the Certificate Conditions;
- (iii) no Enforcement Notice has been delivered by the Note Trustee;
- (iv) the Issuer has given not more than 60 nor less than 15 days' notice to the Note Trustee, the Paying Agent, the Registrar, each Rating Agency, the Swap Provider, the Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*), the Noteholders in accordance with Note Condition 16 (*Notice to Noteholders*) and the Class VRR Noteholders in accordance with Class VRR Note Condition 16 (*Notice to Class VRR Noteholders*) of its intention to redeem all (but not some only) of the Notes in each Class and the Class VRR Notes and the Certificates; and
- (v) prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer (upon which such certificate the Note Trustee shall be entitled to rely absolutely and without enquiry or liability to any person for so doing) to the effect that it will have the funds on the relevant Interest Payment Date, not subject to the interest of any other person, in an amount not less than the 10 Per. Cent Clean-up Call Purchase Price.

For the purposes of this Certificate Condition 7.2, "**10 Per Cent. Clean-up Call Purchase Price**" means an amount equal to the greater of:

- (a) the sum of:
 - (i) an amount equal to the aggregate of the amounts payable under items (a) to (f)(x) (inclusive) and (g)(i) to (g)(x) (inclusive) of the Post-Enforcement Priority of Payments; plus
 - (ii) an amount equal to the amount which the Certificateholders would have been paid in accordance with the Pre-Enforcement Revenue Priority of Payments if the Interest Payment Date on which the Certificates are cancelled and redeemed under this Certificate Condition 7.2(c) were an ordinary Interest Payment Date (and not the Interest Payment Date on which the Certificates are cancelled and redeemed under this Certificate Condition 7.2(c)) *multiplied* by 100/95; minus

- (iii) the balance standing to the credit of each Transaction Account and any other cash held by or on behalf of the Issuer in any other Issuer Account (excluding for these purposes (A) any amounts recorded to the credit of the General Reserve Fund Ledger and any amounts recorded to the credit of the Liquidity Reserve Fund Ledger and (B) and Purchaser Receipts) (and other than any amounts which are to be applied in accordance with the Swap Collateral Account Priority of Payments, including for the avoidance of doubt, (i) Swap Collateral, (ii) any Replacement Swap Premium paid to the Issuer, and (iii) amounts in respect of Swap Tax Credits),

in each case as calculated on the Calculation Date immediately preceding the Interest Payment Date on which the Certificates are cancelled and redeemed under this Certificate Condition 7.2(c),

(the "**Base 10 Per Cent. Clean-up Call Purchase Price** "); or

- (b) the current value of the principal balance of all of the Loans and their Related Security comprising the Portfolio as at the end of the Collection Period prior to the Interest Payment Date on which the Certificates are cancelled and redeemed under this Certificate Condition 7.2(c),

(the "**10 Per Cent. Clean-up Call Current Value Purchase Price** ").

The Cash Manager shall calculate the final 10 Per Cent. Clean-up Call Purchase Price not less than 2 Business Days prior to the date on which the Notes and Class VRR Notes are redeemed and the Certificates are cancelled following the exercise of the 10 Per Cent. Clean-Up Call, and shall, within one Business Day of calculating such amount, inform the Issuer (which shall inform the relevant purchaser of the Portfolio) of the final 10 Per Cent. Clean-up Call Purchase Price.

The 10 Per Cent. Clean-up Call Purchase Price will be applied in accordance with the Post-Enforcement Priority of Payments on the Interest Payment date on which the Notes and the Class VRR Notes are redeemed pursuant the Note Conditions and the Class VRR Note Conditions.

In the event that the Refinancing Option is exercised, following the Refinancing Date, the 10 Per Cent. Clean-Up Call shall, for the avoidance of doubt, be exercisable when the Current Balance of the Portfolio is less than 10% of the Current Balance of the Portfolio as at the Cut-Off Date. Following any sale of Loans and their Related Security in connection with this Certificate Condition, the servicing of such Loans and their Related Security may be carried out by Atom Bank on substantially the same terms as those contained in the Servicing Agreement.

7.3 Redemption of the Notes, Class VRR Notes and Certificates for Taxation or Other Reasons

If:

- (a) by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on or before the next Interest Payment Date the Issuer or the Paying Agents would be required to deduct or withhold from any payment of principal or interest on any Notes (other than because the relevant holder has some connection with the United Kingdom other than the holding of such Notes) any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied,

collected, withheld or assessed by or on behalf of the United Kingdom or any political sub-division thereof or any authority thereof or therein having power to tax;

- (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 the Class VRR Notes or the Certificates; 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 sub-paragraph (a), (b) or (c) above, appoint a Paying Agent in another jurisdiction or use its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another jurisdiction approved in writing by the Note Trustee as principal debtor under the Notes and the Class VRR Notes and the Certificates 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 the Class VRR Notes (and in making such determination, the Note Trustee may rely, without further investigation or inquiry, on (A) any confirmation made orally to the Issuer (in which case the Servicer on behalf of the Issuer shall confirm the same in writing to the Note Trustee) or in writing from each of the Rating Agencies that the then current ratings of the Rated 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 Manager and the Note Trustee (an "**Issuer Certificate**"), a written certification from the Issuer to the Note Trustee and the Security Trustee (a "**Certificate**") that such proposed action (i) (while any Rated Notes remain outstanding) has been notified to the Rating Agencies, (ii) would not have an adverse impact on the Issuer's ability to make payment when due in respect of the Rated Notes, would not affect the legality, validity and enforceability of any of the Transaction Documents or any Security and (iii) (while any of the Rated Notes remain outstanding) would not have an adverse effect on the rating of the Rated Notes) (upon which confirmation or certificate the Note Trustee shall be entitled to rely absolutely without liability to any person for so doing); and
- (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.

On any Interest Payment Date following the occurrence of a Redemption Event, the Issuer may redeem all (but not some only) of the Notes in each class and the Class VRR Notes at their Principal Amount Outstanding on such Interest Payment Date pursuant to Note Condition 8.4 and Class VRR Note Condition 8.4 and cancel the Certificates pursuant to this Certificate Condition 7.3. 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 sub-paragraph (a), (b) or (c) above is continuing and that the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such appointment or substitution. The Issuer shall: (i) give not more than 60 nor less than 15 days' notice to the Noteholders in accordance with Note Condition 16 (*Notice to Noteholders*), the Class VRR Noteholders in accordance with Class VRR Note Condition 16 (*Notice to Class VRR*

Noteholders), the Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*) and the Note Trustee, the Paying Agent, the Registrar, each Rating Agency and the Swap Provider, of its intention to redeem all (but not some only) of the Notes in each Class and the Class VRR Notes and the Certificates; and (ii) provide to the Note Trustee, prior to giving the notice referred to in (i) above, a certificate signed by two directors of the Issuer to the effect that the Issuer will have sufficient funds required to redeem the Notes and the Class VRR Notes at their Principal Amount Outstanding pursuant to Note Condition 8.4 and Class VRR Note Condition 8.4 and cancel the Certificates pursuant to this Certificate Condition 7.3, and meet the Issuer's payment obligations of a higher priority under the Pre-Enforcement Revenue Priority of Payments (upon which the Note Trustee shall rely absolutely and without enquiry or liability).

Following the occurrence of a Redemption Event, the Portfolio Call Option shall be capable of being exercised in accordance with the Certificate Conditions and if the Portfolio Call Option is exercised then the Issuer will not redeem any of the Notes pursuant to Note Condition 8.4 or any of the Class VRR Notes pursuant to Class VRR Note Condition 8.4 and shall not cancel the Certificates pursuant to this Certificate Condition 7.3.

7.4 Notice of Redemption

Any such notice as is referred to in Class VRR Note Condition 8.3 (*Redemption of the Class VRR Notes in Full*), Note Condition 8.3 (*Redemption of the Notes, Class VRR Notes and Certificates in Full*), Class VRR Note Condition 8.4 (*Redemption of the Notes, Class VRR Notes and Certificates for Taxation or Other Reasons*) or Note Condition 8.4 (*Redemption of the Notes, Class VRR Notes and Certificates in Full*) shall be irrevocable and, upon the expiry of such notice (subject always, in the case of a Refinancing, to the Class VRR Veto), the Issuer shall be bound to redeem the relevant Class VRR Notes and Notes at the applicable amounts specified in the relevant Class VRR Note Conditions and Note Conditions. Any certificate or legal opinion given by or on behalf of the Issuer in connection with the exercise of the Refinancing Option may be relied on by the Note Trustee without further investigation and, if so relied on, shall be conclusive and binding on the Class VRR Noteholders as well as the Noteholders.

7.5 No Purchase by the Issuer

The Issuer will not be permitted to purchase any of the Certificates.

7.6 Cancellation on redemption in full and/or the exercise of the Refinancing Option

All Certificates redeemed in full will be cancelled upon redemption. Certificates cancelled upon redemption in full may not be resold or re-issued.

8 TAXATION

All payments in respect of the Certificates 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, assessments, deductions, withholdings or charges of any nature whatsoever and wheresoever imposed, including (but not limited to) 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 any amounts under the Certificates will be prescribed after five years from the Relevant Date in respect of the relevant payment.

In this Certificate 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 Certificate Condition 16 (*Notice to Certificateholders*).

10 EVENTS OF DEFAULT

10.1 Certificates

The Note Trustee at its absolute discretion may, and if so directed in writing by (i) the Noteholders of not less than 25% in aggregate Principal Amount Outstanding of the Most Senior Class, for so long as there are any Notes outstanding, (ii) not less than 25% of the Certificateholders, for so long as there are no Notes outstanding, (iii) or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class outstanding, shall (subject to being indemnified and/or prefunded and/or secured to its satisfaction as more particularly described in the Trust Deed) deliver a notice (an "**Enforcement Notice**") to the Issuer (with a copy to the Swap Provider, the Cash Manager, the Security Trustee, the Servicer, the Standby Facilitator, the Citi Transaction Account Bank, the Elavon Account Bank, the Swap Collateral Account Bank and the Seller) that all Classes of the Notes and all of the Class VRR Notes then outstanding shall thereby immediately become due and repayable at their respective Principal Amount Outstanding, together with accrued (and unpaid) interest and the Certificateholders will be entitled to Residual Payments (if any) in each case as provided in the Trust Deed, if any of the following events (each, an "**Event of Default**") occur:

- (a) non-payment of any amounts due in respect of the Certificates, and such non-payment continues for a period of five Business Days; or
- (b) failure by the Issuer to perform or observe any of its other obligations under the Note Conditions, Class VRR Note Conditions, Certificate Conditions or any Transaction Document to which it is a party which in the opinion of the Note Trustee is materially prejudicial to the interests of the holders of the Most Senior Class and the failure continues for a period of 15 days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the failure to be incapable of remedy, then no continuation or notice as is aforementioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) any representation or warranty made by the Issuer under any Transaction Document is incorrect in any material respect when made which in the opinion of the Note Trustee is materially prejudicial to the interests of the holders of the Most Senior Class and the matters giving rise to such misrepresentation are not remedied within a period of 15 days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the matters giving rise to such misrepresentation to be incapable of remedy, then no continuation or notice as is hereinafter mentioned will

be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or

- (d) if any order is made by any competent court or any resolution is passed for the winding up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the holders of the Most Senior Class; 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 holders of the Most Senior Class, 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 Issuer is deemed unable to pay its debts within the meaning of Sections 123(1) or (2) of the Insolvency Act (or any equivalent or analogous legislative provision, as applicable to such person) or (iii) the Issuer 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 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).

10.2 General

Upon the service of an Enforcement Notice by the Note Trustee in accordance with Certificate Condition 10.1 (*Certificates*), all Classes of the Notes and all of the Class VRR Notes then outstanding shall thereby immediately become due and repayable at their respective Principal Amount Outstanding, together with accrued (and unpaid) interest. The Certificateholders will be entitled to Residual Payments, if any.

11 ENFORCEMENT

11.1 General

Each of the Note Trustee and the Security Trustee may, at any time, at its discretion and without notice, take such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Notes, the Class VRR Notes or the Trust Deed (including the Note Conditions and the Class VRR Note Conditions) or (in the case of the Security Trustee) the Deed of Charge or (in either case) any of the other Transaction Documents to which it is a party and, at any time

after the service of an Enforcement Notice, the Security Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce the Security, but neither of them shall be bound to take any such proceedings, action or steps unless:

- (a) the Note Trustee or Security Trustee shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class then outstanding or directed in writing by (i) the Noteholders of not less than least 25% in aggregate Principal Amount Outstanding of the Most Senior Class, for so long as there are any Notes outstanding, or (ii) not less than 25% of the Certificateholders, for so long as there are no Notes outstanding; and
- (b) in all cases, it shall have been indemnified and/or prefunded and/or secured to its satisfaction.

No Certificateholder or other Secured Creditor may proceed directly against the Issuer unless the Note Trustee or Security Trustee, having become bound to do so, fails to do so within a reasonable period of time and such failure is continuing.

11.2 Preservation of Assets

If the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes or the Class VRR Notes, the Security Trustee will not be entitled to dispose of any of the Charged Assets or any part thereof unless either (a) a sufficient amount would be realised to allow discharge in full on a *pro rata* and *pari passu* basis of all amounts owing to the holders of the Notes and the Class VRR Notes (and all persons ranking in priority to the holders of the Notes and the Class VRR Notes), or (b) the Security Trustee is of the opinion, which shall be binding on the Secured Creditors, reached after considering at any time and from time to time the advice of any financial adviser (or such other professional advisers selected by the Security Trustee for the purpose of giving such advice), that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing: (i) to the Noteholders and the Class VRR Noteholders (and all persons ranking in priority to the Noteholders and the Class VRR Noteholders as set out in the order of priority set out in the Post-Enforcement Priority of Payments); and (ii) once all the Noteholders and the Class VRR Noteholders (and all such higher ranking persons) have been repaid, to the remaining Secured Creditors in the order of priority set out in the Post-Enforcement Priority of Payments. The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer. The Security Trustee shall be entitled to rely upon any financial or other professional advice referred to in this Certificate Condition 11.2 without further enquiry and shall incur no liability to any person for so doing.

11.3 Limitations on Enforcement

No Certificateholder or any other Secured Creditor 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 Certificate 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 or any other Secured Creditor shall be entitled to take any steps or proceedings to procure the winding up, administration or liquidation of the Issuer.

11.4 Limited Recourse

Notwithstanding any other Certificate Condition or any provision of any Transaction Document, all obligations of the Issuer to the Certificateholders are limited in recourse to the property, assets and undertaking of the Issuer the subject of any security created under and pursuant to the Deed of Charge (the "**Charged Assets**"). If:

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

then the Certificateholders 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 Certificates and the Issuer shall be deemed to be discharged from making any further payments in respect of the Certificates and any further payment rights shall be extinguished.

12 MEETINGS OF NOTEHOLDERS, CERTIFICATEHOLDERS AND CLASS VRR NOTEHOLDERS - MODIFICATION, WAIVER AND SUBSTITUTION

12.1 The Trust Deed contains provisions for convening separate or combined meetings of the Noteholders of each Class (and, in certain cases, more than one Class) and/or the Certificateholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions or the provisions of any of the Transaction Documents.

12.2 For the purposes of these Certificate Conditions, "**Most Senior Class**" means the Class A Notes or, if there are no Class A Notes then outstanding, the Class B Notes or, if there are no Class B Notes outstanding, the Class C Notes or, if there are no Class C Notes outstanding, the Class D Notes or, if there are no Class D Notes outstanding, the Class E Notes or, if there are no Class E Notes outstanding, the Class F Notes or, if there are no Class F Notes outstanding, the Class Z Notes or, if there are no Class Z Notes outstanding, the Certificates.

12.3 Separate and combined meetings

12.3.1 The Trust Deed provides that:

- (a) an Extraordinary Resolution which in the opinion of the Note Trustee affects the interests of the holders of the Notes of only one Class or the Certificateholders only shall be considered at a separate meeting of the holders of the Notes of that Class (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) or at a separate meeting of the Certificateholders only (as relevant);

- (b) an Extraordinary Resolution which in the opinion of the Note Trustee affects holders of (i) more than one Class of Notes or (ii) at least one Class of Notes, and the Certificateholders, but in each case does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the holders of another Class of Notes and/or the Certificateholders shall be considered either at separate meetings of the Noteholders of each such Class and/or Certificateholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1), or at a single meeting of the Noteholders of all such Classes of Notes and/or the Certificateholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) as the Note Trustee shall determine in its absolute discretion;
- (c) an Extraordinary Resolution which in the opinion of the Note Trustee affects holders of (i) more than one Class of Notes or (ii) at least one Class of Notes, and the Certificateholders, and in each case gives rise to any actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes and/or the Certificateholders, shall be considered at separate meetings of the Noteholders of each such Class and the Certificateholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1); and
- (d) no Extraordinary Resolution of the Noteholders or the Certificateholders shall take effect for any purpose while more than a single Class of Notes remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Most Senior Class of Noteholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1), or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Most Senior Class of Noteholders.

12.3.2 The Trust Deed also provides that, notwithstanding any other provision of the Note Conditions, the Class VRR Note Conditions, these Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver which constitutes or comprises a Class VRR Entrenched Right unless all the Class VRR Noteholders have consented to such modification or waiver by way of a unanimous Written Resolution. Otherwise, all Extraordinary Resolutions and Ordinary Resolutions of the Noteholders will be binding on the holders of the Class VRR Notes and the Certificateholders.

12.3.3 The references above to meetings of the holders of the Notes of a particular Class (whether or not that provision refers to holders of those Notes voting with the Class VRR Noteholders) shall mean that the Class VRR Noteholders shall, where they are considered to be outstanding (as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1), be entitled to vote in respect of the amount of the Relevant Class VRR Note Portion together with the Corresponding Instrument.

12.4 Request from Noteholders or the Certificateholders

- (a) A meeting of Noteholders of a particular Class (and the Class VRR Noteholders in respect of the Relevant Class VRR Note Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) may be convened by the Note Trustee or the Issuer at any time

and must be convened by the Note Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Noteholders of a particular Class (and the Class VRR Noteholders in respect of the Relevant Class VRR Note Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) holding not less than ten per cent. of the aggregate Principal Amount Outstanding of the Notes of that Class (together with the Relevant Class VRR Note Portion if the Class VRR Noteholders are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1).

- (b) A meeting of the Certificateholders (and the Class VRR Noteholders in respect of the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) only may be convened by the Note Trustee or the Issuer at any time and must be convened by the Note Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of the Certificateholders and Class VRR Noteholders holding not less than ten per cent. of the total number of Certificates and the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1.

In the case of Certificate Condition 12.4(a) and (b) above, so long as no Event of Default has occurred and is continuing, the Noteholders, the Class VRR Noteholders and the Certificateholders are not entitled to instruct or direct the Issuer to take any action, either directly or indirectly through the Note Trustee, without consent of the Issuer and, if applicable, certain other Transaction Parties pursuant to any relevant Transaction Documents, unless the Issuer has an obligation to take such action under the relevant Transaction Documents.

12.5 Quorum

12.5.1 Initial Meeting

The quorum at any initial meeting convened to vote on:

- (i) an Ordinary Resolution shall be one or more persons present and holding or representing in aggregate not less than one quarter of the total of:
 - (A) the Principal Amount Outstanding of the relevant Class or Classes of Notes, then outstanding; and
 - (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument);
- (ii) an Extraordinary Resolution (other than a Basic Terms Modification or a Class VRR Entrenched Right) shall be one or more persons present and holding or representing in the aggregate not less than 50 per cent. of the total of:
 - (A) the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding; and
 - (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument); and
- (iii) a Basic Terms Modification shall be one or more persons present and holding or representing in the aggregate not less than three-quarters of the total of:

- (A) the Principal Amount Outstanding of such Class or Classes of Notes then outstanding; and
- (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument).

12.5.2 Adjourned Meeting

The quorum at any adjourned meeting re-convened to vote on:

- (i) an Ordinary Resolution shall be one or more persons present and holding or representing in aggregate not less than 10 per cent. of the total of:
 - (A) the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding; and
 - (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument);
- (ii) an Extraordinary Resolution (other than a Basic Terms Modification or a Class VRR Entrenched Right) shall be one or more persons present and holding or representing in the aggregate not less than 25 per cent. of the total of:
 - (A) the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding; and
 - (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument); and
- (iii) a Basic Terms Modification shall be one or more persons present and holding or representing in the aggregate not less than 50 per cent. of the total of:
 - (A) the Principal Amount Outstanding of such Class or Classes of Notes then outstanding; and
 - (B) the Relevant Class VRR Note Portion then outstanding (to be counted together with the Corresponding Instrument).

12.5.3 Certificates – Initial Meeting

The quorum at any initial meeting convened to vote on:

- (i) an Ordinary Resolution, shall be one or more persons present and holding or representing in aggregate not less than one quarter of the total number of:
 - (A) Certificates then outstanding; and
 - (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1;
- (ii) an Extraordinary Resolution (other than a Basic Terms Modification or a Class VRR Entrenched Right) shall be one or more persons present and holding or representing in the aggregate not less than 50 per cent. of the total number of:
 - (A) Certificates then outstanding; and

- (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1; and
- (iii) a Basic Terms Modification shall be one or more persons present and holding or representing in the aggregate not less than three-quarters of the total number of:
 - (A) Certificates then outstanding; and
 - (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1.

12.5.4 Certificates – Adjourned Meeting

The quorum at any adjourned meeting re-convened to vote on:

- (i) an Ordinary Resolution shall be one or more persons present and holding or representing in aggregate not less than 10 per cent. of the total number of:
 - (A) Certificates then outstanding; and
 - (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1;
- (ii) an Extraordinary Resolution (other than a Basic Terms Modification or a Class VRR Entrenched Right) shall be one or more persons present and holding or representing in the aggregate not less than 25 per cent. of the total number of:
 - (A) Certificates then outstanding; and
 - (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1; and
- (iii) a Basic Terms Modification shall be one or more persons present and holding or representing in the aggregate not less than 50 per cent. of the total number of:
 - (A) Certificates then outstanding; and
 - (B) the Relevant Class VRR Note Certificate Portion if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1.
- (b) A basic terms modification (a "**Basic Terms Modification**") shall mean:
 - (i) sanction a modification of the date of maturity of the Notes, the Class VRR Notes or Certificates;
 - (ii) sanction a modification of the date of payment of principal or interest in respect of the Notes, any amounts in respect of Class VRR Notes or any amounts in respect of the Certificates, or where applicable, of the method of calculating the date of payment of principal or interest in respect of the Notes, any amounts

in respect of Class VRR Notes or any amounts in respect of the Certificates, except in accordance with Note Conditions 13.9(i) or (j), or Class VRR Note Conditions 13.9(i) or (j), or Certificate Conditions 12.9(i) or (j) in relation to any Reference Rate Modification or Swap Rate Modification;

- (iii) sanction a modification of the amount of principal or the rate of interest payable in respect of the Notes, or where applicable, of the method of calculating the amount payable of any principal or interest in respect of the Notes (including, if any such modification is proposed for any Class of Notes), or the amount payable in respect of the Class VRR Notes, or any amounts payable in respect of the Certificates except in accordance with Note Conditions 13.9(i) or (j), Class VRR Note Conditions 13.9(i) or (j), or Certificate Conditions 12.9(i) or (j) in relation to any Reference Rate Modification or Swap Rate Modification;
- (iv) alter the currency in which payments under any Class of Notes, Class VRR Notes or 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, Class VRR Notes or Certificates; or

any change to the definition of Basic Terms Modification.

12.6 Most Senior Class and Limitations on other Noteholders

- (a) Other than in relation to a Basic Terms Modification:
 - (i) subject to Note Conditions 13.6(a)(ii) and (iii) and the Class VRR Entrenched Rights, an Extraordinary Resolution passed at any meeting of the holders of the Most Senior Class (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) shall be binding on such Noteholders and all other Classes of Noteholders and the Class VRR Noteholders and the Certificateholders irrespective of the effect upon them (whether or not present at such meeting and whether or not voting);
 - (ii) subject to Note Condition 13.6(a)(iii) and the Class VRR Entrenched Rights, an Extraordinary Resolution passed at any meeting of a relevant Class of Noteholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) shall be binding on (i) such Noteholders and all other Classes of Noteholders ranking junior to such Class of Noteholders in the Post-Enforcement Priority of Payments,(ii) the Class VRR Noteholders, and (iii) the Certificateholders, in each case, irrespective of the effect it has upon them (whether or not present at such meeting and whether or not voting); and
 - (iii) no Extraordinary Resolution of any Class of Noteholders (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1) shall take effect for any purpose while any of

the Most Senior Class remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class (where the Class VRR Noteholders shall be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1), all Notes ranking in priority thereto, or the Note Trustee and/or Security Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class,

provided that, in respect of any Extraordinary Resolution of a Class or Classes of Noteholders relating to any modification, amendment or supplement to any of the Transaction Documents, the Note Conditions, the Class VRR Note Conditions or Certificate Conditions which would encroach on any Swap Provider Entrenched Rights, the prior written consent of the Swap Provider is also needed prior to such amendments being made.

For the purposes of these Certificate Conditions, "**Swap Provider Entrenched Rights**" means any modification, amendment or supplement which would have the effect:

- (1) that immediately thereafter, the Swap Provider would be required to pay more to or receive less from a third party transferee if it were to transfer the Swap Transaction to such third party transferee (subject to and in accordance with Part 5(m) of the Swap Agreement) than would otherwise be the case if such amendment were not made; or
- (2) of altering the amount, timing or priority of any payments or deliveries due to be made by or to the Swap Provider under the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions or any Transaction Document (including, without limitation, the Pre-Enforcement Revenue Priority of Payments, the Post-Enforcement Priority of Payments or the Swap Collateral Account Priority of Payments); or
- (3) of altering the Issuer's ability to make payments or deliveries to the Swap Provider; or
- (4) of altering 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; or
- (5) of amending Note Condition 8 (Redemption), Class VRR Note Condition 8 (Redemption) or any additional redemption rights in respect of the Notes, the Class VRR Notes or the Certificates, provided that such modification, amendment or supplement would be materially prejudicial to the Swap Provider; or
- (6) of altering any requirement to obtain the Swap Provider's prior consent (written or otherwise) in respect of any matter.

12.7 Relationship between Classes of Notes, Class VRR Notes and Certificates

- (a) In relation to each Class of Notes, Class VRR Notes and Certificates, no Extraordinary Resolution:
 - (i) involving a Basic Terms Modification shall be effective unless it is sanctioned by separate Extraordinary Resolutions of:

- (A) the holders of each of the other Classes of Notes (to the extent that there are outstanding Notes in each such other classes) where the Class VRR Noteholders would be entitled to vote in respect of the Relevant Class VRR Note Portion that corresponds with the Corresponding Instrument, if the Relevant Class VRR Note Portion is considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1); and
 - (B) the Certificateholders where the Class VRR Noteholders would be entitled to vote in respect of the Relevant Class VRR Note Certificate Portion, if the Relevant Class VRR Note Certificate Portion is considered to be "outstanding" as defined in Certificate Condition 1; or
- (ii) involving a Class VRR Entrenched Right shall be effective unless it has been sanctioned by a unanimous written resolution of the holders of all Class VRR Notes (to the extent that there are outstanding Class VRR Notes).
- (b) Any resolution passed at a meeting of Class VRR Noteholders duly convened and held in accordance with the Trust Deed shall be binding upon all Class VRR Noteholders, whether or not present at such meeting and whether or not voting.
 - (c) Except in the case of a meeting relating to a Basic Terms Modification or a Class VRR Entrenched Right, any resolution passed at a meeting of the holders of the Most Senior Class duly convened and held as aforesaid shall also be binding upon the holders of all the other Classes of Notes, the holders of the Class VRR Notes and the Certificateholders.
 - (d) A written resolution shall take effect as if it were an Extraordinary Resolution.

12.8 The Class VRR Notes

- (a) Any Class VRR Entrenched Rights shall be exercisable solely by way of a unanimous written resolution, without the need for a meeting.
- (b) Where meetings of Noteholders or Certificateholders are held, the Class VRR Noteholders shall count for the purposes of quorum and be entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1.
- (c) However, if the Class VRR Noteholders are not considered to be "outstanding", they shall not be entitled to count towards quorum or voting at meetings of Noteholders or Certificateholders, and shall not be entitled to consider the relevant matter separately on their own either.
- (d) For the avoidance of doubt, as defined in Note Condition 1, Class VRR Note Condition 1, and Certificate Condition 1, in relation to the Class VRR Notes and for the purposes of meetings of Noteholders, "**outstanding**" means, all the Class VRR Notes issued from time to time which are held by or on behalf of the Seller, and, shall, for the avoidance of doubt, be deemed to remain outstanding (i) in respect of a Basic Terms Modification and/or (ii) Class VRR Entrenched Rights.
- (e) The Note Trustee shall, as regards all the powers, trusts, authorities, duties and discretions vested in it by the Transaction Documents, the Notes, the Certificates, or

the Class VRR Notes, except where expressly provided otherwise, have regard to the interests of the Noteholders, the Certificateholders, the Class VRR Noteholders and the other Secured Creditors, but if, in the Note Trustee's sole opinion, there is a conflict between their interests, it will have regard solely to the interests of the Noteholders and no Class VRR Noteholder or any other Secured Creditor shall have any claim against the Note Trustee for so doing. Where, in the opinion of the Note Trustee there is a conflict of interests of holders of the different Classes of Notes and Class VRR Notes, the Note Trustee shall give priority to the interests of the Noteholders whose interests shall prevail, save where any Class VRR Entrenched Rights are affected (in which case the Note Trustee, or as relevant, the Security Trustee, will have regard to the interests of the Class VRR Noteholders as well and regard to their ability to exercise the Class VRR Veto in respect of such Class VRR Entrenched Rights).

(f) In these Certificate Conditions:

"Corresponding Instrument" means:

- (i) in respect of the Relevant Class VRR Note Class A Portion, the Class A Notes;
- (ii) in respect of the Relevant Class VRR Note Class B Portion, the Class B Notes;
- (iii) in respect of the Relevant Class VRR Note Class C Portion, the Class C Notes;
- (iv) in respect of the Relevant Class VRR Note Class D Portion, the Class D Notes;
- (v) in respect of the Relevant Class VRR Note Class E Portion, the Class E Notes;
- (vi) in respect of the Relevant Class VRR Note Class F Portion, the Class F Notes;
- (vii) in respect of the Relevant Class VRR Note Class Z Portion, the Class Z Notes;
and
- (viii) in respect of the Relevant Class VRR Note Certificate Portion, the Certificates.

"Relevant Class VRR Note Portion" means, as the context requires:

- (i) **"Relevant Class VRR Note Class A Portion"** which shall mean:
 - (A) Class A Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*
 - (B) the Class VRR Note Principal Amount Outstanding;
- (ii) **"Relevant Class VRR Note Class B Portion"** which shall mean:
 - (A) Class B Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*

- (B) the Class VRR Note Principal Amount Outstanding;
- (iii) **"Relevant Class VRR Note Class C Portion"** which shall mean:
 - (A) Class C Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*
 - (B) the Class VRR Note Principal Amount Outstanding;
- (iv) **"Relevant Class VRR Note Class D Portion"** which shall mean:
 - (A) Class D Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*
 - (B) the Class VRR Note Principal Amount Outstanding;
- (v) **"Relevant Class VRR Note Class E Portion"** which shall mean:
 - (A) Class E Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*
 - (B) the Class VRR Note Principal Amount Outstanding;
- (vi) **"Relevant Class VRR Note Class F Portion"** which shall mean:
 - (A) Class F Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*
 - (B) the Class VRR Note Principal Amount Outstanding;
- (vii) **"Relevant Class VRR Note Class Z Portion"** which shall mean:
 - (A) Class Z Principal Amount Outstanding *divided by* (the sum of the Class A Principal Amount Outstanding, Class B Principal Amount Outstanding, Class C Principal Amount Outstanding, Class D Principal Amount Outstanding, Class E Principal Amount Outstanding, Class F Principal Amount Outstanding and Class Z Principal Amount Outstanding); *multiplied by*

(B) the Class VRR Note Principal Amount Outstanding; or

(viii) **"Relevant Class VRR Note Certificate Portion"** which shall be deemed to mean 526 Certificates for the purposes of voting provisions;

"Class A Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class A Notes;

"Class B Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class B Notes;

"Class C Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class C Notes;

"Class D Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class D Notes;

"Class E Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class E Notes;

"Class F Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class F Notes;

"Class Z Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class Z Notes; and

"Class VRR Principal Amount Outstanding" means the aggregate Principal Amount Outstanding of the Class VRR Notes.

For the avoidance of doubt, references to meetings of Noteholders and other related provisions should be construed to include the Relevant Class VRR Note Portion and the rights of the Class VRR Noteholders to exercise those rights (as the case may be).

12.9 Modification to the Transaction Documents

(a) The Note Trustee may (or in the case of (iv) below, shall) at any time and from time to time, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) but without the consent or sanction of the Noteholders, Class VRR Noteholders, Certificateholders, or any other Secured Creditors agree with the Issuer and any other parties (and/or direct the Security Trustee to agree with the Issuer or any such other parties) in making or sanctioning any modification:

(i) other than in respect of a Basic Terms Modification or Class VRR Entrenched Rights, to the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document, which in the opinion of the Note Trustee (acting in accordance with the Trust Deed) or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee), will not be materially prejudicial to the interests of the Noteholders, the Class VRR Noteholders, the Certificateholders, or the interests of the Note Trustee or the Security Trustee;

(ii) other than in respect of a Basic Terms Modification or Class VRR Entrenched Rights, to the Note Conditions, the Class VRR Note Conditions, the Certificate

Conditions, the Trust Deed or any other Transaction Document for the purposes of making any changes which are necessary to facilitate a Refinancing;

- (iii) to the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document if in the opinion of the Note Trustee (acting in accordance with the Trust Deed) or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee), such modification is of a formal, minor or technical nature or to correct a manifest error; or
- (iv) to the Transaction Documents, the Note Conditions, the Class VRR Note Conditions or the Certificate Conditions that are requested in writing by the Issuer (acting in its own discretion or at the direction of any transaction party including the Swap Provider) in order to enable the Issuer (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 ("**EMIR**"), irrespective of whether such modifications are (i) materially prejudicial to the interests of the holders of any Class of Notes, the holders of any Class VRR Notes, the holders of any Certificates or any other Secured Creditor or (ii) in respect of a Basic Terms Modification or Class VRR Entrenched Rights (any such modification, an "**EMIR Amendment**") and subject to receipt by the Note Trustee and the Security Trustee of a certificate of (i) the Issuer signed by two directors or (ii) the Servicer on behalf of the Issuer certifying to the Note Trustee and the Security Trustee that the amendments requested by the Issuer (either on its own behalf or at the direction of any transaction party including the Swap Provider) are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under EMIR,

provided that, in respect of any such modification, amendment or supplement to any of the Transaction Documents, the Note Conditions, the Class VRR Note Conditions or Certificate Conditions which would encroach on any Swap Provider Entrenched Rights, the prior written consent of the Swap Provider is also needed prior to such amendments being made.

Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification pursuant to this Certificate Condition 12.9(a) which, in the sole opinion of the Note Trustee or, as the case may be, the Security Trustee, would have the effect of:

- (A) exposing the Note Trustee (or, as the case may be, the Security Trustee) to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction; or
 - (B) increasing the obligations or duties, or decreasing the protections of the Note Trustee (or, as the case may be, the Security Trustee) in the Transaction Documents and/or the Note Conditions, the Class VRR Note Conditions or the Certificate Conditions.
- (b) Notwithstanding anything to the contrary in the Trust Deed or the other Transaction Documents, when implementing any EMIR Amendment pursuant to this Certificate Condition 12.9, the Note Trustee (or, as the case may be, the Security Trustee) shall not consider the interests of the Noteholders, any other Secured Creditor or any other person, but shall act and rely solely and without further investigation on any certificate

provided to it by the Issuer pursuant to this Certificate Condition 12.9 and shall not be liable to any Noteholder, Class VRR Noteholder, Certificateholder or any other Secured Creditor for so acting or relying.

12.10 Additional Right of Modification

Notwithstanding the provisions of Note Condition 13.9 (*Modification to the Transaction Documents*), Class VRR Note Condition 13.9 (*Modification to the Transaction Documents*) or Certificate Condition 12.9 (*Modification to the Transaction Documents*), the Note Trustee, shall be obliged, without any consent or sanction of the Noteholders, the Class VRR 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 agree with the Issuer, and/or to direct the Security Trustee to agree with the Issuer, in making any modification (other than in respect of a Basic Terms Modification or in respect of any Class VRR Entrenched Rights) to the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document to which it is a party or in relation to which it holds security or to enter into any new, supplemental or additional documents that the Issuer (in each case) considers necessary:

- (a) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that:
 - (i) the Issuer certifies in writing to the Note Trustee and the Security Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and
 - (ii) in the case of any modification to a Transaction Document proposed by any of the Seller, the Servicer, the Swap Provider, the Cash Manager the Agent Bank, the Principal Paying Agent, the Citi Transaction Account Bank, the Elavon Account Bank, the Custodian or the Swap Collateral Account Bank (for the purpose of this Certificate Condition 12.10 only, each a "**Relevant Party**"), in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):
 - (A) the Relevant Party certifies in writing to the Issuer, the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in paragraph (ii)(x) and/or (y) above; and
 - (B) either:
 - I. the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) obtains from each of the Rating Agencies, a Rating Agency Confirmation (or certifies in writing to the Issuer (in the case of the Relevant Party or the Servicer), the Note Trustee and the Security Trustee that no Rating Agency Confirmation has been received within 30 days of a written request for such Rating Agency Confirmation) that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency and would not result in any Rating Agency

placing any Rated Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer (in the case of the Relevant Party or the Servicer), the Note Trustee and the Security Trustee; or

II. the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent); and

(C) the Relevant Party pays all costs and expenses (including legal fees) incurred by the Issuer and the Note Trustee and the Security Trustee in connection with such modification; and/or

- (b) for the purpose of complying with any changes in the requirements of Article 405 of the CRR, Article 51 of the AIFM Regulation or Article 254 of the Solvency II Regulation after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the CRR, the AIFM Regulation or the Solvency II Regulation or any other risk retention legislation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect; and/or
- (c) for the purpose of enabling the Notes, the Class VRR Notes and the Certificates to comply with the requirements of the Securitisation Regulation, including relating to (i) the treatment (if any) of the Notes, the Class VRR Notes and the Certificates as a simple, transparent and standardised securitisation, and (ii) any related regulatory technical standards authorised under the Securitisation Regulation *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; and/or
- (d) for the purpose of complying with any changes in the requirements of (i) Section 15G of the Securities Exchange Act of 1934, as amended, as added by section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, after the Closing Date, (ii) the CRR Amendment Regulation, or (iii) any other risk retention legislation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect; and/or
- (e) for the purpose of enabling the Notes and Class VRR 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; and/or
- (f) for the purposes of enabling the Issuer or any other person that is party to a Transaction Document (a "**Transaction Party**") to comply with FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto), provided that the Issuer or the relevant Transaction Party, as applicable, certifies to the Security Trustee

and the Note Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect; and/or

- (g) for the purposes of making any changes which are necessary to facilitate a Refinancing; and/or
- (h) for the purposes of making any changes necessary to allow the Issuer to open additional accounts held and maintained at a bank that has the Account Bank Required Minimum Rating, and to enter into additional account bank (or other similar agreements) agreements and agreements ancillary thereto, including in relation to any Securities Custody Account and its related Securities Custody Agreement, such additional bank account agreements shall be designated as Transaction Documents,

(the certificate to be provided by the Issuer or Servicer (on behalf of the Issuer), and/or the Relevant Party, as the case may be, pursuant to Certificate Conditions 12.10(a) to (h) above being a "**Modification Certificate**"); and/or

- (i) for the purpose of changing the reference rate in respect of the Notes from SONIA to an alternative reference rate (including where such reference rate may remain linked to SONIA but may be calculated in a different manner) (any such reference rate, an "**Alternative Reference Rate**") and make such other amendments to any of the Transaction Documents as are necessary or advisable in the reasonable judgement of the Issuer (or the Servicer on behalf of the Issuer) to facilitate such change or which are required as a consequence of adopting an Alternative Reference Rate (a "**Reference Rate Modification**"), provided that:

- (i) the Issuer (or the Servicer on behalf of the Issuer), certifies to the Note Trustee and the Security Trustee in writing (such certificate, a "**Reference Rate Modification Certificate**") that:

- (A) such Reference Rate Modification is being undertaken due to a Reference Rate Disruption; and
- (B) such Alternative Reference Rate satisfies the Reference Rate Eligibility Requirement; and
- (C) the modifications proposed in the context of the Reference Rate Modification are required solely for the purpose of applying the Alternative Reference Rate and making consequential modifications to the Notes Conditions, the Class VRR Note Conditions, the Certificate Conditions or any Transaction Document which are, as determined by the Issuer (or the Servicer on behalf of the Issuer) in its commercially reasonable judgement, necessary or advisable, and the modifications have been drafted solely to such effect,

- (ii) and provided further that either:

- (A) the Issuer has obtained from each of the Rating Agencies written confirmation (or certifies in the Reference Rate Modification Certificate that it has been unable to obtain written confirmation from each Rating Agency) that the proposed Reference Rate Modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent) and, if relevant, it has provided

a copy of any written confirmation to the Note Trustee and the Security Trustee, with the Reference Rate Modification Certificate; or

- (B) the Issuer (or the Servicer on behalf of the Issuer), certifies in the Reference Rate Modification Certificate that it has given the Rating Agencies at least 10 Business Days prior written notice of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent).

"Reference Rate Disruption" means the occurrence of any of the following:

- (a) an alternative manner of calculating a SONIA-based rate being introduced and becoming a standard means of calculating interest in the publicly listed asset backed floating rate notes market; or
- (b) a material disruption to SONIA (as determined by the Servicer acting reasonably), an adverse change in the methodology of calculating SONIA (as determined by the Servicer acting reasonably), SONIA ceasing to exist or be published or the administrator of SONIA having used a fall-back methodology for calculating SONIA for a period of at least 30 calendar days; or
- (c) the insolvency or cessation of business of the administrator of SONIA (in circumstances where no successor administrator has been appointed); or
- (d) a public statement by the SONIA administrator that it will cease publishing SONIA permanently or indefinitely (in circumstances where no successor SONIA administrator has been appointed that will continue publication of SONIA) in each case with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or
- (e) a public statement by the supervisor of the SONIA administrator that SONIA has been or will be permanently or indefinitely discontinued or there will be a material change to the methodology of calculating SONIA with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or
- (f) a public statement by the supervisor of the SONIA administrator that means SONIA will be prohibited from being used or that its use is subject to restrictions or adverse consequences with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or
- (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 Financial Conduct Authority or the Prudential Regulation Authority 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; or

- (h) it having become unlawful and/or impossible and/or impracticable for any Agent Bank, the Issuer or the Cash Manager to calculate any payments due to be made to any Noteholder using SONIA; or
- (i) following the implementation of a Reference Rate Modification, it becomes generally accepted market practice in the publicly listed asset backed floating rate notes market to use a Reference Rate of interest which is different from the Alternative Reference Rate which had already been adopted by the Issuer in respect of the Notes pursuant to a Reference Rate Modification; or
- (j) it being the reasonable expectation of the Issuer (or the Servicer on its behalf) that any of the events specified in sub-paragraphs (b) to (i) (inclusive) above will occur or exist within six months of the proposed effective date of such Reference Rate Modification.

"Reference Rate Eligibility Requirement" means the Alternative Reference Rate being any one of the following:

- (a) a reference rate published, endorsed, approved or recognised by the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority 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 (which, for the avoidance of doubt, may be an alternative reference rate together with a specified adjustment factor which may increase or decrease the relevant alternative reference rate); or
- (b) a reference rate utilised in 5 publicly-listed new issues of Sterling denominated asset backed floating rate notes prior to the effective date of such Reference Rate Modification; or
- (c) a reference rate utilised in a publicly-listed new issue of Sterling denominated asset backed floating rate notes where the originator of the relevant assets is Atom Bank or an affiliate (including any parent entity of Atom Bank, any subsidiary of any parent entity of Atom Bank and any subsidiary of Atom Bank) of Atom Bank; or
- (d) such other reference rate as the Issuer (or the Servicer on its behalf) reasonably determines, ***provided that*** this option may only be used if the Issuer (or the Servicer on behalf of the Issuer) certifies to the Note Trustee and the Security Trustee that, in its reasonable opinion, none of sub-paragraph (a) to (c) above (inclusive) are applicable and/or practicable in the context of this transaction, and sets out the rationale in the Reference Rate Modification Certificate for choosing the proposed Alternative Benchmark Rate.

In the case of a Reference Rate Modification, such written notice shall include details of the adjustment which the Issuer (or the Servicer on behalf of the Issuer) proposes to make (if any) to the margin payable on each Class of Notes which are the subject of the Reference Rate Modification in order to, so far as reasonably and commercially practicable, preserve what would have been the expected Rate of Interest applicable to

each such Class of Notes had no such Reference Rate Modification been effected (the "**Note Rate Maintenance Adjustment**" which, for the avoidance of doubt, may effect an increase or a decrease to the margin or may be set at zero), provided that:

- (i) in the event that the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority 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, has published, endorsed, approved or recognised a note rate maintenance adjustment mechanism which could be used in the context of a transition from the Relevant Reference Rate to the Alternative Reference Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Reference Rate Modification; or
- (ii) in the event that it has become generally accepted market practice in the Sterling-denominated asset backed floating rate notes market to use a particular note rate maintenance adjustment mechanism in the context of a transition from the Relevant Reference Rate to the Alternative Reference Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Reference Rate Modification; or
- (j) for the purpose of changing the reference rate that then applies in respect of the Swap Agreement to an alternative reference rate as is necessary or advisable in the commercially reasonable judgement of the Issuer (or the Servicer on its behalf) and the Swap Provider solely as a consequence of a Reference Rate Modification and solely for the purpose of aligning the reference rate of the Swap Agreement to the reference rate of the Notes following such Reference Rate Modification (a "**Swap Rate Modification**"), provided that the Issuer, or the Servicer on behalf of the Issuer, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and it has been drafted solely to such effect (such certificate being a "**Swap Rate Modification Certificate**"),

provided that, in the case of any modification made pursuant to Certificate Condition 12.10(a) to (j) 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, Reference Rate Modification Certificate or Swap Rate Modification Certificate, as applicable, in relation to such modification shall be provided to the Note Trustee and the Security Trustee both at the time the Note Trustee and the Security Trustee are notified of the proposed modification and on the date that such modification takes effect; and
- (iii) the consent of each Secured Creditor which is party to the relevant Transaction Document has been obtained;
- (iv) other than in the case of a modification pursuant to Certificate Condition 12.10(a)(ii), either:

- (A) the Issuer or the Servicer (on behalf of the Issuer) obtains from each of the Rating Agencies a Rating Agency Confirmation (or certifies in the Modification Certificate that no such Rating Agency Confirmation has been received within 30 days of a written request for such Rating Agency Confirmation) that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent); or
- (B) the Issuer or the Servicer (on behalf of the Issuer) certifies in the Modification Certificate, Reference Rate Modification Certificate or Swap Rate Modification Certificate, as applicable, that it has informed the Rating Agencies of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent); and
- (v) the Issuer (or the Servicer on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee (which certification may be in the Modification Certificate, Reference Rate Modification Certificate or Swap Rate Modification Certificate, as applicable) that (I) the Issuer has provided at least 30 calendar days' notice to the Noteholders, Class VRR Noteholders and Certificateholders of the proposed modification in accordance with Note Condition 16 (*Notice to Noteholders*), Class VRR Note Condition 16 (*Notice to Class VRR Noteholders*), Certificate Condition 15 (*Notice to Certificateholders*) and by publication on Bloomberg on the Company News screen relating to the Notes, Class VRR Notes and, if applicable, the Certificates, and (II) Noteholders or Certificateholders representing at least (i) 10% of the aggregate Principal Amount Outstanding of the Most Senior Class then outstanding, and/or (ii) 10% of the number of Certificates then in issue have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes and/or Certificates may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the modification.

If Noteholders or Certificateholders representing at least (i) 10% of the aggregate Principal Amount Outstanding of the Most Senior Class then outstanding, and/or (ii) 10% of the number of Certificates then in issue have notified the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes and/or Certificates 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 (i) the Noteholders of the Most Senior Class then outstanding (in the event that the objection is made by such Noteholders), and/or (ii) the Certificates then in issue (in the event that the objection is made by such Certificateholders) is passed in favour of such modification in accordance with Note Condition 13 (*Meetings of Noteholders, Certificateholders and Class VRR Noteholders - Modification, Waiver and Substitution*) and/or Certificate Condition 12 (*Meetings of Noteholders, Certificateholders and Class VRR Noteholders - Modification, Waiver and Substitution*). Objections made in writing, other than through the applicable clearing system, must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes and/or the relevant Certificateholder's holding of the number of Certificates.

When implementing any modification pursuant to Note Condition 13.10 or Class VRR Note Condition 13.10 or this Certificate Condition 12.10 (save to the extent the Note Trustee considers that the proposed modification would constitute a Basic Terms Modification or impact any Class VRR Entrenched Rights), neither the Note Trustee nor the Security Trustee shall consider the interests of the Noteholders, Class VRR Noteholders, Certificateholders, any other Secured Creditor or any other person but shall act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to Note Condition 13.10 or Class VRR Note Condition 13.10, or Certificate Condition 12.10 and shall not be liable to the Noteholders, Class VRR Noteholders, 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.

Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification which, in the sole opinion of the Note Trustee (or, as the case may be, the Security Trustee) would have the effect of (i) exposing the Note Trustee (or, as the case may be, the Security Trustee) to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Note Trustee (or, as the case may be, the Security Trustee) in the Transaction Documents and/or the Note Conditions, the Class VRR Note Conditions or the Certificate Conditions.

Any such modification shall be binding on all Noteholders, Class VRR Noteholders and Certificateholders, and shall be notified by the Issuer as soon as reasonably practicable to:

- (a) so long as any of the Rated Notes rated by the Rating Agencies remains outstanding, each Rating Agency;
- (b) the Secured Creditors; and
- (c) the Noteholders in accordance with Note Condition 16 (*Notice to Noteholders*) and to Class VRR Noteholders in accordance with Class VRR Note Condition 16 (*Notice to Class VRR Noteholders*) and to the Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*).

12.11 Authorisation or Waiver of Breach

The Note Trustee (or, as the case may be, the Security Trustee) may, without the consent or sanction of the Noteholders, Class VRR 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, but only if and in so far as in its opinion the interests of the holders of the Most Senior Class shall not be materially prejudiced thereby, authorise or waive on such terms and subject to such conditions (if any) as it may decide, any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to these Certificate Conditions, the Class VRR Note Conditions, the Note Conditions or any of the Transaction Documents by any party thereto, provided that the Note Trustee (or, the case may be, the Security Trustee) shall not exercise any powers conferred on it by this Certificate Condition 12.11 in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class or by a direction under Note Condition 11 (*Events of Default*) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made.

12.12 Notification of modifications, waivers, authorisations or determinations

Any such modification, waiver, authorisation or determination by the Note Trustee in accordance with these Certificate Conditions or the Transaction Documents shall be binding on the Certificateholders and, unless the Note Trustee or, as applicable, the Security Trustee agrees otherwise, any such modification shall be notified by the Issuer to the Noteholders in accordance with Note Condition 16 (*Notice to Noteholders*), to the Class VRR Noteholders in accordance with Class VRR Note Condition 16 (*Notice to Class VRR Noteholders*), to the Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*), the Rating Agencies (while any Rated Notes remain outstanding) and the other Secured Creditors as soon as practicable thereafter.

- 12.13 In determining whether a proposed action will not be materially prejudicial to the Noteholders or any Class thereof or the Class VRR Noteholders or the Certificateholders, the Note Trustee may, among other things, have regard to whether the Rating Agencies have confirmed in writing to the Issuer or any other party to the Transaction Documents that any proposed action will not result in the withdrawal or reduction of, or entail any other adverse action with respect to, the then current ratings of the Rated Notes. It is agreed and acknowledged by the Note Trustee that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders, and/or the Class VRR Noteholders, and/or the Certificateholders. In being entitled to take into account that each of the Rating Agencies has confirmed that the then current ratings of the Rated Notes would not be adversely affected, it is agreed and acknowledged by the Note Trustee this does not impose or extend any actual or contingent liability for each of the Rating Agencies to the Note Trustee, the Noteholders, the Class VRR Noteholders, the Certificateholders or any other person, or create any legal relations between each of the Rating Agencies and the Note Trustee, the Noteholders, the Class VRR Noteholders, the Certificateholders or any other person, whether by way of contract or otherwise.
- 12.14 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 the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions or any of the Transaction Documents (including in relation to any modification, waiver, authorisation, determination, substitution or change of laws as referred to above), the Note Trustee or the Security Trustee is required to have regard to the interests of the Noteholders of any Class or Classes and/or the Class VRR Noteholders, it shall (A) have regard to the general interests of the Noteholders of such Class or Classes and/or the Class VRR Noteholders as a whole but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Class VRR Noteholders (whatever their number) or the Certificateholders and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders or Class VRR Noteholders or Certificateholders (in each case, whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof, and the Note Trustee or, as the case may be, the Security Trustee shall not be entitled to require, nor shall any Noteholder, Class VRR Noteholder or Certificateholder be entitled to claim, from the Issuer, the Note Trustee or the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Class VRR Noteholders or Certificateholders, and (B) subject to the more detailed provisions of the Trust Deed and the Deed of Charge, as applicable, have regard to the interests of holders of each Class of Notes and/or the Class VRR Noteholders and/or Certificateholders (except where expressly provided otherwise) but requiring the Note Trustee or, as the case may be, the Security Trustee where there is a conflict of interests between one or more Classes of Notes 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.

12.15 Other than in respect of any matter requiring an Extraordinary Resolution, Certificateholders may vote by way of an Ordinary Resolution.

12.16 "**Ordinary Resolution**" means, in respect of the holders of any of the Classes of Notes, Certificates, and/or Class VRR Notes:

(a) a resolution passed at a meeting of Noteholders and/or Certificateholders duly convened and held in accordance with the Trust Deed and these Certificate 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 (including any votes cast by the Class VRR Noteholders entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1);

(b) a resolution in writing signed by or on behalf of:

(i) the Noteholders of not less than a clear majority in aggregate Principal Amount Outstanding of the relevant Class of Notes; and/or

(ii) the Certificateholders of not less than a clear majority in number of the Certificates,

in each case including the Relevant Class VRR Note Portion with the Corresponding Instrument, if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1, represented by the Class VRR Noteholders, 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 Certificateholders, and/or Class VRR Noteholders, as the case may be; or

(iii) 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:

(iv) the Noteholders of not less than a clear majority in aggregate Principal Amount Outstanding of the relevant Class of Notes; and/or

(v) the Certificateholders of not less than three-quarters in number of the Certificates,

in each case including the Relevant Class VRR Note Portion with the Corresponding Instrument, if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1, represented by the Class VRR Noteholders.

See also Certificate Condition 12.8 (*The Class VRR Notes*).

12.17 "**Extraordinary Resolution**" means, in respect of the holders of any of the Classes of Notes, Certificates, and/or Class VRR Notes:

(a) a resolution passed at a meeting of Noteholders and/or Certificateholders duly convened and held in accordance with the Trust Deed and these Certificate Conditions by a majority consisting of not less than three-quarters of Eligible Persons voting at such meeting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-quarters of the votes cast on such poll (including any

votes cast by the Class VRR Noteholders entitled to vote in respect of the Relevant Class VRR Note Portion together with the Corresponding Instrument if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1);

- (b) a resolution in writing signed by or on behalf of
 - (i) the Noteholders of not less than three-quarters in aggregate Principal Amount Outstanding of the relevant Class of Notes; and/or
 - (ii) the Certificateholders of not less than three-quarters in number of the Certificates,

in each case including the Relevant Class VRR Note Portion with the Corresponding Instrument, if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1, represented by the Class VRR Noteholders, 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, Certificateholders, and/or Class VRR Noteholders, as the case may be; or

- (iii) 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
- (iv) the Noteholders of not less than three-quarters in aggregate Principal Amount Outstanding of the relevant Class of Notes; and/or
- (v) the Certificateholders of not less than three-quarters in number of the Certificates,

in each case including the Relevant Class VRR Note Portion with the Corresponding Instrument, if they are considered to be "outstanding" as defined in Note Condition 1, VRR Note Condition 1, and/or Certificate Condition 1, represented by the Class VRR Noteholders.

See also Certificate Condition 12.8 (*The Class VRR Notes*).

12.18 "**Eligible Person**" means any one of the following persons who shall be entitled to attend and vote at a meeting:

- (a) a bearer of any Voting Certificate; and
- (b) a proxy specified in any Block Voting Instruction.

12.19 "**Voting Certificate**" means an English language certificate issued by a Paying Agent in which it is stated that on the date thereof the:

- (a) Notes (not being the Notes (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate); and/or
- (b) Class VRR Notes (not being the Class VRR Notes (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate); and/or

- (c) Certificates (not being the Certificates (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate),

are blocked in an account with a Clearing System and that no such Notes and/or Class VRR Notes will cease to be so blocked until the first to occur of:

- (i) the conclusion of the meeting specified in such Voting Certificate; and
- (ii) the surrender of the Voting Certificate to the Paying Agent who issued the same; and
- (iii) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes and/or Class VRR Notes and/or Certificates represented by such Voting Certificate.

12.20 "**Block Voting Instruction**" means an English language document issued by a Paying Agent in which it is certified that on the date thereof:

- (a) 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); and/or
- (b) Class VRR Notes (not being the Class VRR Notes (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction); and/or
- (c) Certificates (not being Certificates 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:

- (i) the conclusion of the meeting specified in such Block Voting Instruction; and
- (ii) the Notes and/or the Class VRR Notes and/or Certificates ceasing with the agreement of the Paying Agent to be so blocked and the giving of notice by the Paying Agent to the Issuer of the necessary amendment to the Block Voting Instruction;
- (iii) it is certified that each holder of such Notes and/or Class VRR Notes and/or Certificates has instructed such Paying Agent that the vote(s) attributable to the Notes, Certificates and/or Class VRR Notes (entitled to vote at a meeting of the Corresponding Instrument in respect of the Relevant Class VRR Note Portion) 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;
- (iv) the aggregate principal amount or aggregate total amount of the Notes and/or Class VRR Notes and/or the number of Certificates so blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto should be

cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and

- (v) one or more persons named in such Block Voting Instruction (each hereinafter called a "**proxy**") is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes and/or the Certificates, and/or Class VRR Notes (entitled to vote at a meeting of the Corresponding Instrument in respect of the Relevant Class VRR Note Portion) so listed in accordance with the instructions referred to in (c) above as set out in such Block Voting Instruction, provided that no such person shall be named as a proxy: so listed in accordance with the instructions referred to in (c) above as set out in such Block Voting Instruction, provided that no such person shall be named as a proxy:
 - (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.

12.21 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.

12.22 Issuer Substitution Condition

The Note Trustee and the Security Trustee may agree, subject to such amendment of the Note Conditions, the Class VRR Note Conditions, the Certificate Conditions and of any of the Transaction Documents, and to such other conditions as the Note Trustee and the Security Trustee may require and subject to the terms of the Trust Deed, but without the consent of the Noteholders or the Class VRR Noteholders or the Certificateholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed, the Notes, the Class VRR Notes, the Certificates and in respect of the other Secured Obligations, provided that the conditions set out in the Trust Deed are satisfied including, *inter alia*, that the Notes and the Class VRR Notes and the Certificates are unconditionally and irrevocably guaranteed by the Issuer (unless all of the assets of the Issuer are transferred to such body corporate) and that such body corporate is a single purpose vehicle and undertakes itself to be bound by provisions corresponding to those set out in Note Condition 5 (*Covenants*) and Class VRR Note Condition 5 (*Covenants*) and Certificate Condition 5 (*Covenants*) (the "**Issuer Substitution Condition**"). In the case of a substitution pursuant to Note Condition 13.22 or Class VRR Note Condition 13.22 or Certificate Condition 12.22, the Note Trustee and the Security Trustee may in their absolute discretion agree, without the consent of the Noteholders or the Class VRR Noteholders or the Certificateholders, to a change in law governing the Notes, the Class VRR Notes, the 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 Noteholders or the Class VRR Noteholders or 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 action or, in the case of the Security Trustee, enforcing the Security, unless indemnified and/or prefunded and/or secured to their satisfaction.

The Trust Deed and the Deed of Charge also contain provisions pursuant to which the Note Trustee and the Security Trustee are entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Transaction Documents, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, individual Certificateholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

14 REPLACEMENT OF CERTIFICATES

If any Certificate is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Registrar subject to all applicable laws and stock exchange requirements. Replacement of any mutilated, defaced, lost, stolen or destroyed Certificate will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Certificate must be surrendered before a new one will be issued.

15 NOTICE TO CERTIFICATEHOLDERS

15.1 Publication of Notice

- (a) Except in relation to any Certificates sold into the U.S., any notice to Certificateholders 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 Certificateholders (in each case a "**Relevant Screen**"), or (ii) paragraph (c) below applies and the Issuer has so elected, publication in the newspaper set out above or such other newspaper or newspapers shall not be required with respect to such notice. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which (or on the Relevant Screen) publication is required.
- (b) In respect of Certificates in definitive form, notices to Certificateholders 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 Certificates are represented by a Global Certificate, notices to Certificateholders will be valid if published as described above or, at the option of the

Issuer, if submitted to Euroclear and/or Clearstream, Luxembourg for communication by them to Certificateholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg, as aforesaid shall be deemed to have been given on the day of such delivery.

15.2 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 or category of them if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing.

16 REPLACEMENT CERTIFICATES

If the Issuer Substitution Condition is satisfied in accordance with these Certificate Conditions and the Trust Deed, the Issuer may, without the consent of the Certificateholders, issue one or more classes of replacement certificates ("**Replacement Certificates**") to replace the Certificates or any of them, each of which shall have terms and conditions which may differ from the terms and conditions of the Certificate(s) which it replaces.

17 JURISDICTION AND GOVERNING LAW

17.1 The Courts of England and Wales (the "**Courts**") are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Certificates and the Transaction Documents (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the 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 Certificates and/or the Transaction Documents may be brought in such Courts.

17.2 The Transaction Documents, the Certificates, and these Certificate Conditions (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, the laws of England and Wales except that, to the extent that the provisions of the Mortgage Sale Agreement, the Deed of Charge and any security documents supplemental thereto relate to the Scottish Loans, such provisions and documents shall be construed and/or (as applicable) governed by Scots law.

18 RIGHTS OF THIRD PARTIES

No rights are conferred on any person (other than the Note Trustee, the Security Trustee, the Certificateholders (including in their capacities as Refinancing Option Holder and Portfolio Option Holder), and in relation to the Refinancing Option and the Portfolio Call Option, the Class VRR Noteholders, the Cash Manager, the Servicer, the Swap Provider, the Citi Transaction Account Bank, the Principal Paying Agent, the Agent Bank and the Registrar) under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes or these Note Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

TAXATION

United Kingdom Taxation

The following applies only to persons who are the beneficial owners of the Notes, Class VRR Notes or Certificates and is a summary of the Issuer's understanding of current United Kingdom law and published HM Revenue & Customs ("HMRC") practice relating only to the United Kingdom withholding tax treatment of payments of interest (as that term is understood for tax purposes) in respect of the Notes, Class VRR Notes or Certificates. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Notes, Class VRR Notes or Certificates. The United Kingdom tax treatment of prospective Noteholders, Class VRR Noteholders or Certificateholders depends on their individual circumstances and may be subject to change in the future (possibly with retrospective effect). Prospective Noteholders, Class VRR Noteholders or Certificateholders who are in any doubt as to their tax position should consult their professional advisers. Prospective Noteholders, Class VRR Noteholders or Certificateholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek professional advice.

Interest on the Notes

Payments of interest on the Notes may be made without deduction or withholding on account of United Kingdom income tax provided that the Notes carry a right to interest and are and continue to be listed on a recognised stock exchange within the meaning of section 1005 of the Income Tax Act 2007. ("**ITA 2007**") or are admitted to trading on a multilateral trading facility operated by an EEA-regulated recognised stock exchange within the meaning of section 987 ITA 2007.

Section 1005(3) ITA 2007 provides that securities will be listed on a recognised stock exchange if (and only if) they are admitted to trading on that exchange, and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange.

The Irish Stock Exchange Plc, trading as Euronext Dublin, is a recognised stock exchange for such purposes. Provided, therefore, that the Notes carry a right to interest and are and remain so listed, interest on the Notes will be payable by the Issuer without withholding or deduction on account of United Kingdom income tax.

In other cases falling outside of the exemptions described above, an amount must generally be withheld from payments of interest on the Notes that have a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20%), 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).

Where interest has been paid with deduction or withholding on account of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definition of "interest" which may prevail under any other law.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer pursuant to Note Condition 13 (*Meetings of Noteholders, Certificateholders and Class VRR Noteholders - Modification, Waiver and Substitution*) or otherwise and does not consider the tax consequences of any such substitution.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, Class VRR Notes and Certificates including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, Class VRR Notes and Certificates are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, Class VRR Notes and Certificates 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 filed with the U.S. Federal Register and Notes, Class VRR Notes and Certificates characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional Notes, Class VRR Notes or Certificates that are not distinguishable from previously issued Notes, Class VRR Notes or Certificates are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all such Notes, Class VRR Notes or Certificates, including those Notes, Class VRR Notes or Certificates offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes, Class VRR Notes and/or Certificates. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, Class VRR Notes and Certificates, no person will be required to pay additional amounts as a result of the withholding.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate. The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes, Class VRR Notes and Certificates (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes, Class VRR Notes and Certificates where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. However, the FTT

proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Member States may decide to participate.

Prospective holders of Notes, Class VRR Notes and Certificates are advised to seek their own professional advice in relation to the FTT.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax consequences of the purchase, beneficial ownership, and disposition of the Notes and the Certificates by a U.S. Holder (as defined below).

For purposes of this summary, a "**U.S. Holder**" is a beneficial owner of a Note or, where applicable, a beneficial owner of a Certificate, that is, for U.S. federal income tax purposes:

- an individual who is a citizen or a resident of the United States;
- a corporation that is created or organized in or under the laws of the United States, any State thereof, or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over its administration, and one or more United States persons have the authority to control all of its substantial decisions, or the trust has made a valid election in effect under applicable U.S. Treasury regulations.

This summary is based on interpretations of the Internal Revenue Code of 1986, as amended (the "**Code**"), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time. Any such change may be applied retroactively and may adversely affect the federal income tax consequences described herein. No rulings from the Internal Revenue Service ("**IRS**") have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Notes or that any such position would not be sustained by a court. This summary addresses only U.S. Holders that purchase Notes at initial issuance (and at their issue price) and beneficially own such Notes as capital assets and not as part of a straddle, hedge, synthetic security or a conversion transaction for U.S. federal income tax purposes, or as part of some other integrated investment. This summary does not discuss all of the tax consequences that may be relevant to particular investors (such as any alternative minimum tax consequences or the Medicare tax on net investment income) or to investors subject to special treatment under the federal income tax laws (such as banks, thrifts, or other financial institutions; insurance companies; securities dealers or brokers, or traders in securities electing mark-to-market treatment; mutual funds or real estate investment trusts; small business investment companies; S corporations; investors holding the Notes in connection with a trade or business conducted outside of the United States; partnerships or investors that hold their Notes through a partnership or other entity treated as a partnership for U.S. federal income tax purposes; U.S. Holders whose functional currency is not the U.S. dollar; certain former citizens or residents of the United States; retirement plans or other tax-exempt entities, or persons holding the Notes in tax-deferred or tax-advantaged accounts). This summary also does not address the U.S. estate and gift, state, local or non-U.S. tax consequences of the purchase, ownership or disposition of the Notes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Notes will depend on the status of the partner (or other owner) and the activities of the partnership. Prospective purchasers that are entities (or arrangements) treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners (or other owners) of the acquisition, ownership and disposition of Notes by the partnership.

THE SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS OF NOTES SHOULD CONSULT THEIR TAX ADVISERS AS TO THE FEDERAL, STATE AND LOCAL TAX

CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, AS WELL AS ANY CONSEQUENCES ARISING UNDER THE LAWS OF ANY OTHER TAXING JURISDICTION TO WHICH THEY MAY BE SUBJECT.

U.S. Federal Tax Treatment of the Notes and the Certificates

In determining whether a security represents indebtedness for U.S. federal income tax purposes, United States courts and the IRS have applied a number of factors. Included among these factors are: a fixed maturity date, the right to receive fixed payments, the right of a holder to enforce payment on default, the degree of subordination, the intent of the parties and the level of capitalisation. Upon the issuance of the Notes, Dentons US LLP, counsel to the Issuer, will deliver its opinion to the effect that, under then existing law and assuming compliance by Issuer, the Arranger, the Note Trustee, the Security Trustee, the Seller, the Servicer, and all other parties with all provisions of the Subscription Agreement, the Trust Deed, and the other operative documents and on representations and covenants of the transaction parties the Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes, to the extent they are issued and outstanding for United States federal income tax purposes on the Closing Date, will be characterized as indebtedness for United States federal income tax purposes. Opinions of counsel are not a guarantee of any particular U.S. federal income tax result and are not binding on the IRS or any other third party. As discussed below, the IRS could take a contrary position. This characterisation will be binding on all Noteholders, and the Trust Deed requires the Noteholders to treat the Class A Notes, Class B Notes, Class C Notes, Class D Notes and the Class E Notes as indebtedness for U.S. federal, state and local income and franchise tax purposes, except as otherwise required by applicable law. Nevertheless, because of the subordinated nature of the Class E Notes (and to a lesser extent, a more senior Class of Notes), the IRS could assert, and a court could ultimately hold, that the Class E Notes (and to a lesser extent, a more senior Class of Notes) are also treated as equity in the Issuer. If the Class E Notes or, to a lesser extent, a more senior Class of Notes were also treated as equity in, rather than debt of, the Issuer for U.S. federal income tax purposes, then the Noteholders of such Notes may be subject to special and materially adverse U.S. tax rules applicable to U.S. equity owners of a passive foreign investment company. (See *Possible Alternative Characterisation of the Notes* below). Absent a final determination to the contrary, the Issuer will treat the Class A Notes, Class B Notes, Class C Notes, Class D Notes, and the Class E Notes as debt for purposes of U.S. federal, state and local income or franchise taxes. In addition, each Noteholder by acceptance of a Class A Note, Class B Note, Class C Note, Class D Note and a Class E Note agrees to treat such Notes as debt for purposes of U.S. federal, state and local income or franchise taxes and to report the Notes on all applicable tax returns in a manner consistent with such treatment, unless there has been a final determination by the IRS that such treatment is improper. Unless indicated otherwise, the balance of this summary assumes that Class A Notes, Class B Notes, Class C Notes, Class D Notes and the Class E Notes are treated as indebtedness of the Issuer for U.S. federal, state and local income and franchise tax purposes. Prospective investors in the Class E Notes, and to a lesser extent, a more senior Class of Notes, should consult their tax advisers regarding the U.S. federal, state and local income and franchise tax consequences to the investors in the event their Class E Notes (and to a lesser extent, a more senior Class of Notes) are treated as equity in the Issuer. The Issuer does not expect to be engaged in a trade or business within the United States and the balance of this summary assumes that the Issuer will not be engaged in a trade or business within the United States.

Stated Interest

Stated interest on the Notes generally will be taxable to a U.S. Holder as ordinary income at the time such interest is received or accrued, in accordance with such U.S. Holder's method of tax accounting for U.S. federal income tax purposes. If stated interest is accrued or received in Sterling, U.S. Holders of Notes will include in gross income the U.S. dollar value of payments of stated interest accrued or received on their Notes, in accordance with their usual method of tax accounting, as ordinary interest income. Interest paid by the Issuer on the Notes and original issue discount ("**OID**"), if any, accrued with respect to the Notes (as described below under *Original Issue Discount*) constitutes income from sources outside the United States. Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

In general, if interest is paid in Sterling, U.S. Holders of Notes that use the accrual method of accounting or that otherwise are required to accrue stated interest before receipt will calculate the U.S. dollar value of accrued interest based on the average Sterling-to-U.S. dollar spot exchange rate, as applicable, during the applicable accrual period (or, with respect to an accrual period that spans two taxable years, at the average Sterling-to-U.S. dollar spot exchange rate for the partial period within the U.S. Holder's taxable year). Alternatively, a U.S. Holder of Notes can elect to calculate the U.S. dollar value of accrued interest based on the Sterling-to-U.S. dollar spot exchange rate on the last day of the applicable accrual period (or, in the case of an accrual period that spans two taxable years, at the Sterling-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder's taxable year) or, if the last day of the accrual period is within five business days of the U.S. Holder's receipt of the payment, the spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS. Accrual basis U.S. Holders of Notes also will recognize foreign currency exchange gain or loss on the receipt of interest payments on their Notes to the extent that the U.S. dollar value of such payments (based on the Sterling-to-U.S. dollar spot exchange rate on the date such payments are received) differs from the U.S. dollar value of such payments when they were accrued. The foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Original Issue Discount

The amount of a Note's OID is the excess, if any, of the Note's stated redemption price at maturity over its issue price, if that excess is equal to or more than 0.25 per cent multiplied by the product of the stated redemption price at maturity and the number of complete years from its issue date to its maturity or the weighted average maturity in the case of instalment obligations. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. In general, the stated redemption price at maturity of a Note is the total of all payments provided by the Notes that are not payments of qualified stated interest. In general, an interest payment on a debt security is qualified stated interest if it is one of a series of stated interest payments on a debt security that are unconditionally payable at least annually at a single fixed rate. The stated redemption price at maturity of a Note is its principal amount plus any premium payable upon an early redemption at the U.S. Holder's option (regardless of whether such a redemption actually occurs).

Prospective investors should note that to the extent that interest payments on the Class B Notes, Class C Notes, Class D Notes and the Class E Notes (together the "**Deferrable Notes**") are not made on a relevant Interest Payment Date, such unpaid interest amounts will generally be deferred ("**Deferred Interest**") until the first Interest Payment Date thereafter on which funds are available to the Issuer to fund the payment of such Deferred Interest to the extent of such available funds. (See *Terms and Conditions of the Notes - Interest - Deferral of Interest*). Consequently, such interest is not unconditionally payable at least annually and will not be treated as qualified stated interest. Therefore, all of the stated interest payments on each of the Deferrable Notes will be included in the stated redemption price at maturity of such Deferrable Notes, and as a result the Deferrable Notes will be treated as issued with OID.

The Notes may be debt instruments described in Section 1272(a)(6) of the Code (debt instruments that may be accelerated by reason of the prepayment of other debt obligations securing such debt instruments). Special tax rules, principally relating to the accrual of OID, apply to debt instruments described in Section 1272(a)(6). Further, those debt instruments may not be treated for U.S. federal income tax purposes as part of an integrated transaction with a related hedge under Treasury Regulation Section 1.1275-6. Prospective investors should consult with their own tax advisors regarding the effects of Section 1272(a)(6) of the Code.

If a U.S. Holder holds a Note issued with OID (a "**Discount Note**"), including the Deferrable Notes, such U.S. Holder must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Note. The amount of OID includible in income by a U.S. Holder of

a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note ("**accrued OID**"). The daily portion is determined by allocating to each day in any accrual period a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Discount Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Discount Note as long as (i) no accrual period is longer than one year; and (ii) each scheduled payment of interest or principal on the Discount Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of interest on the Discount Note allocable to the accrual period. The adjusted issue price of a Discount Note at the beginning of any accrual period is the issue price of the Discount Note increased by the amount of accrued OID for each prior accrual period. The yield to maturity is the discount rate that, when applied to all stated interest and principal payments to be made under a note, results in a present value (as of the issue date) equal to the issue price of such note.

With respect to the Notes, OID for each accrual period will be determined in Sterling and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above under Stated Interest. Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or retirement of a Discount Note), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Sale, Exchange, Redemption, Retirement or Other Taxable Disposition of Notes

A U.S. Holder generally will recognise gain or loss on the sale, exchange, redemption, retirement or other taxable disposition of a Note equal to the difference between the amount realised on such sale, exchange, redemption, retirement or other taxable disposition and the U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note generally will be its U.S. dollar cost (as defined below) increased by the amount of any OID (if any) included in the U.S. Holder's income with respect to the Note and reduced by any payments (other than payments of qualified stated interest) on the Note. The U.S. dollar cost of a Note is the amount paid for the Note. The U.S. dollar cost of a Note purchased with Sterling generally will be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Notes traded on an established securities market, within the meaning of the applicable U.S. Treasury regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). The amount realised does not include the amount attributable to accrued but unpaid qualified stated interest, which will be taxable as interest income to the extent not previously included in income. The amount realised on a disposition for an amount in Sterling will be the U.S. dollar value of this amount on the date of disposition, or the settlement date for the sale, in the case of Notes traded on an established securities market, within the meaning of the applicable U.S. Treasury regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects).

With respect to the Notes denominated in Sterling, a U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the disposition of any such Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Note (i) on the date of disposition and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest) will be realised only to the extent of total gain or loss realised on the disposition.

Except to the extent attributable to changes in exchange rates, gain or loss recognised by a U.S. Holder on the disposition of a Note will be capital gain or loss and will be long-term capital gain or loss if the Note was held by the U.S. Holder for more than one year. Long-term capital gain realized by a non-

corporate U.S. holder will generally be subject to taxation at reduced rates. The deductibility of capital losses is subject to limitation. Gain or loss realised by a U.S. Holder on the disposition of a Note generally will be U.S. source.

Contingent Payment Debt Obligations

It is possible that the Notes could be treated as contingent payment debt instruments for U.S. federal income tax purposes. In this event, the timing of a U.S. Holder's OID inclusions could differ from that described above and gain recognised on the disposition of such Notes could be treated as ordinary income and not as capital gain. Prospective purchasers should consult their tax advisers concerning the applicability of the contingent payment debt instrument rules to the Notes.

Receipt of Sterling

U.S. Holders will have a tax basis in Sterling received in respect of a disposition of the Notes equal to the U.S. dollar value of Sterling, on that date. Any gain or loss recognised on a disposition of Sterling, as applicable, generally will be ordinary income or loss. A U.S. Holder that converts the Sterling, as applicable, into U.S. dollars on the date of receipt generally should not recognise ordinary income or loss in respect of the conversion.

Possible Alternative Characterisation of the Notes

Although, as described above, the parties agree to treat the Class A Notes, Class B Notes, Class C Notes, Class D Notes, and the Class E Notes as debt, and the Class F Notes, Class Z Notes, Class VRR Notes and the Certificates as equity, in each case for U.S. federal income tax purposes, such position is not binding on the IRS or the courts and therefore no assurance can be given that such characterisation will prevail. In particular, because of the subordination and certain other features of the Class E Notes (and to a lesser extent, a more senior Class of Notes), there is a significant possibility that the IRS could contend that Class E Notes (and to a lesser extent a more senior Class of Notes) should, in addition to the Class F Notes, Class Z Notes, Class VRR Notes and the Certificates, be treated as an equity interest in the Issuer. The following discussion sets forth the U.S. federal income tax treatment of a Note if such Note is treated as an equity interest (each such note, together with the Certificates, an "**Equity Interest**") in the Issuer, including the passive foreign investment company or controlled foreign corporation rules. In addition, for purposes of the following discussion, a "Noteholder" or "U.S. Noteholder" includes a holder of the Class VRR Notes, as applicable.

Classification of Issuer as a Passive Foreign Investment Company

A non-U.S. corporation will be classified as a passive foreign investment company for U.S. federal income tax purposes (a "**PFIC**") if 75 per cent. or more of its gross income is passive income or at least 50 per cent. of its assets, averaged over the year and generally determined based on fair market value are held for the production of, or produce, passive income. The Issuer expects to be treated as a PFIC for U.S. federal income tax purposes. As a result, a U.S. Holder of any Equity Interest would be subject to potentially adverse U.S. federal income tax consequences as the holder of an equity interest in the Issuer. A U.S. Holder of an equity interest in a PFIC that receives an excess distribution must allocate the excess distribution ratably to each day in the holder's holding period for the stock and will be subject to a deferred tax amount with respect to each prior year in the holding period. The total excess distribution for any taxable year is the excess of (a) the total distributions for the taxable year over (b) 125 per cent. of the average amount received in respect of such equity interest by the U.S. Holder during the three preceding taxable years. In addition, any gain recognised on the sale, retirement or other taxable disposition of such Equity Interest would be recharacterised as ordinary income and would further be treated as having been recognised pro rata over such U.S. Holder's entire holding period. The amount of gain treated as having been recognised in prior taxable years would be subject to tax at the highest tax rate in effect for such years, with interest thereon calculated by reference to the interest rate generally applicable to underpayments with respect to tax liabilities from such prior taxable years. Moreover, a

transfer by gift or a pledge of an Equity Interest could cause a U.S. Holder to recognise taxable income. Also, an individual U.S. Holder of an Equity Interest would not get a step up in tax basis to the fair market value of such Equity Interest upon the holder's death.

For purposes of calculating any deemed distribution of earnings of the Issuer under the PFIC rules, the amount of such earnings is determined in the functional currency of the Issuer, and translated into U.S. Dollars at the average exchange rate for the taxable year of the Issuer. Amounts which are included in the income of the U.S. Holder upon receipt are translated into U.S. Dollars at the spot rate on the date of receipt. U.S. Holders will recognise foreign currency gain or loss attributable to fluctuations in exchange rates between the times of deemed and actual payment by the Issuer. In addition, because certain Equity Interests will pay interest at a floating rate, it is possible that a U.S. Holder will receive excess distributions as a result of fluctuations in such floating rate over the term of such Equity Interests. Any such currency gain or loss will be treated for as ordinary income from the same source as the associated income inclusion.

Although U.S. shareholders of a PFIC can mitigate any adverse tax consequences of the PFIC rules by filing an election to treat the PFIC as a qualified electing fund ("**QEF**") if the PFIC complies with certain reporting requirements, the Issuer does not intend to comply with such reporting requirements necessary to permit U.S. Holders to elect to treat the Issuer as a QEF. Accordingly, U.S. Holders should not expect to be able to make a QEF election with respect to an investment in the Issuer.

If a U.S. Holder is able to and makes a QEF election with respect to an Equity Interest with its tax return for the first taxable year in which it is a U.S. Holder, the U.S. Holder generally would be required to include its pro rata share of the Issuer's ordinary income and net capital gains in income for each taxable year and pay tax on it, even if such income and gain were not distributed to the U.S. Holder. In some cases, an electing U.S. Holder might be entitled to defer tax on such income or gains until the U.S. Holder receives corresponding payments, but would have to pay an interest charge on such deferred tax liabilities. Losses of the Issuer would not, however, be deductible by the U.S. Holder. If the Issuer later distributed the income or gain on which a U.S. Holder had already paid tax, the U.S. Holder would not be taxed on such payments again. A U.S. Holder's tax basis in such a note would be increased by the amounts included in income under this regime and decreased by the amount of nontaxable distributions received. In general, a U.S. Holder making a QEF election would recognize capital gain or loss on a disposition of its Equity Interest in an amount equal to the difference, if any, between the amount realized upon such disposition and the tax basis in such Equity Interest. Once made, a QEF election cannot be revoked without the consent of the IRS.

Alternatively, a U.S. Holder of a PFIC may make a mark-to-market election if the stock is traded in other than *de minimis* quantities on at least 15 days during each calendar quarter on a qualified exchange or other market, as defined in applicable U.S. Treasury regulations. If the Issuer is treated as a PFIC and an effective mark-to-market election is made after the initial PFIC taxable year in which a U.S. Holder owns the Equity Interests, distributions as well as any mark-to-market gain during the first year for which the election is in effect will be subject to the PFIC excess distribution rules described above. Except as provided in the previous sentence, a U.S. Holder that makes an effective mark-to-market election will include as ordinary income each year the excess of the fair market value of its Equity Interests at the end of the year over its adjusted tax basis in its Equity Interests. Similarly, any gain realized on the sale, exchange or other disposition of the Equity Interests will be treated as ordinary income. A U.S. Holder that makes a mark-to-market election will be entitled to deduct as an ordinary loss each year the excess of its adjusted tax basis in its Equity Interests over their fair market value at the end of the year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A U.S. Holder that makes a mark-to-market election will increase its adjusted tax basis in its Equity Interests by the amount of any income inclusions and decrease its adjusted tax basis in its Equity Interests by the amount of any deductions under the mark-to-market rules. If a U.S. Holder makes a mark-to-market election, it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the Equity Interests are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election.

Classification of Issuer as a Controlled Foreign Corporation

Depending on the percentage of Equity Interests of the Issuer held by United States Persons (as defined in the Code), it is possible that the Issuer might be treated as a controlled foreign corporation for U.S. federal income tax purposes. In such event, U.S. Holders that own a certain percentage of Equity Interests might be required to include in income their pro rata shares of the earnings and profits of the Issuer, and generally would not be subject to the rules described above relating to PFICs. Prospective investors should consult with their tax advisers concerning the potential effect of the controlled foreign corporation provisions.

Transfer Reporting Requirements

Certain reporting rules to the transfer of property (including certain transfers of cash) to a foreign corporation by U.S. persons or entities. In general, these rules require U.S. Holders who acquire Equity Interests to file a Form 926 with the IRS and to supply certain additional information to the IRS. Failure to comply with these rules can subject the U.S. Holder to substantial penalties. Other rules also subject U.S. Holders who acquire Equity Interests to additional information reporting requirements (e.g., certain United States holders would be required to file a Form 5471).

Reportable Transactions

A U.S. taxpayer that participates in a reportable transaction will be required to disclose its participation to the IRS. Under the relevant rules, with respect to Notes or Certificates that are denominated in a foreign currency, a U.S. Holder may be required to treat a foreign currency exchange loss from the Notes or Certificates as a reportable transaction if this loss exceeds a relevant threshold. Investors who fail to report required information could become subject to substantial penalties. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules.

Specified Foreign Financial Assets

Certain U.S. persons are required to report information with respect to their investment in stock or securities that are issued by non-U.S. issuers and are not held through a custodial account with a U.S. financial institution to the IRS. Investors who fail to report required information could become subject to substantial penalties. Prospective investors are encouraged to consult with their own tax advisers regarding the possible implications of this new legislation on their investment in the Notes and the Certificates.

Information Reporting and Backup Withholding

Payments of principal, interest and accruals of OID on Notes, and the proceeds of sale or other disposition of Notes or Certificates by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments, including payments of accrued OID, if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. Backup withholding is not an additional tax and any amounts withheld would be allowed as a credit against a U.S. Holder's federal income tax liability. U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of Notes or Certificates, including requirements related to the holding of certain foreign financial assets.

Net Investment Income Tax

Certain U.S. Holders who are individuals, estates or trusts with income that exceeds certain thresholds generally will be subject to a 3.8% tax on net investment income, including, among other things, interest

on, and capital gains from the sale or other taxable disposition of the Notes, or of the Certificates, subject to certain limitations and exceptions.

CERTAIN ERISA CONSIDERATIONS

ERISA imposes certain requirements on employee benefit plans subject thereto, on entities (such as collective investment funds, insurance company separate accounts and some insurance company general accounts) the underlying assets of which include the assets of such plans (collectively, "**ERISA Plans**"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of prudence, diversification and compliance with the documents governing the plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan, as well as assets of those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts and Keogh plans, and entities the underlying assets of which include the assets of such plans (together with ERISA Plans, "**Plans**") and certain persons (referred to as parties in interest under ERISA or disqualified persons under the Code (collectively, "**Parties in Interest**")) having certain relationships to such Plans, unless a statutory or administrative exception or exemption is applicable to the transaction. A Party in Interest who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and the transaction may have to be rescinded at significant cost to the Issuer.

The Issuer, the Arranger, the Lead Manager, the Note Trustee, the Security Trustee, Atom Bank and any of their respective Affiliates may be Parties in Interest with respect to many Plans. Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if the Notes are acquired or held by a Plan with respect to which the Issuer, the Arranger, the Lead Manager, the Note Trustee, the Security Trustee, Refinancing Option Holder or any of their respective Affiliates, is a Party in Interest or when such Notes are redeemed by the Refinancing Option Holder pursuant to the exercise of the Refinancing Option. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, in certain cases, depending in part on the type of Plan fiduciary making the decision to acquire any securities and the circumstances under which such decision is made. Included among these exemptions are Section 408(b)(17) of ERISA and Section

4975(d)(20) of the Code (relating to transactions with certain service providers) and Prohibited Transaction Class Exemption ("**PTCE**") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by independent qualified professional asset managers), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90 1 (relating to investments by insurance company pooled separate accounts) and PTCE 96 23 (relating to transactions determined by certain in-house asset managers). There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving the Notes.

Governmental plans, certain church plans and certain non-U.S. plans, while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA or Section 4975 of the Code, may nevertheless be subject to substantially similar rules under Federal, state, local or non-U.S. law or regulation ("**Similar Law**").

Under a regulation issued by the U.S. Department of Labor, at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the "**Plan Asset Regulations**"), if a Plan invests in an equity interest of an entity that is neither a publicly offered security nor a security issued by an investment company registered under the Investment Company Act of 1940, the Plan's assets are deemed to include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established (a) that the entity is an operating company, as that term is defined in the Plan Asset

Regulation, or (b) that less than 25 per cent. of the total value of each class of equity interest in the entity, disregarding the value of any equity interests held by persons (other than Benefit Plan Investors, as defined below) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets, and their respective Affiliates, is held by Benefit Plan Investors (the "**25 per cent. Limitation**"). A "**Benefit Plan Investor**" means (1) an employee benefit plan, subject to the provisions of part 4 of Subtitle B of Title I of ERISA, (2) a plan to which Section 4975 of the Code applies, or (3) any entity whose underlying assets include plan assets by reason of such an employee benefit plan's or plan's investment in such entity.

If the underlying assets of the Issuer are deemed to be plan assets, the obligations and other responsibilities of Plan sponsors, Plan fiduciaries and Plan administrators, and of Parties in Interest, under Parts 1 and 4 of Subtitle B of Title I of ERISA and Section 4975 of the Code, as applicable, may be expanded, and there may be an increase in their liability under these and other provisions of ERISA and the Code. In addition, various providers of fiduciary or other services to the Issuer, and any other parties with authority or control with respect to the Issuer, could be deemed to be Plan fiduciaries or otherwise Parties in Interest with respect to any Benefit Plan Investor whose assets are used to acquire or hold an equity interest in the Issuer by virtue of their provision of such services (and there could be an improper delegation of authority to such providers).

The Plan Asset Regulation defines an equity interest as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. Although there is little guidance on the subject, assuming that the Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes may be treated as debt for purposes of applicable local law, it is expected that, at the time of their issuance, such Notes should not be treated as equity interests of the Issuer for purposes of the Plan Asset Regulation. This determination is based on the traditional debt features of such Notes, including the reasonable expectation by purchasers of such Notes that they will be repaid when due, traditional default remedies, as well as the absence of conversion rights, warrants and other typical equity features. The debt treatment of such Notes for purposes of the Plan Asset Regulation could change if the Issuer incurs losses. This risk of recharacterisation is enhanced for notes that are subordinated to other classes of securities. In the event of a withdrawal or downgrade to below investment grade of the rating of the applicable Class A Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes or a characterization of such Notes as other than indebtedness under applicable local law, the subsequent acquisition of such Notes or any interest therein by a Benefit Plan Investor. The treatment of the Class F Notes, Class Z Notes and the Class VRR Notes (the "**ERISA Restricted Notes**") as indebtedness for purposes of the Plan Asset Regulation is less certain. Accordingly, any Benefit Plan Investor may not acquire or hold the ERISA Restricted Notes or any interest therein. The Class VRR Notes will be subscribed for and retained by Atom Bank for the life of the Transaction.

Each purchaser and transferee of a Class A Note, Class B Note, Class C Note, Class D Note or Class E Notes or any interest in such Note will be deemed to have represented, warranted and agreed that (i) either (A) it is not and is not acting on behalf of, and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of, a Benefit Plan Investor; or (B) its purchase, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under ERISA or the Code (or in the case of any governmental, church or non-U.S. plan, violate any Similar Law) and it acknowledges and agrees that the ERISA Eligible Note (or interest therein) is not eligible for acquisition by Benefit Plan Investors unless at the time that such Note is acquired by a Benefit Plan Investor, it is rated at least "BBB-" or its equivalent by a nationally recognized statistical rating organization and it is treated as indebtedness for applicable local law purposes without substantial equity features and such purchaser or transferee agrees to so treat such Notes and (ii) it will not sell or transfer such Notes (or interests therein) to a transferee acquiring such Notes (or interests therein) unless the transferee makes the foregoing representations, warranties and agreements described in (i) above.

The Issuer intends to prohibit Benefit Plan Investors from purchasing or acquiring any ERISA Restricted Notes or Certificates. Each purchaser or transferee of an ERISA Restricted Note or Certificate will be deemed to represent, warrant and covenant that, for so long as it holds a beneficial

interest in such Note, (i) it is not, and for so long as it holds such Note it will not be, and will not be acting on behalf of, a Benefit Plan Investor and (ii) that if it is a governmental, church, non-U.S. plan or other plan (other than a Benefit Plan Investor), its acquisition, holding and disposition of such Notes or interest therein will not constitute or result in a non-exempt violation of any Similar Law. See *Transfer Restrictions and Investor Representations* below.

Any Plan fiduciary considering whether to acquire a Note on behalf of a Benefit Plan Investor or a plan not subject to ERISA or Section 4975 of the Code should consult with its counsel regarding the potential consequences of such investment, the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code and/or provisions of Similar Law, and the scope of any available exemption relating to such investment.

The sale of Notes to a Benefit Plan Investor or to any other employee benefit plan that not subject to ERISA or Section 4975 of the Code is in no respect a representation or warranty by the Issuer, or any other person that this investment meets all relevant legal requirements with respect to investments by Benefit Plan Investors or such other plans generally or any particular plan, that any prohibited transaction exemption would apply to the acquisition, holding, or disposition of this investment by such plans in general or any particular plan, or that this investment is appropriate for such plans generally or any particular plan.

ENFORCEMENT OF FOREIGN JUDGMENTS IN ENGLAND AND WALES

The Issuer and the Seller are each UK public companies and each are incorporated with limited liability in England and Wales.

Any final and conclusive judgment of any New York State or United States Federal Court sitting in the Borough of Manhattan in the City of New York having jurisdiction recognised by England or Wales in respect of an obligation of the Issuer in respect of the Notes, Class VRR Notes and/or Certificates or, as the case may be, in respect of an obligation of the Seller under the Mortgage Sale Agreement, for a fixed sum of money and which has not been stayed or satisfied in full, would be enforceable by action against the Issuer or, as relevant, the Seller, in the courts of England and Wales without a re-examination of the merits of the issues determined by the proceedings in the New York State or United States Federal Court.

This will be the case unless the following occurs:

- the proceedings in the New York State or the United States Federal Court in which the judgment was obtained were contrary to the principles of natural or substantive justice;
- enforcement of the judgment is contrary to the public policy of England or Wales;
- the judgment was obtained by fraud or duress or was based on a clear mistake of fact;
- the judgment is of a public nature (for example, a penal or revenue judgment);
- there has been a prior judgment in another court concerning the same issues between the same parties as are dealt with in the judgment of the New York State or the United States Federal Court;
- the enforcement would contravene section 5 of the Protection of Trading Interests Act 1980; or
- the enforcement proceedings are not instituted within six years after the date of the judgment.

Each of the Issuer and the Seller expressly submit to the non-exclusive jurisdiction of the courts of England for the purpose of any suit, action or proceedings arising out of this offering. A judgment by a court may be given in some cases only in sterling.

All of the directors of the Issuer and all of the directors of the Seller reside outside the United States. Substantially all of the assets of all or many of such persons are located outside the United States. As a result, it may not be possible for the noteholders to effect service of process within the United States upon such persons with respect to matters arising under the federal securities laws of the United States or to enforce against them judgments obtained in United States courts predicated upon the civil liability provisions of such laws.

The Issuer and the Seller have each been advised that there is doubt as to the enforceability in England and Wales, in original actions or in actions for enforcement of judgments of United States courts, of civil liabilities predicated upon the Federal securities laws of the United States based on the restrictions referred to above.

SUBSCRIPTION AND SALE

Citigroup Global Markets Limited (the "**Arranger**") and "**Lead Manager**" in respect of the Notes) and Atom Bank Plc (as "**Initial Notes Purchaser**") have, pursuant to a subscription agreement dated 28 November 2019 between Atom Bank Plc (as Seller and Initial Notes Purchaser), the Arranger, the Lead Manager 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 Lead Manager:

- a. £188,550,000 of the Class A Notes at the issue price of 100% of the aggregate principal amount of the Class A Notes as at the Closing Date;
- b. £26,383,000 of the Class B Notes at the issue price of 99.5375% of the aggregate principal amount of the Class B Notes as at the Closing Date;
- c. £18,353,000 of the Class C Notes at the issue price of 100% of the aggregate principal amount of the Class C Notes as at the Closing Date;
- d. £8,029,000 of the Class D Notes at the issue price of 100% of the aggregate principal amount of the Class D Notes as at the Closing Date;
- e. £5,735,000 of the Class E Notes at the issue price of 100% of the aggregate principal amount of the Class E Notes as at the Closing Date;
- f. £4,588,000 of the Class F Notes at the issue price of 100% of the aggregate principal amount of the Class F Notes as at the Closing Date; and
- g. £5,736,000 of the Class Z Notes at the issue price of 65.8496% of the aggregate principal amount of the Class Z Notes as at the Closing Date; and

(B) in the case of the Initial Notes Purchaser £201,460,000 of the Class A Notes at the issue price of 100% of the aggregate principal amount of the Class A Notes as at the Closing Date and £24,150,000 of the Class VRR Notes at the issue price of 99.5430 per cent. of the aggregate principal amount of the Class VRR Notes as at the Closing Date.

The Lead Manager has agreed to procure purchasers for all of the Certificates to be issued to the Initial Notes Purchaser on the Closing Date.

The Issuer has agreed to indemnify Atom Bank, the Arranger and the Lead Manager against certain Liabilities in connection with the issue of the Notes.

Pursuant to the Subscription Agreement, Atom Bank as originator will undertake to the Lead Manager that it will (i) retain on an ongoing basis, the Retained Exposures in accordance with Article 6 of the Securitisation Regulation (which in each case, does not take into account any corresponding national measures), (ii) comply with the disclosure obligations imposed by Article 7(1)(e)(iii) of the Securitisation Regulation, subject always to any requirement of law, provided that Atom Bank will not be in breach of such undertaking if it fails to so comply due to events, actions or circumstances beyond its control and (iii) not sell, hedge or otherwise mitigate (and shall procure that none of its affiliates shall sell, hedge or otherwise mitigate) the credit risk under or associated with the Retained Exposures except to the extent permitted under the Securitisation Regulation.

As at the Closing Date, such retention requirement will be satisfied by Atom Bank retaining exposure equivalent to no less than 5% of the nominal value of the securitised exposures, as required by the text of Article 6 of the Securitisation Regulation. Any change to the manner in which such interest is held

will be notified to the Noteholders, Class VRR Noteholders, Certificateholders and the relevant competent authority.

Except with the express written consent of the Seller in the form of a U.S. Risk Retention Consent and where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules, the Notes offered and sold by the Issuer may not be purchased by any person except for persons that are not Risk Retention U.S. Persons.

This Prospectus does not constitute, and may not be used for the purpose of, an offer or a solicitation by anyone to subscribe for or purchase any of the Notes, Class VRR Notes or Certificates 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 any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from registration requirements. Accordingly, the Notes are being offered and sold only (I) in the United States, to QIBs acting for their own account, or for the account or benefit of one or more QIBs, in reliance on Rule 144A and (II) outside the United States to persons other than U.S. Persons in reliance on Regulation S in offshore transactions in reliance on Regulation S.

The Lead Manager has acknowledged, in the Subscription Agreement, that the Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and therefore may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except, with respect to the Rule 144A Notes only, to persons that are QIBs in reliance on Rule 144A or pursuant to any other exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any state or other jurisdiction in the United States. 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. In connection with any Regulation S Notes, the Lead Manager has agreed that with respect to the relevant Regulation S Notes for which it has subscribed that it will not offer, sell or deliver the Regulation S Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering of the Regulation S Notes 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. The Lead Manager has further agreed that it will send to each affiliate or person receiving a selling commission, fee or other remuneration that purchases Regulation S Notes from it during the Distribution Compliance Period (other than resales pursuant to Rule 144A) a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S 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. In addition, until the expiration of the Distribution Compliance Period, an offer or sale of the Notes within the United States by the Lead Manager may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in reliance on Rule 144A or pursuant to another exemption from the registration requirements under the Securities Act.

In connection with any Rule 144A Notes, the Lead Manager has agreed that, with respect to the relevant Rule 144A Notes for which it has subscribed, it will directly or through its U.S. broker-dealer affiliates arrange for the offer and resale of Notes within the United States only to QIBs in reliance on Rule 144A and each purchaser of Notes is hereby notified that the Arranger and the Lead Manager may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Rule 144A Notes which may be purchased by a QIB is GBP£100,000 (or the approximate equivalent thereof in any other currency). To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are restricted securities within the meaning of the Securities Act, the Issuer has undertaken to furnish, upon the

request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as restricted securities within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is neither a reporting company under Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder. The Issuer and the Lead Manager 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, other than any QIB within the meaning of Rule 144A to whom an offer has been made directly by the Lead Manager or, in each case, its U.S. broker-dealer affiliate. Distribution of this Prospectus by any person that is not a U.S. person outside the United States, or by any QIB in the United States, to any U.S. person or to any other person within the United States, other than any QIB (and those persons, if any, retained to advise such non-U.S. person or QIB with respect thereto), is unauthorised. 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 any QIB (and those persons, if any, retained to advise such non-U.S. person or QIB), is prohibited.

Prohibition of Sales to EEA Retail Investors

The Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes, Class VRR Notes or Certificates to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes, Class VRR Notes and Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Notes, Class VRR Notes or Certificates.

United Kingdom

The Lead Manager has represented to and agreed with the Issuer that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes, Class VRR Notes or Certificates 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, Class VRR Notes or Certificates in, from or otherwise involving the United Kingdom.

The Lead Manager has acknowledged that, save for having obtained the approval of the Prospectus as a prospectus in accordance with the Prospectus Regulation, having applied for the admission of the Notes and Class VRR Notes to the Official List of Euronext Dublin and admission of the Notes and Class VRR Notes to trading on its Regulated Market, no further action has been or will be taken in any

jurisdiction by the Lead Manager that would, or is intended to, permit a public offering of the Notes or Class VRR Notes, or possession or distribution of the Prospectus or any other offering material in relation to the Notes or Class VRR Notes in any country or jurisdiction where such further action for that purpose is required.

Ireland

The Lead Manager represents, warrants and undertakes to the Issuer that:

- (a) it will not underwrite the issue of, or place the Notes, Class VRR Notes or Certificates otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulation 2007 (Nos. 1 to 3) of Ireland, including Regulations 7 and 152 thereof 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 issue of, or place, the Notes, Class VRR Notes or Certificates otherwise than in conformity with the provisions of the Companies Act 1963 to 2013 (as amended), the Irish Central Bank Acts 1942 to 2014 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989;
- (c) it will not underwrite the issue of, or place, or do anything in Ireland with respect to the Notes, Class VRR Notes or Certificates otherwise than in conformity with the provisions of the Irish Prospectus (Directive 2003/71/EC) Regulations, 2005 and any rules issued under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act, 2005, by the Central Bank of Ireland; and
- (d) it will not underwrite the issue of, place or otherwise act in Ireland with respect to the Notes, Class VRR Notes or Certificates otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations, 2005 (as amended) and any rules issued under Section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act, 2005 by the Central Bank of Ireland.

General

Other than admission of the Notes and the Class VRR Notes to the Official List of Euronext Dublin, and the admission of the Notes and the Class VRR Notes to trading on its Regulated Market, no action has been taken by the Issuer, the Arranger, the Lead Manager that would, or is intended to, permit a public offer of the Notes, Class VRR Notes or Certificates in any country or jurisdiction where any such action for that purpose is required. Accordingly, each of the Issuer, the Arranger and the Lead Manager has undertaken that it will not, directly or indirectly, offer or sell any Notes, Class VRR Notes or Certificates 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, Class VRR Notes or Certificates 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, Class VRR Notes or Certificates by it will be made on the same terms.

TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes, the Class VRR Notes or the Certificates.

Rule 144A Notes

Each prospective purchaser of Rule 144A Notes, by accepting delivery of this Prospectus, will be deemed to have represented and agreed that such person acknowledges that this Prospectus is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Prospectus, or disclosure of any of its contents to any person other than such prospective purchaser and those persons, if any, retained to advise it with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

Each purchaser of (i) Notes represented by a Rule 144A Global Note will be deemed to have represented and agreed and (ii) Rule 144A Notes represented by Registered Definitive Notes will be required to represent and agree, as follows:

- 1) The purchaser (a) is a QIB, (b) is aware, and each beneficial owner of such Rule 144A Notes has been advised, that the sale of such Rule 144A Notes to it is being made in reliance on Rule 144A, (c) is acquiring such Rule 144A Notes for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, and in a principal amount of not less than £100,000, for the purchaser and for each such account and (d) will provide notice of the transfer restrictions described in the *Notice to Investors* to any subsequent transferees.
- 2) The purchaser understands that such Rule 144A Notes have not been and will not be registered under the Securities Act, and may be reoffered, resold or pledged or otherwise transferred only (a)(i) to a person whom the purchaser reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A or (ii) to a Non-U.S. Person, in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and (b) in accordance with all applicable securities laws including the securities laws of any state of the United States. The purchaser understands that the Issuer has not been registered under the Investment Company Act. The purchaser understands that before any interest in a Rule 144A Note or may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Notes, the Registrar is required to receive a written certification from the purchaser (in the form provided in the Trust Deed) as to compliance with the transfer restrictions described herein. The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph (2) shall be null and void ab initio.
- 3) The purchaser is not purchasing such Rule 144A Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands that an investment in the Rule 144A Notes involves certain risks, including the risk of loss of its entire investment in the Rule 144A Notes under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Rule 144A Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Rule 144A Notes, including an opportunity to ask questions of, and request information from, the Issuer.
- 4) In connection with the purchase of the Rule 144A Notes: (a) none of the Issuer, the Note Trustee, the Security Trustee, the Arranger or the Lead Manager is acting as a fiduciary or financial or portfolio manager for the purchaser; (b) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations

(whether written or oral) of the Issuer, the Note Trustee, the Security Trustee, the Arranger and the Lead Manager other than in this Prospectus for such Rule 144A Notes and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Note Trustee, the Security Trustee, the Arranger and the Lead Manager has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Rule 144A Notes; (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Trust Deed) based upon its own judgement and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the Issuer, the Note Trustee, the Security Trustee, the Arranger or the Lead Manager; (e) the purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Rule 144A Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; and (f) the purchaser is a sophisticated investor.

5)

A. With respect to the purchase, holding and disposition of any Class A Note, Class B Note, Class C Note, Class D Note or Class E Note or any interest in such Note (i) either (A) it is not and is not acting on behalf of, and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of, a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any Similar Law, or (B) its acquisition, holding or disposition of such Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any Similar Law and it acknowledges and agrees that such Note (or interest therein) is not eligible for acquisition by Benefit Plan Investors unless at the time that such Note is acquired by a Benefit Plan Investor, it is rated at least "BBB-" or its equivalent by a nationally recognized statistical rating organization and it is treated as indebtedness for applicable local law purposes without substantial equity features and such purchaser or transferee agrees to so treat such Notes, and (ii) it will not sell or transfer such Notes (or interests therein) to an acquiror acquiring such Notes (or interests therein) unless the acquiror makes the foregoing representations, warranties and agreements described in clause (i) hereof. Any purported transfer of the Notes in violation of the requirements set forth in this paragraph shall be null and void ab initio and the acquiror understands that the Issuer will have the right to cause the sale of such Notes to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

With respect to the purchase, holding and disposition of any Class F Note, Class Z Note or any interest in such Note (1) it is not, and for so long as it holds such Note it will not be, and will not be acting on behalf of, a Benefit Plan Investor, and (2) if it is a governmental, church or non-U.S. plan, (x) its acquisition, holding and disposition of such Note will not constitute or result in a non-exempt violation of any Similar Law.

6) The purchaser acknowledges that the Issuer, the Note Trustee, the Security Trustee, the Arranger and the Lead Manager and their Affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and that if it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

- 7) The purchaser understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Rule 144A Global Notes or Registered Definitive Notes representing Rule 144A Notes, as applicable, offered in reliance on Rule 144A will bear the legend set forth below, and will be represented by one or more Rule 144A Global Notes or Registered Definitive Notes representing Rule 144A Notes, as applicable. The Rule 144A Global Notes may not at any time be held by or on behalf of, within the United States, persons, or outside the United States, U.S. Persons that are not QIBs. Before any interest in a Rule 144A Global Note may be offered, resold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note, the transferor will be required to provide the Common Safekeeper with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-U.S. PERSON, IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S OF THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN £100,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OR ANY INTERMEDIARY. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE REGISTRAR.

TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES, CLASS D NOTES AND CLASS E NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT AND IS NOT ACTING ON BEHALF OF, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN

SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO TITLE I OF ERISA, A "PLAN" AS DEFINED IN SECTION 4975(E)(1) OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), THAT IS SUBJECT TO SECTION 4975 OF THE CODE, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) ("**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 PROVISIONS OF TITLE I OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), OR (B) ITS ACQUISITION, HOLDING OR DISPOSITION OF SUCH NOTES (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW AND IT ACKNOWLEDGES AND AGREES THAT THIS NOTE (OR INTEREST THEREIN) IS NOT ELIGIBLE FOR ACQUISITION BY BENEFIT PLAN INVESTORS UNLESS AT THE TIME THAT SUCH NOTE IS ACQUIRED BY A BENEFIT PLAN INVESTOR, IT IS RATED AT LEAST "BBB-" OR ITS EQUIVALENT BY A NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION AND IT IS TREATED AS INDEBTEDNESS FOR APPLICABLE LOCAL LAW PURPOSES WITHOUT SUBSTANTIAL EQUITY FEATURES AND SUCH PURCHASER OR TRANSFEREE AGREES TO SO TREAT SUCH NOTES, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTES (OR INTERESTS THEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTES (OR INTERESTS THEREIN) UNLESS THE ACQUIROR MAKES THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THE NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[LEGEND TO BE INCLUDED IN RELATION TO THE ERISA RESTRICTED NOTES IN THE FORM OF RULE 144A GLOBAL NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR AND (II) IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**" OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE SIMILAR LAW.

"**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS FOR THE

PURPOSES OF ERISA BY REASON OF ANY SUCH PLAN'S INVESTMENT IN THE ENTITY.

IF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO SIMILAR LAW ACQUIRING ANY INTEREST IN A NOTE HAS MADE A FALSE OR MISLEADING REPRESENTATION CONCERNING ITS ELIGIBILITY TO ACQUIRE AN INTEREST IN SUCH NOTE (A "**NON-PERMITTED ERISA HOLDER**"), THE TRANSFER OF AN INTEREST IN SUCH NOTE TO THE NON-PERMITTED ERISA HOLDER SHALL BE NULL AND VOID AB INITIO AND THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO CAUSE THE NON-PERMITTED ERISA HOLDER ACQUIRER TO SELL ITS INTEREST IN THE NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[LEGEND TO BE INCLUDED IN RELATION TO THE ERISA RESTRICTED NOTES IN THE FORM OF REGISTERED DEFINITIVE NOTES ONLY] [EACH PURCHASER OR TRANSFEREE OF THIS NOTE WILL BE REQUIRED TO REPRESENT AND WARRANT THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR AND (II) IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO FEDERAL, STATE, LOCAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED ("**SIMILAR LAW**"), ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW.

"**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS FOR THE PURPOSES OF ERISA BY REASON OF ANY SUCH PLAN'S INVESTMENT IN THE ENTITY.

IF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO SIMILAR LAW ACQUIRING ANY INTEREST IN A NOTE HAS MADE A FALSE OR MISLEADING REPRESENTATION CONCERNING ITS ELIGIBILITY TO ACQUIRE AN INTEREST IN SUCH NOTE (A "**NON-PERMITTED ERISA HOLDER**"), THE TRANSFER OF AN INTEREST IN SUCH NOTE TO THE NON-PERMITTED ERISA HOLDER SHALL BE NULL AND VOID AB INITIO AND THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL THE NON-PERMITTED ERISA HOLDER TO SELL ITS INTEREST IN THE NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

SOLELY FOR THE PURPOSES OF THE MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THIS NOTE HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THIS NOTE IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN DIRECTIVE 2014/65/EU (AS AMENDED, "**MIFID II**"); AND (II) ALL CHANNELS FOR DISTRIBUTION OF THIS NOTE TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THIS NOTE (A DISTRIBUTOR) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER'S TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET

ASSESSMENT IN RESPECT OF THIS NOTE (BY EITHER ADOPTING OR REFINING THE MANUFACTURER'S TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

THIS NOTE IS NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA ("EEA"). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF MIFID II; (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN DIRECTIVE 2003/71/EC. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO. 1286/2014 (AS AMENDED, THE "**PRIIPS REGULATION**") FOR OFFERING OR SELLING THIS NOTE OR OTHERWISE MAKING IT AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THIS NOTE OR OTHERWISE MAKING IT AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

- 8) The purchaser will not, at any time, offer to buy or offer to sell the Notes by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitations or advertising.
- 9) Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.
- 10) The purchaser will treat the Issuer and the Notes as described in the *Tax Considerations — Certain U.S. Federal Income Tax Considerations* section of the Prospectus for all U.S. federal, state and local income tax purposes and will take no action inconsistent with such treatment unless required by law.
- 11) The purchaser will timely furnish the Issuer or its agents any tax form or certification (including, without limitation, IRS Form W-9, an applicable IRS Form W-8, or any successors to such IRS forms) that the Issuer or its agents may reasonably request (A) to permit the Issuer or its agents to make payments to the purchaser without, or at a reduced rate of, deduction or withholding, (B) to enable the Issuer or its agents to qualify for a reduced rate of withholding or deduction in any jurisdiction from or through which the Issuer or its agents receive payments, and (C) to enable the Issuer or its agents to satisfy reporting and other obligations under the Code and U.S. Treasury regulations, or under any other applicable law, and will update or replace any tax forms or certifications as appropriate or in accordance with their terms or subsequent amendments thereto. The purchaser acknowledges that the failure to provide, update or replace any such tax forms or certifications may result in the imposition of withholding or back up withholding upon payments to the purchaser, or to the Issuer. Amounts withheld from payments to the purchaser by the Issuer or its agents that are, in their sole judgement, required to be withheld pursuant to applicable tax laws will be treated as having been paid to the purchaser by the Issuer.
- 12) The purchaser will provide the Issuer or its agents with any correct, complete and accurate information and will take any other actions that may be required for the Issuer to comply with FATCA and to prevent the imposition of withholding tax under FATCA on payments to or for

the benefit of the Issuer. In the event the purchaser fails to provide such information or take such actions, or to the extent that its ownership of Notes would otherwise cause the Issuer to be subject to any tax under FATCA, (A) the Issuer (and any agent acting on its behalf) is authorised to withhold amounts otherwise distributable to the purchaser as compensation for any amounts withheld from payments to or for the benefit of the Issuer as a result of such failure or such ownership, and (B) to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or such ownership, the Issuer will have the right to compel the purchaser to sell its Notes and, if the purchaser does not sell its Notes within 10 Business Days after notice from the Issuer or its agents, the Issuer will have the right to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any taxes incurred by the Issuer in connection with such sale) to such person as payment in full for such Notes. The Issuer may assign each such Note, or procure that each such Note is assigned, a separate ISIN in the Issuer's sole discretion. The purchaser agrees that the Issuer, the Note Trustee, Security Trustee or their agents or representatives may (1) provide any information and documentation concerning its investment in its Notes to the IRS and any other relevant tax authority and (2) take such other steps as they deem necessary or helpful to ensure that the Issuer complies with FATCA.

- 13) The purchaser understands and acknowledges that the Issuer has the right under the Trust Deed to compel any Non-Permitted Holder or Non-Permitted ERISA Holder to sell its interest in the Notes, or may sell such interest in its Notes on behalf of such Non-Permitted Holder or Non-Permitted ERISA Holder.

Regulation S Notes and Regulation S Class VRR Notes

Each purchaser of Regulation S Notes and the Regulation S Class VRR Notes will be deemed to have made the representations set forth in clauses (3), (4), (5), (8), (10), (11) through (13) (inclusive) under *Rule 144A Notes* above (except that references to Rule 144A Notes shall be deemed to be references to Regulation S Notes and, as relevant, the Regulation S Class VRR Notes) and to have further represented and agreed as follows:

- 1) The purchaser is located outside the United States and is not a U.S. Person.
- 2) The purchaser understands that the Notes or, as relevant, such Class VRR Notes, have not been and will not be registered under the Securities Act and that the Issuer has not registered and will not register under the Investment Company Act. It agrees, for the benefit of the Issuer that, if it decides to resell, pledge or otherwise transfer such Notes or, as relevant, such Class VRR Notes (or any beneficial interest or participation therein) purchased by it, prior to the expiration of the distribution compliance period, any offer, sale or transfer of such Notes or, as relevant, such Class VRR Notes (or any beneficial interest or participation therein) will be made in compliance with the Securities Act and only (i) to a person (A) it reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a principal amount of not less than £100,000 for it and each such account, in a transaction that meets the requirements of Rule 144A and takes delivery in the form of a Rule 144A Note; or (ii) to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S.
- 3) The purchaser understands that unless the Issuer determines otherwise in compliance with applicable law, such Notes or, as relevant, such Class VRR Notes will bear a legend set forth below.

[LEGEND TO BE INCLUDED IN RELATION TO THE NOTES ONLY] [THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER

JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-U.S. PERSON, IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S OF THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN £100,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OR ANY INTERMEDIARY. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.]

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS VRR NOTES ONLY] [THE CLASS VRR NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS CLASS VRR NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE CLASS VRR NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A) TO A NON-U.S. PERSON, IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S OF THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OR ANY INTERMEDIARY. EACH TRANSFEROR OF THIS CLASS VRR NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.]

TRANSFERS OF THIS [NOTE][CLASS VRR NOTE] OR OF PORTIONS OF THIS [NOTE][CLASS VRR NOTE] SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS [NOTE][CLASS VRR NOTE] IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS [NOTE][CLASS VRR NOTE] AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS [NOTE][CLASS VRR NOTE] MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE REGISTRAR.

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES, CLASS D NOTES AND CLASS E NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT AND IS NOT ACTING ON BEHALF OF, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO TITLE I OF ERISA, A "PLAN" AS DEFINED IN SECTION 4975(E)(1) OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), THAT IS SUBJECT TO SECTION 4975 OF THE CODE, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) ("**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 PROVISIONS OF TITLE I OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), OR (B) ITS ACQUISITION, HOLDING OR DISPOSITION OF SUCH NOTES (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW AND IT ACKNOWLEDGES AND AGREES THAT THIS NOTE (OR INTEREST THEREIN) IS NOT ELIGIBLE FOR ACQUISITION BY BENEFIT PLAN INVESTORS UNLESS AT THE TIME THAT SUCH NOTE IS ACQUIRED BY A BENEFIT PLAN INVESTOR, IT IS RATED AT LEAST "BBB-" OR ITS EQUIVALENT BY A NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION AND IT IS TREATED AS INDEBTEDNESS FOR APPLICABLE LOCAL LAW PURPOSES WITHOUT SUBSTANTIAL EQUITY FEATURES AND SUCH PURCHASER OR TRANSFEREE AGREES TO SO TREAT SUCH NOTES, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTES (OR INTERESTS THEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTES (OR INTERESTS THEREIN) UNLESS THE ACQUIROR MAKES THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THE NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[LEGEND TO BE INCLUDED IN RELATION TO THE ERISA RESTRICTED NOTES IN THE FORM OF REGULATION S GLOBAL NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN, IT WILL NOT BE, AND IS NOT ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR AND (II) IF IT IS 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 TITLE I OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN

A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW.

"BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF ANY SUCH PLAN'S INVESTMENT IN THE ENTITY.

IF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO SIMILAR LAW ACQUIRING ANY INTEREST IN A NOTE HAS MADE A FALSE OR MISLEADING REPRESENTATION CONCERNING ITS ELIGIBILITY TO ACQUIRE AN INTEREST IN SUCH NOTE (A "**NON-PERMITTED ERISA HOLDER**"), THE TRANSFER OF AN INTEREST IN SUCH NOTE TO THE NON-PERMITTED ERISA HOLDER SHALL BE NULL AND VOID AB INITIO AND THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL THE NON-PERMITTED ERISA HOLDER TO SELL ITS INTEREST IN THE NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH NON-PERMITTED ERISA HOLDER.]

[LEGEND TO BE INCLUDED IN RELATION TO ERISA RESTRICTED NOTES IN THE FORM OF DEFINITIVE NOTES ONLY] [EACH PURCHASER OR TRANSFEREE OF THIS [NOTE][CLASS VRR NOTE] WILL BE REQUIRED TO REPRESENT, WARRANT AND AGREE THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS [NOTE][CLASS VRR NOTE] OR AN INTEREST HEREIN, IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR AND (II) IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED, ("**SIMILAR LAW**"), ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS [NOTE][CLASS VRR NOTE] OR AN INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW.

"BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF ANY SUCH PLAN'S INVESTMENT IN THE ENTITY.

IF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO SIMILAR LAW ACQUIRING ANY INTEREST IN A [NOTE][CLASS VRR NOTE] HAS MADE A FALSE OR MISLEADING REPRESENTATION CONCERNING ITS ELIGIBILITY TO ACQUIRE AN INTEREST IN SUCH [NOTE][CLASS VRR NOTE] (A "**NON-PERMITTED ERISA HOLDER**"), THE TRANSFER OF AN INTEREST IN SUCH [NOTE][CLASS VRR NOTE] TO THE NON-PERMITTED ERISA HOLDER SHALL BE NULL AND VOID AB INITIO AND THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL THE NON-PERMITTED ERISA HOLDER TO SELL ITS INTEREST IN THE [NOTE][CLASS VRR NOTE], OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

SOLELY FOR THE PURPOSES OF THE MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THIS NOTE HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THIS NOTE IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN DIRECTIVE 2014/65/EU (AS AMENDED, "**MIFID II**"); AND (II) ALL CHANNELS FOR DISTRIBUTION OF THIS NOTE TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THIS NOTE (A DISTRIBUTOR) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER'S

TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THIS NOTE (BY EITHER ADOPTING OR REFINING THE MANUFACTURER'S TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

THIS NOTE IS NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA ("EEA"). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF MIFID II; (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN DIRECTIVE 2003/71/EC. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO. 1286/2014 (AS AMENDED, THE "**PRIIPS REGULATION**") FOR OFFERING OR SELLING THIS NOTE OR OTHERWISE MAKING IT AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THIS NOTE OR OTHERWISE MAKING IT AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

- 4) The purchaser acknowledges that the Issuer, the Note Trustee, the Security Trustee, the Arranger, the Lead Manager and their Agents and Affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- 5) The purchaser understands that the Regulation S Notes may not, at any time, be held by, or on behalf of, U.S. Persons.

A transferor who transfers an interest in a Regulation S Note to a transferee who will hold the interest in the same form is not required to make any additional representation or certification.

Rule 144A Certificates

Each prospective purchaser of Rule 144A Certificates, by accepting delivery of this Prospectus, will be deemed to have represented and agreed that such person acknowledges that this Prospectus is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Certificates other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Prospectus, or disclosure of any of its contents to any person other than such prospective purchaser and those persons, if any, retained to advise it with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

Each purchaser of (i) Certificates represented by a Rule 144A Global Certificate will be deemed to have represented and agreed and (ii) Rule 144A Certificates represented by Registered Definitive Certificates will be required to represent and agree, as follows:

- 1) The purchaser (a) is a QIB, (b) is aware, and each beneficial owner of such Rule 144A Certificates has been advised, that the sale of such Rule 144A Certificates to it is being made in reliance on Rule 144A, (c) is acquiring such Rule 144A Certificates for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A and (d) will provide notice of the transfer restrictions described in the *Notice to Investors* to any subsequent transferees.
- 2) The purchaser understands that such Rule 144A Certificates have not been and will not be registered under the Securities Act, and may be reoffered, resold or pledged or otherwise

transferred only (a)(i) to a person whom the purchaser reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A or (ii) to a Non-U.S. Person, in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and (b) in accordance with all applicable securities laws including the securities laws of any state of the United States. The purchaser understands that the Issuer has not been registered under the Investment Company Act. The purchaser understands that before any interest in a Rule 144A Certificate or may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Certificates, the Registrar is required to receive a written certification from the purchaser (in the form provided in the Trust Deed) as to compliance with the transfer restrictions described herein. The purchaser understands and agrees that any purported transfer of the Rule 144A Certificates to a purchaser that does not comply with the requirements of this paragraph (2) shall be null and void ab initio.

- 3) The purchaser is not purchasing such Rule 144A Certificates with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands that an investment in the Rule 144A Certificates involves certain risks, including the risk of loss of its entire investment in the Rule 144A Certificates under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Rule 144A Certificates as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Rule 144A Certificates, including an opportunity to ask questions of, and request information from, the Issuer.
- 4) In connection with the purchase of the Rule 144A Certificates: (a) none of the Issuer, the Note Trustee, the Security Trustee, the Arranger or the Lead Manager is acting as a fiduciary or financial or portfolio manager for the purchaser; (b) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Note Trustee, the Security Trustee, the Arranger and the Lead Manager other than in this Prospectus for such Rule 144A Certificates and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Note Trustee, the Security Trustee, the Arranger and the Lead Manager has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Rule 144A Certificates; (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Trust Deed) based upon its own judgement and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the Issuer, the Note Trustee, the Security Trustee, the Arranger or the Lead Manager; (e) the purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Rule 144A Certificates with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; and (f) the purchaser is a sophisticated investor.
- 5) With respect to the purchase, holding and disposition of any Certificate or any interest in such Certificate (1) it is not, and for so long as it holds such Certificate it will not be, and will not be acting on behalf of, a Benefit Plan Investor, and (2) if it is a governmental, church or non-U.S. plan, its acquisition, holding and disposition of such Certificate will not constitute or result in a non-exempt violation of any Similar Law.
- 6) The purchaser acknowledges that the Issuer, the Note Trustee, the Security Trustee, the Arranger and the Lead Manager and their Affiliates, and others, will rely upon the truth and

accuracy of the foregoing acknowledgements, representations and agreements and that if it is acquiring any Certificates for the account of one or more QIBs, it represents that it has sole investment discretion with respect to such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

- 7) The purchaser understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Rule 144A Global Certificates or Registered Definitive Certificates representing Rule 144A Certificates, as applicable, offered in reliance on Rule 144A will bear the legend set forth below, and will be represented by one or more Rule 144A Global Certificates or Registered Definitive Certificates representing Rule 144A Certificates, as applicable. The Rule 144A Global Certificates may not at any time be held by or on behalf of, within the United States, persons, or outside the United States, U.S. Persons that are not QIBs. Before any interest in a Rule 144A Global Certificate may be offered, resold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate, the transferor will be required to provide the Common Depository with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

THE CERTIFICATES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE CERTIFICATES IN RESPECT OF WHICH THIS CERTIFICATE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE CERTIFICATES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-U.S. PERSON, IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S OF THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OR ANY INTERMEDIARY. EACH TRANSFEROR OF THIS CERTIFICATE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

TRANSFERS OF THIS CERTIFICATE OR OF PORTIONS OF THIS CERTIFICATE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

[LEGEND TO BE INCLUDED IN RELATION TO THE ERISA RESTRICTED CERTIFICATES IN THE FORM OF RULE 144A GLOBAL CERTIFICATES ONLY]
[EACH PERSON ACQUIRING OR HOLDING THIS CERTIFICATE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS CERTIFICATE OR AN INTEREST HEREIN IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR AND (II) IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO TITLE

I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**SIMILAR LAW**"), ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CERTIFICATE OR AN INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE SIMILAR LAW.

"BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS FOR THE PURPOSES OF ERISA BY REASON OF ANY SUCH PLAN'S INVESTMENT IN THE ENTITY.

IF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO SIMILAR LAW ACQUIRING ANY INTEREST IN A CERTIFICATE HAS MADE A FALSE OR MISLEADING REPRESENTATION CONCERNING ITS ELIGIBILITY TO ACQUIRE AN INTEREST IN SUCH CERTIFICATE (A "**NON-PERMITTED ERISA HOLDER**"), THE TRANSFER OF AN INTEREST IN SUCH CERTIFICATE TO THE NON-PERMITTED ERISA HOLDER SHALL BE NULL AND VOID AB INITIO AND THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL THE NON-PERMITTED ERISA HOLDER TO SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[LEGEND TO BE INCLUDED IN RELATION TO THE ERISA RESTRICTED CERTIFICATES IN THE FORM OF REGISTERED DEFINITIVE CERTIFICATES ONLY] [EACH PURCHASER OR TRANSFEREE OF THIS CERTIFICATE WILL BE REQUIRED TO REPRESENT AND WARRANT THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS CERTIFICATE OR AN INTEREST HEREIN IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR AND (II) IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED ("**SIMILAR LAW**"), ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CERTIFICATE OR AN INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW.

"BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF ANY SUCH PLAN'S INVESTMENT IN THE ENTITY.

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- 8) The purchaser will not, at any time, offer to buy or offer to sell the Certificates by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitations or advertising.
- 9) Prospective purchasers are hereby notified that sellers of the Certificates may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.
- 10) The purchaser will treat the Issuer and the Certificates as described in the *Tax Considerations — Certain U.S. Federal Income Tax Considerations* section of the Prospectus for all U.S. federal, state and local income tax purposes and will take no action inconsistent with such treatment unless required by law.
- 11) The purchaser will timely furnish the Issuer or its agents any tax form or certification (including, without limitation, IRS Form W-9, an applicable IRS Form W-8, or any successors to such IRS forms) that the Issuer or its agents may reasonably request (A) to permit the Issuer or its agents to make payments to the purchaser without, or at a reduced rate of, deduction or withholding, (B) to enable the Issuer or its agents to qualify for a reduced rate of withholding or deduction in any jurisdiction from or through which the Issuer or its agents receive payments, and (C) to enable the Issuer or its agents to satisfy reporting and other obligations under the Code and U.S. Treasury regulations, or under any other applicable law, and will update or replace any tax forms or certifications as appropriate or in accordance with their terms or subsequent amendments thereto. The purchaser acknowledges that the failure to provide, update or replace any such tax forms or certifications may result in the imposition of withholding or back up withholding upon payments to the purchaser, or to the Issuer. Amounts withheld from payments to the purchaser by the Issuer or its agents that are, in their sole judgement, required to be withheld pursuant to applicable tax laws will be treated as having been paid to the purchaser by the Issuer.
- 12) The purchaser will provide the Issuer or its agents with any correct, complete and accurate information and will take any other actions that may be required for the Issuer to comply with FATCA and to prevent the imposition of withholding tax under FATCA on payments to or for the benefit of the Issuer. In the event the purchaser fails to provide such information or take such actions, or to the extent that its ownership of Certificates would otherwise cause the Issuer to be subject to any tax under FATCA, (A) the Issuer (and any agent acting on its behalf) is authorized to withhold amounts otherwise distributable to the purchaser as compensation for any amounts withheld from payments to or for the benefit of the Issuer as a result of such failure or such ownership, and (B) to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or such ownership, the Issuer will have the right to compel the purchaser to sell its Certificates and, if the purchaser does not sell its Certificates within 10 Business Days after notice from the Issuer or its agents, the Issuer will have the right to sell such Certificates at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any taxes incurred by the Issuer in connection with such sale) to such person as payment in full for such Certificates. The Issuer may assign each such Certificate, or procure that each such Certificate is assigned, a separate ISIN in the Issuer's sole discretion. The purchaser agrees that the Issuer, the Note Trustee, Security Trustee or their agents or representatives may (1) provide any information and documentation concerning its investment in its Certificates to the IRS and any other relevant tax authority and (2) take such other steps as they deem necessary or helpful to ensure that the Issuer complies with FATCA.
- 13) The purchaser understands and acknowledges that the Issuer has the right under the Trust Deed to compel any Non-Permitted Holder or Non-Permitted ERISA Holder to sell its interest in the

Certificates, or may sell such interest in its Certificates on behalf of such Non-Permitted Holder or Non-Permitted ERISA Holder.

Regulation S Certificates

Each purchaser of Regulation S Certificates will be deemed to have made the representations set forth in clauses (3), (4), (5), (8), (10), (11) through (13) (inclusive) under *Rule 144A Certificates* above (except that references to Rule 144A Certificates shall be deemed to be references to Regulation S Certificates) and to have further represented and agreed as follows:

- 1) The purchaser is located outside the United States and is not a U.S. Person.
- 2) The purchaser understands that the Certificates have not been and will not be registered under the Securities Act and that the Issuer has not registered and will not register under the Investment Company Act. It agrees, for the benefit of the Issuer that, if it decides to resell, pledge or otherwise transfer such Certificates (or any beneficial interest or participation therein) purchased by it, prior to the expiration of the distribution compliance period, any offer, sale or transfer of such Certificates (or any beneficial interest or participation therein) will be made in compliance with the Securities Act and only (i) to a person (A) it reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction that meets the requirements of Rule 144A and takes delivery in the form of a Rule 144A Certificate; or (ii) to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S.
- 3) The purchaser understands that unless the Issuer determines otherwise in compliance with applicable law, such Certificates will bear a legend set forth below.

THE CERTIFICATES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE CERTIFICATES IN RESPECT OF WHICH THIS CERTIFICATE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE CERTIFICATES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-U.S. PERSON, IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S OF THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OR ANY INTERMEDIARY. EACH TRANSFEROR OF THIS CERTIFICATE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

TRANSFERS OF THIS CERTIFICATE OR OF PORTIONS OF THIS CERTIFICATE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

[LEGEND TO BE INCLUDED IN RELATION TO THE ERISA RESTRICTED

CERTIFICATES IN THE FORM OF REGULATION S GLOBAL CERTIFICATES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS CERTIFICATE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS CERTIFICATE OR AN INTEREST HEREIN, IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR AND (II) IF IT IS 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 TITLE I OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CERTIFICATE OR AN INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW.

"BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF ANY SUCH PLAN'S INVESTMENT IN THE ENTITY.

IF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO SIMILAR LAW ACQUIRING ANY INTEREST IN A CERTIFICATE HAS MADE A FALSE OR MISLEADING REPRESENTATION CONCERNING ITS ELIGIBILITY TO ACQUIRE AN INTEREST IN SUCH CERTIFICATE (A "**NON-PERMITTED ERISA HOLDER**"), THE TRANSFER OF AN INTEREST IN SUCH CERTIFICATE TO THE NON-PERMITTED ERISA HOLDER SHALL BE NULL AND VOID AB INITIO AND THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL THE NON-PERMITTED ERISA HOLDER TO SELL ITS INTEREST IN THE CERTIFICATE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH NON-PERMITTED ERISA HOLDER.]

[LEGEND TO BE INCLUDED IN RELATION TO ERISA RESTRICTED CERTIFICATES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY] [EACH PURCHASER OR TRANSFEREE OF THIS CERTIFICATE WILL BE REQUIRED TO REPRESENT, WARRANT AND AGREE THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS CERTIFICATE OR AN INTEREST HEREIN, IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR AND (II) IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED, ("**SIMILAR LAW**"), ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CERTIFICATE OR AN INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW.

"BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF ANY SUCH PLAN'S INVESTMENT IN THE ENTITY.

IF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO SIMILAR LAW ACQUIRING ANY INTEREST IN A CERTIFICATE HAS MADE A FALSE OR MISLEADING REPRESENTATION CONCERNING ITS ELIGIBILITY TO ACQUIRE AN INTEREST IN SUCH CERTIFICATE (A "**NON-PERMITTED ERISA HOLDER**"), THE TRANSFER OF AN INTEREST IN SUCH CERTIFICATE TO THE NON-PERMITTED ERISA HOLDER SHALL BE NULL AND VOID AB INITIO AND THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL THE NON-PERMITTED ERISA HOLDER TO SELL

ITS INTEREST IN THE CERTIFICATE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

- 4) The purchaser acknowledges that the Issuer, the Note Trustee, the Security Trustee, the Arranger, the Lead Manager and their Agents and Affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- 5) The purchaser understands that the Regulation S Certificates may not, at any time, be held by, or on behalf of, U.S. Persons.

A transferor who transfers an interest in a Regulation S Certificate to a transferee who will hold the interest in the same form is not required to make any additional representation or certification.

GENERAL INFORMATION

1. It is expected that the admission of the Notes and the Class VRR Notes to the Official List of Euronext Dublin and the admission of the Notes and the Class VRR Notes to trading on Euronext Dublin's Regulated Market will be granted on or around 5 December 2019.
2. The Issuer's LEI number is 213800A4GH6AYH76K328.
3. None of the Issuer or Holdings is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Holdings respectively is aware) since 20 August 2019 (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).
4. No statutory or non-statutory accounts within the meaning of sections 434 and 435 of the Companies Act 2006 (as amended) in respect of any financial year of the Issuer have been prepared. The accounting reference date of the Issuer is 31 March and the first statutory accounts of the Issuer will be drawn up to 31 March 2020. So long as the Notes are admitted to trading on Euronext Dublin's Regulated Market, the most recently published audited annual accounts of the Issuer from time to time shall be available at the specified office of the Principal Paying Agent in London. The Issuer does not publish interim accounts.
5. For so long as the Notes or the Class VRR Notes are admitted to the Official List of Euronext Dublin and to trading on the Euronext Dublin's Regulated Market, the Issuer shall maintain a Paying Agent in the United Kingdom.
6. Since the date of its incorporation, the Issuer has not entered into any contracts or arrangements not being in the ordinary course of business.
7. Since 20 August 2019 (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.
8. The issue of the Notes, the Class VRR Notes and the Certificates was authorised pursuant to a resolution of the board of directors of the Issuer passed on 29 November 2019.
9. The Notes, the Class VRR Notes and the Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg under the following ISINs and Common Codes:

| Instrument | Regulation ISIN | S Rule 144A ISIN | Regulation Common Code | S Rule 144A Common Code |
|----------------------|------------------------|-------------------------|-------------------------------|--------------------------------|
| Class A Notes | XS2080551513 | XS2080552321 | 208055151 | 208055232 |
| Class B Notes | XS2080551604 | XS2080552594 | 208055160 | 208055259 |
| Class C Notes | XS2080551786 | XS2080552677 | 208055178 | 208055267 |
| Class D Notes | XS2080551869 | XS2080552750 | 208055186 | 208055275 |
| Class E Notes | XS2080552081 | XS2080552834 | 208055208 | 208055283 |

| | | | | |
|------------------------|--------------|--------------|-----------|-----------|
| Class F Notes | XS2080551943 | XS2080552917 | 208055194 | 208055291 |
| Class Z Notes | XS2080552164 | XS2080553055 | 208055216 | 208055305 |
| Class VRR Notes | XS2080552248 | N/A | 208055224 | N/A |
| Certificates | XS2080773844 | XS2080773760 | 208077384 | 208077376 |

10. The Notes, Class VRR Notes and Certificates have the following CFIs and FISN codes:

| Instrument | Regulation S CFI | Rule 144A CFI | Regulation S FISN | Rule 144A FISN | |
|------------------------|-------------------------|----------------------|--------------------------|---|---|
| Class Notes | A | DAVNFR | DAVNFR | ELVET MORTGAGES/VARASST BKD 2061112 | ELVET MORTGAGES/VARASST BKD 2061112 |
| Class Notes | B | DAVNFR | DAVNFR | ELVET MORTGAGES/VARASST BKD 2061112 | ELVET MORTGAGES/VARASST BKD 2061112 |
| Class Notes | C | DAVNFR | DAVNFR | ELVET MORTGAGES/VARASST BKD 2061112 | ELVET MORTGAGES/VARASST BKD 2061112 |
| Class Notes | D | DAVNFR | DAVNFR | ELVET MORTGAGES/VARASST BKD 2061112 | ELVET MORTGAGES/VARASST BKD 2061112 |
| Class Notes | E | DAVNFR | DAVNFR | ELVET MORTGAGES/VARASST BKD 2061112 | ELVET MORTGAGES/VARASST BKD 2061112 |
| Class Notes | F | DAVNFR | DAVNFR | ELVET MORTGAGES/VARASST BKD 2061112 | ELVET MORTGAGES/VARASST BKD 2061112 |
| Class Notes | Z | DAVNFR | DAVNFR | ELVET MORTGAGES/VARASST BKD 2061112 | ELVET MORTGAGES/VARASST BKD 2061112 |
| Class VRR Notes | VRR | DAVNFR | N/A | ELVET MORTGAGES/VARASST BKD 2061112 | N/A |

| | | | | |
|---------------------|-------|-------|-----------------------------------|-----------------------------------|
| Certificates | DEXRX | DEXRX | ELVET MORTGAGES/UT 20611122 | ELVET MORTGAGES/UT 20611122 |
|---------------------|-------|-------|-----------------------------------|-----------------------------------|

11. From the Closing Date and for so long as the Notes or the Class VRR Notes are listed on Euronext Dublin and admitted to trading on its Regulated Market, physical copies (which may be redacted to ensure compliance with applicable data protection laws) of the following documents may be inspected at the registered office of the Issuer (and, with the exception of (a) below, at the specified office of the Paying Agents) during usual business hours, on any weekday (public holidays excepted):

- (a) the memorandum and articles of association of each of the Issuer and Holdings;
- (b) copies of the following documents (each of which, together with this Prospectus, will be available on the Reporting Website):
 - (i) the Agency Agreement;
 - (ii) the Deed of Charge (together with any supplemental documents thereto, including for the avoidance of doubt, the Scottish Supplemental Charge);
 - (iii) the Cash Management Agreement;
 - (iv) the Incorporated Terms Memorandum;
 - (v) the Mortgage Sale Agreement;
 - (vi) the Corporate Services Agreement;
 - (vii) the Citi Bank Account Agreement;
 - (viii) the Elavon Bank Account Agreement;
 - (ix) the Swap Collateral Account Agreement;
 - (x) the Collection Account Declaration of Trust Accession Undertaking;
 - (xi) the Scottish Declaration of Trust;
 - (xii) the Servicing Agreement;
 - (xiii) the Standby Servicing Agreement;
 - (xiv) the Share Trust Deed;
 - (xv) the Trust Deed;
 - (xvi) the Swap Agreement; and
 - (xvii) the Securities Custody Agreement.

and the following documents will be available on the Reporting Website:

- (i) a cashflow model (setting out the transaction cashflows); and

(ii) loan-level data in respect of the Loans.

12. From the Closing Date and for so long as the Notes and the Class VRR Notes (including the period while this Prospectus is valid and the Notes are listed on Euronext Dublin and admitted to trading on its Regulated Market) remain outstanding, the Designated Reporting Entity on behalf of the Issuer will publish the Securitisation Regulation Investor Reports in the manner described in the section *Certain Regulatory Disclosures – Reporting under the Securitisation Regulation* above.
13. Solely with respect to the first Interest Payment Date following the Closing Date, if the percentage of any Class of Notes or the Class VRR Notes retained by Atom Bank on the Closing Date is materially different than what is described under "*U.S. Risk Retention Requirements*" in this Prospectus, the Issuer will make available to Noteholders, a statement from Atom Bank setting forth the percentage retained by Atom Bank for each Class of Notes and the Class VRR Notes, as applicable. In addition, the Cash Manager will make available such additional risk retention reporting furnished to it by Atom Bank in accordance with the terms of the Cash Management Agreement.
14. For purposes of reporting with respect to the Class VRR Notes retained by Atom Bank in order to comply with the U.S. Risk Retention Rules, unless the Issuer has received a statement from Atom Bank that the eligible vertical interest retained by Atom Bank as of the Closing Date is materially different from the amount that Atom Bank intends to acquire and retain, as described in this Prospectus, the Issuer will be entitled to assume (without further inquiry) compliance by Atom Bank with such covenant.
15. The Issuer confirms that the Loans backing the issue of the Notes and the Class VRR Notes and the Certificates have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes and the Class VRR Notes and the Certificates. 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 and the Class VRR Notes and the Certificates. Investors are advised to review carefully any disclosure in the Prospectus together with any amendments or supplements thereto.
16. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and the Class VRR Notes and is not itself seeking admission of the Notes and the Class VRR Notes to the Official List of Euronext Dublin or to trading on the Regulated Market of the Euronext Dublin.
17. Any website referred to in this document does not form part of the Prospectus.

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