

IMPORTANT NOTICE

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

IMPORTANT: YOU MUST READ THE FOLLOWING BEFORE CONTINUING. THE FOLLOWING APPLIES TO THE PROSPECTUS FOLLOWING THIS PAGE (THE "**PROSPECTUS**"), 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 INVITATION OR OFFER TO SELL OR THE SOLICITATION OF AN INVITATION OR OFFER TO BUY THE NOTES OF THE ISSUER IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES AND ANY CERTIFICATES (THEN IN ISSUE) HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE U.S., AND THEREFORE MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")), EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE NOTES MAY ONLY BE OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS LOCATED OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S.

EXCEPT WITH THE PRIOR WRITTEN CONSENT OF THE SELLER (A "**U.S. RISK RETENTION CONSENT**") AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "**U.S. RISK RETENTION RULES**"), THE NOTES OFFERED AND SOLD BY THE ISSUER MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "U.S. PERSON" AS DEFINED IN THE U.S. RISK RETENTION RULES ("**RISK RETENTION U.S. PERSONS**"). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF "U.S. PERSON" IN REGULATION S AND THAT PERSONS WHO ARE NOT "U.S. PERSONS" UNDER REGULATION S MAY BE "U.S. PERSONS" UNDER THE U.S. RISK RETENTION RULES. EACH PURCHASER OF THE NOTES OR A BENEFICIAL INTEREST THEREIN ACQUIRED IN THE INITIAL SYNDICATION OF THE NOTES BY ITS ACQUISITION OF THE NOTES, OR IN EACH CASE A BENEFICIAL INTEREST THEREIN, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) EITHER (i) IS NOT A RISK RETENTION U.S. PERSON OR (ii) HAS OBTAINED A U.S. RISK RETENTION CONSENT FROM THE SELLER, (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTE THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES).

YOU MAY NOT FORWARD OR DISTRIBUTE THE PROSPECTUS TO ANY OTHER PERSON OR REPRODUCE THE PROSPECTUS IN ANY MANNER WHATSOEVER, AND, IN PARTICULAR, YOU MAY NOT FORWARD THE PROSPECTUS TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY SUCH FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER U.S. OR STATE REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES APPROVED OR DISAPPROVED THIS PROSPECTUS OR CONFIRMED THE ACCURACY OR ADEQUACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE UNDER U.S. LAW.

THE PROSPECTUS HAS BEEN DELIVERED TO YOU ON THE BASIS THAT YOU ARE A PERSON INTO WHOSE POSSESSION THE PROSPECTUS MAY BE LAWFULLY DELIVERED IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH YOU ARE LOCATED. BY ACCESSING THE PROSPECTUS, YOU WILL 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 THE DELIVERY OF THE PROSPECTUS BY ELECTRONIC TRANSMISSION, (C) YOU ARE NOT A "U.S. PERSON" (WITHIN THE MEANING OF REGULATION S) OR ACTING FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON AND THE ELECTRONIC MAIL ADDRESS THAT YOU HAVE GIVEN TO US AND TO WHICH THIS E-MAIL HAS BEEN DELIVERED IS NOT LOCATED IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS) OR THE DISTRICT OF COLUMBIA, (D) IF YOU ARE A PERSON IN THE UNITED KINGDOM, THEN YOU ARE A PERSON WHO (I) HAS PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS OR (II) IS A HIGH NET WORTH ENTITY FALLING WITHIN ARTICLES 49(2)(A) TO (D) OF THE FINANCIAL SERVICES AND MARKETS ACT (FINANCIAL PROMOTION) ORDER 2005 AND (E) YOU ARE NEITHER: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, "**MiFID II**") NOR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2016/97/EU, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II.

THE 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 THE ARRANGER (AS DEFINED BELOW), THE LEAD MANAGER (AS DEFINED BELOW), GEMGARTO 2023-1 PLC, KENSINGTON MORTGAGE COMPANY LIMITED ("**KMC**"), BARCLAYS BANK PLC 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 THE ARRANGER OR THE LEAD MANAGER.

Neither the Notes nor any Certificates (then in issue) have been and nor will they be registered under the United States Securities Act 1933, as amended (the "Securities Act"), or the securities laws or "blue sky laws" of any state or other jurisdiction of the United States, and neither the Notes nor any Certificates (then in issue) may be offered or sold in transactions that occur outside the United States, except to persons other than U.S. persons in accordance with Regulation S. The Notes and any Certificates (then in issue) will be subject to restrictions on resale and transfer. See "*Subscription and Sale and Transfer and Selling Restrictions*".

GEMGARTO 2023-1 PLC

(incorporated in England and Wales with limited liability under registered number 15075707)

Legal Entity Identifier: 635400VBSEGPUXLYKP64

Securitisation Transaction Unique Identifier: 635400VBSEGPUXLYKP64N202301

Class	Initial Class Principal Amount	Issue Price	Reference Rate ⁽¹⁾	Initial Margin (per annum)	Step-Up Margin (per annum)	Step-Up Date ⁽²⁾	Expected Ratings (DBRS (sf) / Moody's (sf)) ⁽³⁾	Final Redemption Date
A	£476,487,000	100%	Compounded Daily SONIA	0.90%	1.35%	Payment Date falling in March 2027	AAA / Aaa	Payment Date falling in December 2073
B	£38,338,000	99.71%	Compounded Daily SONIA	1.50%	2.25%	Payment Date falling in March 2027	AA (low) / Aa3	Payment Date falling in December 2073
C	£10,954,000	98.70%	Compounded Daily SONIA	2.00%	3.60%	Payment Date falling in March 2027	A(high) / A3	Payment Date falling in December 2073
D	£10,954,000	97.16%	Compounded Daily SONIA	2.50%	4.60%	Payment Date falling in March 2027	BBB (high) / Baa2	Payment Date falling in December 2073
E	£5,477,000	97.66%	Compounded Daily SONIA	4.50%	6.80%	Payment Date falling in	BB (high) / Ba1	Payment Date falling in December 2073

						March 2027		
F	£2,738,000	96.02%	Compounded Daily SONIA	6.00%	8.80%	Payment Date falling in March 2027	BB (low) / B1	Payment Date falling in December 2073
G	£2,738,000	95.07%	Compounded Daily SONIA	6.00%	8.80%	Payment Date falling in March 2027	NR/NR	Payment Date falling in December 2073
Z	£5,477,000	95.07%	Compounded Daily SONIA	6.00%	8.80%	Payment Date falling in March 2027	NR/NR	Payment Date falling in December 2073

The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class Z Notes are collectively the "Notes" or the "Floating Rate Notes". 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 together the "Rated Notes". The Class G Notes and the Class Z Notes are the "Unrated Notes".

Only the Notes (excluding the Notes purchased by the Retention Holder) are being sold through the Lead Manager. Any Certificates (then in issue) are not being offered by this Prospectus.

- (1) The rate of interest payable on each class of Floating Rate Notes and each accrual period will be based on a per annum rate equal to the SONIA reference rate plus the Initial Margin or the Step-Up Margin (as applicable) as described above.
- (2) The Step-Up Date is the Payment Date in March 2027. The first Payment Date will occur on the Payment Date falling in March 2024, and thereafter will occur on the 16th of June, September, December and March in each year.
- (3) A designation of "NR" means that the Rating Agencies will not rate that Class of Notes as of the Closing Date. The Class G Notes, the Class Z Notes and any Certificates (then in issue) will not be rated by any Rating Agency.

ARRANGER

BARCLAYS

LEAD MANAGER

BARCLAYS

The date of this Prospectus is 11 December 2023.

Issue date	The Issuer will issue the Notes on or about 13 December 2023 (the " Closing Date ").
Standalone/programme issuance	Standalone issuance.
The Notes	<p>The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the U.S. or any other relevant jurisdiction and may not be offered or sold within the U.S. or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S).</p> <p>The Issuer may issue Notes to be offered and sold outside the U.S. to non-U.S. persons in reliance on Regulation S.</p>
Underlying assets	<p>The Issuer's primary source of funds to make payments on the Notes, the Senior Deferred Consideration and the Residual Deferred Consideration will be payments received in respect of a portfolio of first ranking residential mortgage loans originated by Kensington Mortgage Company Limited and secured on properties located in England, Wales and Scotland which will be assigned to the Issuer on the Closing Date in accordance with the terms of the Mortgage Sale Agreement. The Rated Notes and the Class G Notes will be secured by the Mortgage Portfolio. KMC has previously sold an equitable interest in the Mortgage Loans and their Related Security to BBUKPLC, and is re-acquiring them pursuant to the KMC/BUK Mortgage Sale Agreement. KMC has remained the legal title holder and servicer of the Mortgage Loans in the Mortgage Portfolio since the origination of such loans.</p> <p>As at the Closing Date, the Mortgage Loans included in the Mortgage Portfolio consist of Floating Rate Mortgage Loans and Fixed Rate Mortgage Loans (and at the expiry of the relevant fixed rate term of any such Mortgage Loan, it will become a Floating Rate Mortgage Loan). See "<i>The Mortgage Loans and the Mortgage Portfolio – Key features of the Mortgage Loans</i>" for a detailed description of the Mortgage Loans offered by the Seller that may be included in the Mortgage Portfolio.</p>
Credit enhancement	<ul style="list-style-type: none"> (a) Over-collateralisation funded by Notes ranking junior to such Class of Notes in the Priority of Payments; (b) following the service of an Enforcement Notice, application of all amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund (if any) as Available Principal Receipts in accordance with the Post-Enforcement Priority of Payments; and (c) the availability of excess Available Revenue Receipts to make payments in respect of principal deficiencies.
Liquidity support	<ul style="list-style-type: none"> (a) Subordination in payment of those Classes of Notes and any Senior Deferred Consideration and Residual Deferred Consideration ranking junior in the Priority of Payments; (b) in respect of the Rated Notes and the Senior Deferred Consideration only, prior to the service of an Enforcement Notice, application of

amounts standing to the credit of the General Reserve Fund as Available Revenue Receipts in relation to General Reserve Fund Payments, in accordance with the Pre-Enforcement Revenue Priority of Payments;

- (c) in respect of the Class A Notes, (subject to the relevant PDL Condition being satisfied) the Class B Notes and the Senior Deferred Consideration only, prior to the Class B Notes being redeemed in full or the service of an Enforcement Notice, application of amounts standing to the credit of the Liquidity Reserve Fund (if any) as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments to pay Senior Revenue Amounts; and
- (d) in respect of the Rated Notes and the Senior Deferred Consideration only, the application of Principal Addition Amounts to cure any Revenue Shortfall (subject, where applicable, to the relevant PDL Condition being satisfied).

Redemption provisions... Information on any optional and mandatory redemption of the Notes is summarised in "*Transaction Overview – Overview of the Characteristics of the Notes and Certificates (then in issue) – Redemption*" and set out in full in Condition 7 (*Redemption, Purchase and Cancellation*).

Rating Agencies..... The Rated Notes will be rated by DBRS and Moody's Investors Service Limited ("**Moody's**"), (each a "**Rating Agency**" and together, the "**Rating Agencies**").

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

As of the date of this Prospectus, DBRS and Moody's are not established in the European Union and have not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**EU CRA Regulation**"). The ratings that DBRS is expected to assign to the Rated Notes on or before the Closing Date will be endorsed by DBRS Ratings GmbH, which is established in the European Union and registered under the EU CRA Regulation. The ratings that Moody's is expected to assign to the Rated Notes will be endorsed by Moody's Deutschland GmbH, which is established in the European Union and registered under the EU CRA Regulation.

Credit ratings Ratings are expected to be assigned to the Rated Notes as set out above on or before the Closing Date. The Unrated Notes will not be rated.

The ratings assigned to the Rated Notes by Moody's address, inter alia: (a) the likelihood of timely payment of interest and full and timely payment of principal (i) to the holders of the Class A Notes and the Class B Notes, and (ii) where the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, respectively, are the Most Senior Class of Notes, to the holders of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes; (b) the likelihood of full payment to the holders of the Rated Notes (other than the Class A Notes and the Class B Notes) of all payments of interest in relation to the Rated Notes on or prior to the Final Redemption Date; and (c) the likelihood of

full and ultimate payment to the holders of the Rated Notes of principal in relation to the Rated Notes on or prior to the Final Redemption Date.

The rating assigned by DBRS to the Class A Notes addresses, inter alia, the likelihood of timely payment of interest and the ultimate repayment of principal on or before the Final Redemption Date.

The ratings assigned by DBRS to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes address, inter alia, the likelihood of timely payment of interest on the relevant Class of Notes (only while that Class of Notes is the Most Senior Class) and, at all other times, ultimate payment of interest and ultimate repayment of principal on the relevant Class of Notes on or before the Final Redemption Date.

Except as described above, the Issuer has not requested a rating of any Class of Notes by any rating agency other than the Rating Agencies; there can be no assurance, however, as to whether any other rating agency would rate any Class of Notes, or what rating would be assigned by any such rating agency. Any rating assigned by such other rating agency to a Class of Notes could be lower than the rating assigned by the Rating Agencies to such Class of Notes.

Listing.....

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

Such approval relates only to each Class of Notes which are to be admitted to trading on the regulated market of the London Stock Exchange or other regulated markets for the purposes of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**") or which are to be offered to the public in the UK.

Application has been made to the FCA for the Notes to be listed on the Official List and to the London Stock Exchange plc for the Notes to be admitted to trading on its regulated market. The Senior Deferred Consideration (if certificated in the form of the Class S Certificates) and the Residual Deferred Consideration (if certificated in the form of the Class Y Certificates) (together, the "**Certificates**" and the holders thereof, the "**Certificateholders**") will not be listed or admitted to trading. Any Certificates are not being offered by this Prospectus and the FCA has neither approved nor reviewed information contained in this Prospectus in connection with any Certificates. Information contained in this Prospectus relating to any Certificates is included herein for completeness.

Validity.....

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

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

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

UK and EU Risk Retention On the Closing Date, Barclays Bank PLC (the "**Retention Holder**") will retain, as sponsor, on an ongoing basis a material net economic interest of not less than 5 per cent. in the securitisation in accordance with Article 6(1) of the UK Securitisation Regulation and Article 6(1) of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) (the "**EU Retention Requirements**") not taking into account any relevant national measures, as if it were applicable to it, but solely as such articles are interpreted and applied on the Closing Date and until such time when the Retention Holder is able to certify to the Issuer and the Note Trustee that a competent EU authority has confirmed that the satisfaction of the UK Retention Requirements will also satisfy the EU Retention Requirements (together, the "**Risk Retention Requirements**") due to the application of an equivalence regime or similar analogous concept.

As at the Closing Date, such interest will be comprised of the Retention Holder holding no less than 5 per cent. of the nominal value of each Class of Notes and a 5 per cent. interest in the Senior Deferred Consideration in accordance with Article 6(3)(a) of the UK Securitisation Regulation and Article 6(3)(a) of the EU Securitisation Regulation (as if it were applicable to the Retention Holder and solely as it applies on the Closing Date) (the "**Retained Interest**").

Potential EU affected investors should note that the obligation of the Retention Holder to comply with the EU Retention Requirements is strictly contractual pursuant to the terms of the Risk Retention Letter and applies with respect to Article 6 of the EU Securitisation Regulation, together with any binding technical standards solely as in force on the Closing Date.

In addition, to the extent that Article 6 of the EU Securitisation Regulation is amended or new binding technical standards are introduced, the Retention Holder will be under no obligation to comply with such amendments.

Each potential EU and UK affected investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Article 5 of the EU Securitisation Regulation and Article 5 of the UK Securitisation Regulation and any corresponding national measures which may be relevant to such affected investors and none of the Issuer, the Seller, the Legal Title Holder, the Note Trustee, the Lead Manager, the Arranger, the Retention Holder, the Sponsor Administrator or any other Transaction Party makes any representation that any such information described above or elsewhere in this Prospectus is sufficient in all circumstances for such purposes.

See further "*Certain Regulatory Requirements – The Securitisation Regulation – UK and EU risk retention requirements*".

UK Simple, Transparent and Standardised (STS) Securitisation.....

On the Closing Date, it is intended that a notification will be submitted to the FCA by, or on behalf of Kensington Mortgage Company Limited, as originator, and Barclays Bank PLC, as sponsor, in accordance with Article 27 of the UK Securitisation Regulation, confirming that the requirements of Articles 19 to 22 of the UK Securitisation Regulation for designation as a UK STS securitisation (the "**UK STS Requirements**") have been satisfied with respect to the Notes (such notification, the "**UK STS Notification**").

The UK STS Notification, once notified to the FCA, will be available for download on the FCA Register of Securitisation STS Notifications at <https://data.fca.org.uk/#/sts/stssecuritisations> (or its successor website) (the "**FCA STS Register website**"). For the avoidance of doubt, the FCA STS Register website and the contents thereof do not form part of this Prospectus.

The UK STS status of the Notes is not static and investors should verify the current status on the FCA STS Register website, which will be updated where the Notes are no longer considered to be UK STS following a decision of the FCA, another relevant UK regulator or a notification by Kensington Mortgage Company Limited and/or Barclays Bank PLC.

In relation to the UK STS Notification, Kensington Mortgage Company Limited has been designated as the first contact point for investors and the FCA.

Kensington Mortgage Company Limited, Barclays Bank PLC and the Issuer have used the services of Prime Collateralised Securities (PCS) UK Limited ("**PCS**"), a third party authorised under Article 28 of the UK Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements of Articles 19 to 22 of the UK Securitisation Regulation (the "**UK STS Verification**"). It is expected that the UK STS Verification prepared by PCS will be available on its website at <https://www.pcsmarket.org/sts-verification-transactions/> together with detailed explanations of its scope at <https://pcsmarket.org/disclaimer/> on and from the Closing Date. For the avoidance of doubt, the website of PCS and the contents thereof do not form part of this Prospectus.

The verification by PCS does not affect the liability of the Seller, as originator, Barclays Bank PLC, as the sponsor and the Sponsor Administrator, and the Issuer, as SSPE, in respect of their legal obligations under the UK Securitisation Regulation. Furthermore, such verification does not remove the obligation placed on investors to assess whether a securitisation labelled as 'STS' or 'simple, transparent and standardised' has actually satisfied the criteria as set out in Article 5 of the UK Securitisation Regulation. Notwithstanding PCS' verification of compliance of a securitisation with Articles 19 to 22 of the UK Securitisation Regulation, such verification by PCS does not ensure the compliance of a securitisation with the general requirements of the UK Securitisation Regulation. Investors must not solely or mechanically rely on any STS notification or PCS' verification to this extent.

Note that designation as a UK STS securitisation does not meet, as at the date of this Prospectus, the STS requirements of the EU Securitisation Regulation,

and, as such, better or more flexible regulatory treatment under the relevant EU regulatory regimes (in particular, under the EU CRR, the EU LCR Regulation and the EU Solvency II regime) will not be available. For further information, please refer to the section entitled "*Risk Factors – Legal and Regulatory Risks relating to the Structure and the Notes – Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes and/or decrease liquidity in respect of the Notes – Simple, transparent and standardised securitisations (STS) and UK STS designation – UK STS designation impacts on regulatory treatment of the Notes*".

**U.S. Credit Risk
Retention Requirements..**

The Seller, as the sponsor under the U.S. Risk Retention Rules, does not intend to retain at least 5 per cent. of the credit risk of the securitised assets for the purposes of compliance with the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended (the "**U.S. Risk Retention Rules**"), but rather intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Except with the prior written consent of the Seller and where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules, the Notes offered and sold by the Issuer may not be purchased by, or for the account of or benefit of, any Risk Retention U.S. person.

See the sections entitled "*Risk Factors – Legal and Regulatory Risks relating to the Structure and the Notes – U.S. Risk Retention Requirements*" and "*Certain Regulatory Requirements – U.S. Credit Risk Retention Requirements*".

Volcker Rule.....

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

**Senior Deferred
Consideration and the
Residual Deferred
Consideration**

In consideration for the sale of the Mortgage Portfolio by the Seller to the Issuer, the Issuer will pay the purchase price to the Seller pursuant to the terms of the Mortgage Sale Agreement, which shall include a deferred purchase price in the form of the Senior Deferred Consideration and Residual Deferred Consideration.

On the Closing Date, the Seller will transfer the right to receive such Senior Deferred Consideration and Residual Deferred Consideration to the Sponsor Administrator. The Sponsor Administrator (in its capacity as Retention Holder) shall retain on an ongoing basis a 5% interest in the Senior Deferred Consideration.

Any person entitled to the Senior Deferred Consideration or the Residual Deferred Consideration may request that the right to receive the Senior Deferred Consideration and/or the Residual Deferred Consideration be certificated in global form. If certificated, (i) the Class S1 Certificate will represent the right to receive the Class S1 Certificate Payment in respect of the Senior Deferred Consideration on each Payment Date including the Step-Up Date, (ii) the Class S2 Certificate will represent the right to receive the Class S2 Certificate Payment in respect of the Senior Deferred Consideration on each Payment Date from but excluding the Step-Up Date, and (iii) the Class Y Certificate will represent the right to receive the Class Y Certificate Payment in respect of the Residual Deferred Consideration, in accordance with the Certificate Conditions. See the section entitled "*Terms and Conditions of the Certificates*" for further details.

References herein to "any Certificates (then in issue)" shall be construed as meaning "any Certificates (then in issue as at the request of the person(s) entitled to the Senior Deferred Consideration and/or Residual Deferred Consideration, as applicable)".

In addition, any person entitled to receive 50% or more of the Residual Deferred Consideration shall have the right of the Portfolio Option Holder to exercise the Portfolio Purchase Option and the Refinancing Option Holder to exercise the Refinancing Option.

Any Certificates (then in issue) are not being offered by this Prospectus. Any transferee of any Certificate (then in issue) is prohibited from relying on this Prospectus in connection with any such transaction.

Any Certificates (then in issue) are not and will not be listed or rated.

**UK Benchmarks
Regulation**

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

Significant Investor(s)

BBUKPLC will, on the Closing Date, purchase 95 per cent. of the Class A Notes, and will be entitled to exercise voting rights in respect of such Notes.

A third party investor will, on the Closing Date, purchase a majority holding in the Class F Notes.

A third party investor will, on the Closing Date, purchase a majority holding in the Class G notes and the Class Z Notes.

As at the Closing Date, the Retention Holder will hold 5 per cent. of each Class of Notes. As at the Closing Date, the Sponsor Administrator will be entitled to 100 per cent. of the Senior Deferred Consideration and the Residual Deferred Consideration. It is expected on the Closing Date that one or more third party

investors will acquire a majority of the Residual Deferred Consideration from the Sponsor Administrator.

The section entitled "*Risk Factors*", starting on page 4, contains details of certain risks and other factors that should be given particular consideration before investing in the Notes. Prospective investors should be aware of the issues summarised within that section.

NOTICE TO INVESTORS

Responsibility

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

Any information sourced from third parties contained in this Prospectus has been accurately reproduced (and the source of such information is identified 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 in the section entitled "*The Seller, the Legal Title Holder and the Servicer*". To the best of the Seller's knowledge, the information in the section entitled "*The Seller, the Legal Title Holder and the Servicer*", for which it is responsible, is in accordance with the facts and those sections make no omission likely to affect their import.

U.S. Bank Trustees Limited accepts responsibility for the information about itself in the section entitled "*The Note Trustee and the Security Trustee*". To the best of the knowledge of U.S. Bank Trustees Limited, the information about itself in the section entitled "*The Note Trustee and the Security Trustee*", for which it is responsible, is in accordance with the facts and that section makes no omission likely to affect its import.

U.S. Bank Global Corporate Trust Limited accepts responsibility for the information about itself in the section entitled "*The Cash Manager*". To the best of the knowledge of U.S. Bank Global Corporate Trust Limited, the information about itself in the section entitled "*The Cash Manager*", for which it is responsible, is in accordance with the facts, and that section makes no omission likely to affect its import.

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

The Arranger, the Lead Manager, the Note Trustee, the Security Trustee, the Cash Manager, the Back-up Servicer Facilitator and the Agents do not accept any responsibility for compliance of the Issuer, the Seller or any other party with the requirements of the UK Securitisation Regulation or the EU Securitisation Regulation and have not assisted or advised the Issuer, the Seller or any other party with their compliance with the requirements of the UK Securitisation Regulation or the EU Securitisation Regulation.

Prospectus

This Prospectus has been approved by the FCA as a Prospectus for the purposes of Article 6 of the UK Prospectus Regulation and has been published in compliance with the UK Prospectus Regulation, the UK Prospectus Rules and the Listing Rules for the purposes of giving information about the Issuer and the Notes. This Prospectus is not a prospectus for the purposes of Section 12(a) (2) or any other provision or order under the Securities Act.

Prospective investors should read the entire Prospectus carefully, especially the risks of investing in the Notes summarised in the section entitled "*Risk Factors*".

No responsibility or liability

No representation, warranty or undertaking, express or implied, is made and, to the extent permitted by law, no responsibility or liability is accepted by the Seller, the Legal Title Holder, the Servicer, the Transaction Account Bank, the Standby Account Bank, the Back-up Servicer Facilitator, the Arranger, the Lead Manager, the Note Trustee, the Security Trustee, the Cash Manager, the Retention Holder, the Sponsor Administrator or the Agents as to (a) (other than as set out in the section entitled "*Responsibility*" above) the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the Transaction or (b) any other statement made or proposed to be made by any of the Seller, the Legal Title Holder, the Servicer, the Transaction Account Bank, the Back-up Servicer Facilitator, the Arranger, the Lead Manager, the Note Trustee, the Security Trustee, the Cash Manager, the Retention Holder, the Sponsor Administrator or the Agents or on their behalf in connection with the Issuer or the issue and/or offering of any Notes. None of the Seller, the Legal Title Holder, the Servicer, the Transaction Account Bank, the Standby Account Bank, the Back-up Servicer Facilitator, the Arranger, the Lead Manager, the Note Trustee, the Security Trustee, the Cash Manager, the Retention Holder, the Sponsor Administrator or the Agents accepts any liability in relation to the information contained in this Prospectus, other than as set out in the section entitled "*Responsibility*" above, or any other information provided by the Issuer or the Seller in connection with the Transaction or the Notes or any document or agreement relating to the Notes or any Transaction Document. Accordingly, each of the Seller, the Legal Title Holder, the Servicer, the Transaction Account Bank, the Standby Account Bank, the Back-up Servicer Facilitator, the Arranger, the Lead Manager, the Note Trustee, the Security Trustee, the Cash Manager, the Retention Holder, the Sponsor Administrator and the Agents disclaims any and all liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement or information.

In particular, none of the Seller, the Legal Title Holder, the Servicer, the Transaction Account Bank, the Standby Account Bank, the Back-up Servicer Facilitator, the Arranger, the Lead Manager, the Note Trustee, the Security Trustee, the Cash Manager, the Retention Holder, the Sponsor Administrator or the Agents has prepared any report or any financial statement in connection with the Issuer or the issue and/or offering of any Notes.

None of the Seller, the Legal Title Holder, the Servicer, the Transaction Account Bank, the Standby Account Bank, the Back-up Servicer Facilitator, the Arranger, the Lead Manager, the Note Trustee, the Security Trustee, the Cash Manager, the Retention Holder, the Sponsor Administrator or the Agents is responsible for any matter which is the subject of any statement, representation, warranty or covenant of the Issuer contained in the Notes or any Transaction Documents, or any other agreement or document relating to the Notes or any Transaction Document or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof. In particular, but without limitation, none of the Servicer, the Transaction Account Bank, the Standby Account Bank, the Back-up Servicer Facilitator, the Arranger, the Lead Manager, the Note Trustee, the Security Trustee, the Cash Manager or the Agents makes any representation, warranty or guarantee that the Seller or Retention Holder, or any other party, its affiliates or the transactions contemplated in this Prospectus will be in compliance with the Risk Retention Requirements, the U.S. Credit Risk Retention Requirements or the Volcker Rule.

None of the Transaction Account Bank, the Standby Account Bank, the Back-up Servicer Facilitator, the Arranger, the Lead Manager, the Note Trustee, the Security Trustee, the Cash Manager or the Agents is responsible for the obligations of the Retention Holder or the Issuer for compliance with the requirements (including existing or ongoing reporting requirements) of Article 7 of the UK Securitisation Regulation or any corresponding national measures which may be relevant.

The only persons authorised to use this Prospectus in connection with an offer of Notes is the Lead Manager.

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

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

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

U.S. Risk Retention

The Seller, as sponsor under the U.S. risk retention rules, does not intend to retain at least 5 per cent. of the credit risk of the securitised assets for the purposes of compliance with the final rules promulgated under Section 15g of the Securities Exchange Act of 1934, as amended (the "**U.S. Risk Retention Rules**"), but rather intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Consequently, except with the prior written consent of the Seller and where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules, the notes offered and sold by the issuer may not be purchased by, or for the account or benefit of, any "U.S. person" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. persons**"). Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of "U.S. person" in Regulation S and that persons who are not "U.S. persons" under Regulation S may be "U.S. persons" under the U.S. risk retention rules. Each purchaser of the Notes or a beneficial interest therein acquired in the initial syndication of the Notes by its acquisition of the Notes, or in each case a beneficial interest therein, will be deemed to have made certain representations and agreements, including that it (a) either (i) is not a Risk Retention U.S. person or (ii) has obtained a U.S. Risk Retention Consent, (b) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note, and (c) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. person, rather than a Risk Retention U.S. person, as part of a scheme to evade the 10 per cent. risk retention U.S. person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules).

MiFID II product governance

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (a) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (b) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the manufacturers' target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance/professional investors and ECPs only target market

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (a) the target market for the Notes is only eligible counterparties, as defined in the FCA Conduct of Business sourcebook, and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; and (b) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration

the manufacturer's target market assessment; however, a Distributor subject to the FCA handbook product intervention and product governance sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation – prohibition of sales to EEA retail investors

The Notes and any Certificates (then in issue) are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a "**retail investor**" means a person who is one (or more) of: (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (b) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (c) not a qualified investor as defined in the Regulation (EU) 2017/1129 (the "**EU 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 and any Certificates (then in issue) or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or any Certificates (then in issue) or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PRIIPs Regulation – prohibition of sales to UK retail investors

The Notes and any Certificates (then in issue) are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the EUWA; or (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (c) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or any Certificates (then in issue) or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or any Certificates (then in issue) or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Certain definitions

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

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

References in this Prospectus to the "**United States**" and "**U.S.**" are abbreviated references to the United States of America.

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

Unless the context otherwise requires, any reference to European Union law that is directly applicable or directly effective in the UK at any time is a reference to it as it applies in England and Wales, Scotland or Northern Ireland, as applicable, from time to time including as amended or re-enacted from time to time.

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

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

Governing law

The Transaction Documents are governed by the laws of England and Wales, save in relation to aspects specific to Scottish Mortgage Loans which are governed by the laws of Scotland, in relation to the Scottish Declaration of Trust and the Scottish Supplemental Charge which are governed by Scots law.

The Notes sold in reliance on Regulation S will be represented on issue by one or more Global Notes, in fully registered form without interest coupons or principal receipts attached. The Global Notes and Global Certificates then in issue are expected to be deposited with, and registered in the name of a nominee of, a Common Safekeeper, for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**").

Prospective purchasers should note that the Notes are not designed for, and may not be purchased or held by or on behalf of, any "employee benefit plan" as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), that is subject to Title I of ERISA, any "plan" as defined in Section 4975(e)(1) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), that is subject to Section 4975 of the Code, or any person or entity the underlying assets of which include, or are deemed under the U.S. Department of Labor regulation at 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA, or otherwise for the purposes of ERISA or Section 4975 of the Code to include, assets of such an employee benefit plan or plan by reason of such employee benefit plan's or plan's investment in the person or entity (each of the foregoing, a "**Benefit Plan Investor**"). Each purchaser of a Note (or any interest therein) will be deemed to have represented, warranted and agreed that it is not, and is not acting on behalf of (and for so long as it holds a Note or any interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or 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 the provisions of Section 406 of ERISA or Section 4975 of the Code ("**Similar Law**"), or, if it is a governmental, church or non-U.S. plan that is subject to any Similar Law, the acquisition, holding and disposition of such Note (or any interest therein) will not constitute or result in a violation of any such Similar Law.

Information as to placement within the U.S.

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 U.S. and may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from registration requirements of the Securities Act and any applicable state or local securities laws. Accordingly, the Notes are being offered and sold outside the U.S. to non-U.S. persons pursuant to Regulation S. For a description of certain restrictions on resales or transfers of the notes, see "*Subscription and Sale and Transfer and Selling Restrictions – Transfer restrictions*".

This Prospectus has been prepared by the Issuer solely for use in connection with the offering of the Notes. This Prospectus is personal to each potential investor to whom it has been delivered by the Issuer, the Lead Manager or any of their respective affiliates and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes and/or any Certificates (then in issue). Distribution of this Prospectus in the U.S. to any persons is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited. Additionally, each purchaser of Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this Prospectus under "*Subscription and Sale and Transfer and Selling Restrictions – Transfer restrictions*".

Subscription and Sale and Transfer and Selling Restrictions

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

Available information

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

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

Rounding adjustments

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

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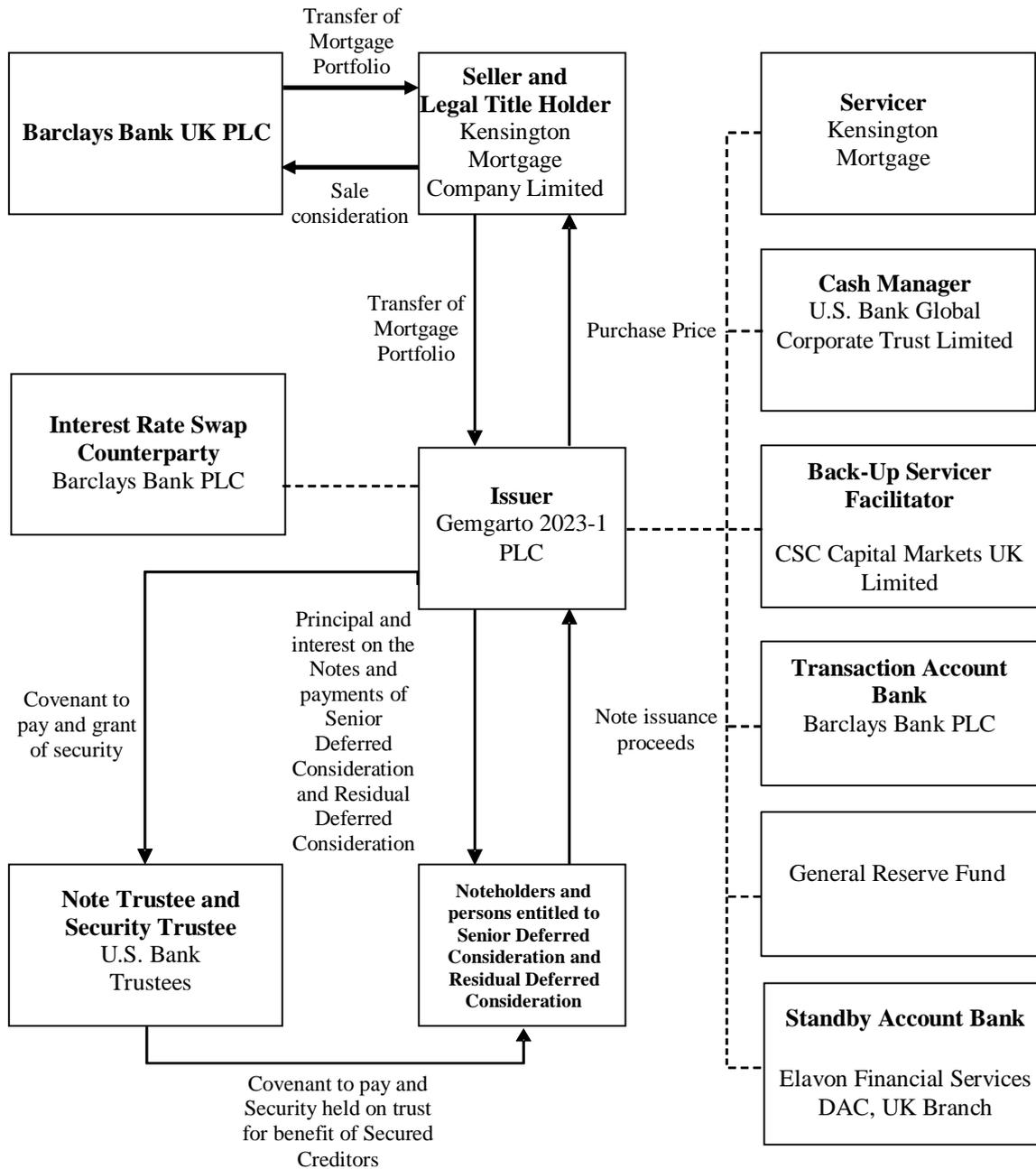
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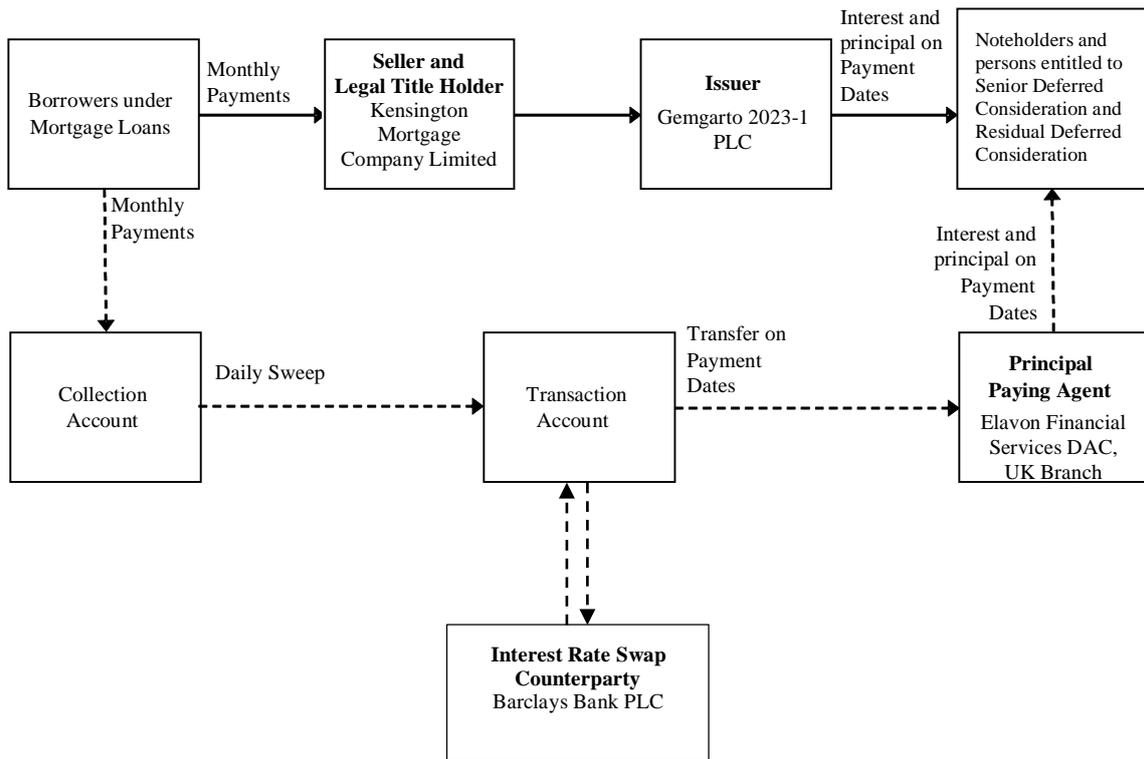
DIAGRAMMATIC OVERVIEWS

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

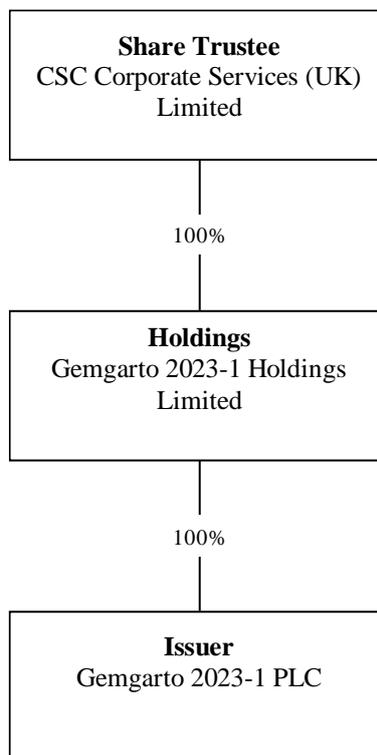
1. DIAGRAMMATIC OVERVIEW OF THE TRANSACTION



2. DIAGRAMMATIC OVERVIEW OF ONGOING CASHFLOWS



3. DIAGRAMMATIC OVERVIEW OF THE OWNERSHIP STRUCTURE



This diagram illustrates the ownership structure of the Issuer.

- (a) The Issuer is a wholly-owned subsidiary of Holdings.
- (b) The entire issued share capital of Holdings is held on trust by the Share Trustee under the terms of a discretionary trust. The Share Trustee is not affiliated with the Seller. The payments under the Notes or in respect of the Senior Deferred Consideration or Residual Deferred Consideration will not be affected by this arrangement. See "*Holdings*".

RISK FACTORS

This section describes the material risks associated with an investment in the Notes. It does not cover the material risks associated with an investment in any Certificates (then in issue, or material risks associated with the Senior Deferred Consideration and Residual Deferred Consideration (as applicable)). An investment in the Notes and any Certificates (then in issue, or entitlement to receive the Senior Deferred Consideration and Residual Deferred Consideration (as applicable)) involves substantial risks and is only suitable for investors experienced in financial matters who are in a position to fully assess the risks relating to such an investment and who have sufficient financial means to suffer any potential loss stemming therefrom.

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

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

1. RISKS RELATING TO THE AVAILABILITY OF FUNDS TO PAY THE NOTES

The Issuer has a limited amount of resources available to it to make payments on the Notes and towards the Senior Deferred Consideration and the Residual Deferred Consideration

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

The ability of the Issuer to make payments of interest on, and principal of, the Notes and amounts due in respect of the Senior Deferred Consideration and the Residual Deferred Consideration and to pay its operating and administrative expenses will therefore be dependent solely on Revenue Receipts and Principal Receipts in respect

of the Mortgage Loans in the Mortgage Portfolio, interest earned on certain amounts standing to the credit of the Transaction Account, income from any Authorised Investments and amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund. In addition, the Issuer will rely on the Interest Rate Swap to provide hedging in respect of certain interest rate variance risk to which the Notes are exposed in relation to the Fixed Rate Mortgage Loans in the Mortgage Portfolio.

Other than the foregoing, the Issuer will not have any other significant sources of funds available to meet its obligations under the Notes, its obligations in respect of the Senior Deferred Consideration and the Residual Deferred Consideration and/or any other payments (whether or not ranking in priority to the Notes and/or the Senior Deferred Consideration and the Residual Deferred Consideration). If the resources described above are insufficient, any such insufficiency will be borne by the Noteholders, persons entitled to receive the Senior Deferred Consideration and the Residual Deferred Consideration and the other Secured Creditors, subject to the applicable Priority of Payments.

If the Issuer has insufficient funds on a Payment Date, there will be a deferral of interest payments

If, on any Payment Date, the Issuer has insufficient funds to make payment in full of all amounts of interest (including any accrued interest thereon) due on the Notes (other than the Most Senior Class of Notes) or, in certain circumstances, towards payment of the Senior Deferred Consideration that would otherwise be payable (absent the deferral provisions in respect of the Notes (other than the Most Senior Class of Notes)) after having paid or provided for items of higher priority in the Pre-Enforcement Revenue Priority of Payments, then the Issuer will be entitled under Condition 6.9 (*Subordination by deferral*) of the Conditions or Certificate Condition 6.7 (*Subordination by deferral*) (as applicable) of the Certificate Conditions to defer payment of that amount (to the extent of the insufficiency) until the following Payment Date or such earlier date as the relevant Class of Notes or Senior Deferred Consideration or Residual Deferred Consideration becomes due and repayable in full in accordance with the Conditions or Certificate Conditions.

In the event that such amounts of interest are not paid in full on the Notes (other than the Most Senior Class of Notes), the Senior Deferred Consideration or Residual Deferred Consideration as a result of the deferral provisions in Condition 6.9 (*Subordination by deferral*) of the Conditions or Certificate Condition 6.7 (*Subordination by deferral*) (as applicable) as noted above, such failure will not constitute an Event of Default until the Final Redemption Date or such earlier date on which the Notes are redeemed in accordance with Condition 7.4 (*Mandatory Redemption in full or in part pursuant to the exercise of the Portfolio Purchase Option*), Condition 7.5 (*Mandatory Redemption in full pursuant to the exercise of the Refinancing Option*), Condition 7.6 (*Mandatory Redemption in full pursuant to the exercise of the Clean-up Purchase Option*), Condition 7.7 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*), Condition 7.8 (*Mandatory Redemption of the Notes following the exercise of a Regulatory Change Event Option*) or Condition 7.9 (*Optional redemption for tax and other reasons*) and the Note Trustee and the Security Trustee will not be able to accelerate the Notes or payments due in respect of the Senior Deferred Consideration and Residual Deferred Consideration or take any action to enforce the Security or to effect a sale or disposal of the Mortgage Portfolio.

Failure to pay interest on the Most Senior Class of Notes within any applicable grace period in accordance with the Conditions shall constitute an Event of Default under the Notes, which may result in the Notes being accelerated and the Security Trustee enforcing the Security.

The Liquidity Reserve Fund may not be available to cover all losses and at all times

The Liquidity Reserve Fund will be established on the Closing Date but will not be immediately funded from the proceeds of the Notes. Following the occurrence of the Liquidity Reserve Fund Trigger Event, the amount required, from time to time, to be standing to the credit of the Liquidity Reserve Ledger shall be an amount equal to the Liquidity Reserve Fund Required Amount. On the Closing Date and prior to the occurrence of the Liquidity Reserve Fund Trigger Event, the Liquidity Reserve Fund Required Amount will be zero. Available Principal Receipts will be available (in accordance with the Pre-Enforcement Principal Priority of Payments and following

the occurrence of a Liquidity Reserve Fund Trigger Event) to fund and replenish the Liquidity Reserve Fund in accordance with the requirements described herein. The Liquidity Reserve Fund will be available (following the occurrence of a Liquidity Reserve Fund Trigger Event) to be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments to pay Senior Revenue Amounts (but subject, where applicable, to the relevant PDL Condition being satisfied and only to the extent necessary after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (f) of the definition of "Available Revenue Receipts")) or in accordance with the Post-Enforcement Priority of Payments (as applicable). Any Liquidity Reserve Fund Excess Amount on a Payment Date will be applied as Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments. See further "*Credit Structure and Cashflows*". The Liquidity Reserve Fund will not be available to make up any shortfalls in amounts due to pay interest on any Class of Notes or towards payment of the Residual Deferred Consideration other than the Senior Deferred Consideration, the Class A Notes and (subject to the relevant PDL Condition being satisfied) the Class B Notes. No assurance can be made as to the effectiveness of such liquidity support features set out above, or that such features will support the Noteholders and persons entitled to receive Senior Deferred Consideration and the Residual Deferred Consideration from all risk of delayed payment and/or loss and the use thereof may lead to a reduction in the amounts available to the Issuer and ultimately affect its ability to make payments under the Notes and in respect of the Senior Deferred Consideration and the Residual Deferred Consideration.

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

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

Variation in the rate and timing of prepayments of principal on the Mortgage Loans may affect each Class of Notes. As a general matter, if prepayments on the Mortgage Loans occur less frequently than anticipated, then the amortisation of the Notes may take much longer than is presently anticipated and the actual yields on the Notes may be lower than anticipated. If the aggregate rates of prepayments and scheduled repayments fell to levels much lower than the historical CPR levels in respect of the Mortgage Portfolio, this may affect the repayment rates on any Notes. Alternatively, it is unlikely that the average lives of the Notes would be reduced unless CPRs rose to levels much higher than the historical CPR levels in respect of the Mortgage Portfolio (or the United Kingdom mortgage market in general). If prepayment rates decline, then the Issuer may have insufficient proceeds to repay Notes on the relevant scheduled maturity dates.

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

The rate of prepayment of Mortgage loans is influenced by a wide variety of economic, social and other factors, including the prevailing mortgage market interest rates, the availability of alternative financing programmes, local and regional economic conditions (including the deterioration of economic conditions caused by COVID-19 and Russia's invasion of Ukraine) and homeowner mobility. However, the rate of payment cannot be predicted. Subject to the terms and conditions of the Mortgage Loans, a Borrower may overpay or prepay principal at any time. No assurance can be given as to the level of prepayments that the Mortgage Portfolio will experience. Accelerated prepayments will lead to a reduction in the weighted average life of the Notes. 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, save where such decrease in interest rates arises as a result of action taken by government and/or the Bank

of England to ease the effects of any widespread economic, social or health emergency. 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 Mortgage Loan and its Related Security because, for example, one of the Mortgage Loans does not materially comply with the Mortgage Loan Warranties, then the payment received by the Issuer will have the same effect as a prepayment of all the relevant Mortgage Loans.

No assurance can be given as to the timing or level of redemption of the Notes.

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

Mortgage Loans subject to Product Switches and Further Advances may be repurchased by the Legal Title Holder, which will affect the prepayment rate of the Mortgage Loans, and this may affect the yield to maturity of the Notes

The Servicer may offer Product Switches to Borrowers in accordance with the Legal Title Holder's policy. In respect of any Product Switches, if a Borrower requests a Product Switch and the Servicer agrees to such request, provided the relevant Mortgage Loan is not in arrears (see "*The Servicer and the Servicing Agreement – Arrears and default procedures*" below) on the first Business Day after the Product Switch Effective Date, the Legal Title Holder agrees with the Issuer that the Legal Title Holder will repurchase the relevant Mortgage Loan and its Related Security pursuant to the terms of the Mortgage Sale Agreement at the time specified below. By the third Business Day after the Product Switch Effective Date, the Legal Title Holder will deliver a Product Switches Notice to the Issuer setting out the details of the relevant Mortgage Loan and its Related Security subject to such Product Switch which shall be repurchased by the Legal Title Holder. Upon receipt of the Product Switches Notice, the Issuer shall re-assign to the Legal Title Holder the relevant Mortgage Loan and its Related Security subject to a Product Switch and immediately following such re-assignment, the Legal Title Holder will be obliged to repurchase that Mortgage Loan and its Related Security together with any other Mortgage Loan secured or intended to be secured by such Related Security or any part of it in an amount equal to the Current Balance of such Mortgage Loan which shall be paid to the Issuer in accordance with the terms of the Servicing Agreement.

The Servicer may offer Further Advances to Borrowers. In respect of any Further Advances, if a Borrower requests a Further Advance and the Servicer agrees to such request, provided the relevant Mortgage Loan is not in arrears (see "*The Servicer and the Servicing Agreement – Arrears and default procedures*" below) on the first Business Day after the Further Advance was made, the Legal Title Holder agrees with the Issuer that the Legal Title Holder will repurchase the relevant Mortgage Loan and its Related Security pursuant to the terms of the Mortgage Sale Agreement. By the third Business Day after the Further Advance was made, the Legal Title Holder will deliver a Further Advance Notice to the Issuer setting out the details of the relevant Mortgage Loan and its Related Security subject to such Further Advance which shall be repurchased by the Legal Title Holder. Upon receipt of the Further Advances Notice, the Issuer shall re-assign to the Legal Title Holder the relevant Mortgage Loan and its Related Security subject to a Further Advance and, immediately following such re-assignment, the Seller will be obliged to repurchase that Mortgage Loan and its Related Security together with any other Mortgage Loan secured or intended to be secured by such Related Security or any part of it in an amount equal to the Current Balance of such Mortgage Loan which shall be paid to the Issuer in accordance with the terms of the Servicing Agreement.

The number of Further Advance and Product Switch requests received by the Servicer on behalf of the Legal Title Holder will affect the timing of principal amounts received by the Issuer and hence payments of principal and (in the event of a shortfall) interest on the Notes.

The yield to maturity of the Notes may be affected by the repurchase of any Mortgage Loan pursuant to any Further Advances or Product Switches as described above. For more information on Further Advances and

Product Switches, please see "*The Servicer and the Servicing Agreement – Further Advances*" and "*The Servicer and the Servicing Agreement – Product Switches*".

Certain call options may have an effect on prepayments on, or redemptions or repurchases of, the Mortgage Loans and this may affect the yield to maturity of the Notes

On any Payment Date on which the aggregate Current Balance of the Mortgage Loans in the Mortgage Portfolio (as of the immediately preceding Calculation Date) is less than or equal to 10 per cent. of the aggregate Current Balance of the Mortgage Loans in the Mortgage Portfolio as at the Cut-Off Date, the Issuer shall, following the exercise of the Clean-up Purchase Option by the Seller, redeem all of the Notes and cancel any Certificates (then in issue or terminate the obligation to pay Senior Deferred Consideration and Residual Deferred Consideration, as applicable). Pursuant to the Clean-up Purchase Option, the Seller has the option to elect to repurchase the Mortgage Loans from the Issuer subject to certain restrictions, as detailed in the section "*Early Redemption of the Notes pursuant to the Portfolio Purchase Option, Clean-up Purchase Option, Refinancing Option, Risk Retention Regulatory Change Option, Regulatory Change Event Option or Optional Redemption for Tax and Other Reasons*". There are no conditions or restrictions (whether by reference to time period or otherwise) on the exercise by the Seller of the Clean-up Purchase Option.

Pursuant to the Regulatory Change Event Option, following the occurrence of a Regulatory Change Event, and the Seller giving notice of its intention to exercise the Regulatory Change Event Option, the Portfolio Option Holder (or its nominee) may elect to purchase the Mortgage Loans under the Portfolio Purchase Option. In the event that the Portfolio Option Holder (or its nominee) does not elect to purchase the Mortgage Loans, the Seller may offer to repurchase the Mortgage Loans. The Issuer shall, following the exercise of the Regulatory Change Event Option, redeem all of the Notes and cancel any Certificates (then in issue or terminate the obligation to pay Senior Deferred Consideration and Residual Deferred Consideration, as applicable) in accordance with Condition 7.8 (*Mandatory Redemption of the Notes following the exercise of a Regulatory Change Event Option*).

Pursuant to the Portfolio Purchase Option, the Portfolio Option Holder has the right to require the Issuer to redeem (in whole and not in part) the Notes (or in respect of the Retention Holder Notes, which will not be redeemed and will be left outstanding in limited specified circumstances) on or after the Optional Redemption Date, subject to certain restrictions, as detailed in the section "*Early Redemption of the Notes pursuant to the Portfolio Purchase Option, Clean-up Purchase Option, Refinancing Option, Risk Retention Regulatory Change Option, Regulatory Change Event Option or Optional Redemption for Tax and Other Reasons*". The Portfolio Option Holder is not obliged to exercise its rights in respect of the Portfolio Purchase Option on or after the Optional Redemption Date or at any time thereafter and, as such, no assurance can be given that the Notes will be redeemed in full or, where relevant, in part on or following the Optional Redemption Date.

Pursuant to the Refinancing Option, the Refinancing Option Holder has the right to require the Issuer to redeem (in whole and not in part) the Notes on the First Optional Redemption Date or any Payment Date thereafter and to issue new notes (and, where applicable, certificates) on the Refinancing Date, subject to certain restrictions, as detailed in the section "*Early Redemption of the Notes pursuant to the Portfolio Purchase Option, Clean-up Purchase Option, Refinancing Option, Risk Retention Regulatory Change Option, Regulatory Change Event Option or Optional Redemption for Tax and Other Reasons*". The Refinancing Option Holder is not obliged to exercise its rights in respect of the Refinancing Option on the First Optional Redemption Date or at any time thereafter and, as such, no assurance can be given that the Notes will be redeemed in full on or following the First Optional Redemption Date as a result of such a refinancing of the Mortgage Portfolio.

Pursuant to the Risk Retention Regulatory Change Option, if the Seller and the Retention Holder jointly determine that a Risk Retention Regulatory Change Event has occurred, and the Risk Retention Regulatory Change Event Option Holder gives notice of its intention to exercise the Risk Retention Regulatory Change Option, the Portfolio Option Holder (or its nominee) may elect to purchase the Mortgage Loans under the Portfolio Purchase Option. In the event that the Portfolio Option Holder (or its nominee) does not elect to purchase the Mortgage Loans, the Retention Holder (or any of its nominees) has the right (but not the obligation) pursuant to the Retention Holder Deed Poll to acquire (or procure the acquisition of) the entire beneficial interest of the Issuer in the Mortgage

Portfolio and thereby effect a redemption of the Notes following the occurrence of a Risk Retention Regulatory Change Event. In the event that neither the Portfolio Option Holder (or its nominee) nor the Retention Holder (or any of its nominees) elects to purchase the Mortgage Loans, the Seller (or any of its nominees) has the right (but not any obligation) to re-acquire (or procure the re-acquisition of) the entire beneficial interest of the Issuer in the Mortgage Portfolio and thereby effect a redemption of the Notes following the occurrence of a Risk Retention Regulatory Change Event. The Notes are subject to mandatory redemption following the occurrence of a Risk Retention Regulatory Change Event if the Portfolio Option Holder exercises the Portfolio Purchase Option or the Retention Holder or the Seller (or any of their delegates) (as applicable) exercises its Risk Retention Regulatory Change Option in accordance with Condition 7.7 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*). Subject to the Conditions, the Portfolio Option Holder has the right to exercise the Portfolio Purchase Option on the First Optional Redemption Date or any Payment Date following the First Optional Redemption Date. See further "*Terms and Conditions of the Notes*".

In addition, subject to the Conditions, and the Seller giving notice of its intention to exercise the Tax/Illegality Option, the Portfolio Option Holder (or its nominee) may exercise the Portfolio Purchase Option to elect to purchase the Mortgage Loans if a Tax/Illegality Event has occurred. If the Portfolio Option Holder (or its nominee) does not elect to purchase the Mortgage Loans upon the occurrence of such Tax/Illegality Event, the Seller may elect to repurchase the Mortgage Loans. See further "*Terms and Conditions of the Notes*".

The New Issue Conditions Precedent must in the reasonable opinion of KMC in its capacity as Servicer and Legal Title Holder be satisfied prior to the Refinancing Option Holder or the Portfolio Option Holder purchasing any Mortgage Loans pursuant to the Portfolio Purchase Option or executing the Refinancing pursuant to the Refinancing Option. One of the New Issue Conditions Precedent is that KMC in such capacities is of the opinion that the exercise of the relevant Option and the entry into any agreements or arrangements in connection with such Option would not cause it (in such respective capacities) or Barclays Bank UK PLC to be in breach of any Ring-Fencing Rules (as determined in its sole opinion). The Ring-Fencing Rules are subject to ongoing review by the UK government and may be subject to change at the conclusion of that review. There is also limited guidance from the HM Treasury and the PRA on the scope of and/or exercise of certain exclusions and/or exemptions under this regime. No assurance can be given that such New Issue Conditions Precedent will be met in order for the relevant Option to be exercised in accordance with its terms and as such, no assurance can be given that the Notes will be redeemed in full on or following occurrence of the events giving rise to such relevant Option.

There is no obligation on any party to the transaction to purchase or repurchase the Mortgage Portfolio and the Issuer is not required to accept any such offer to repurchase. As such, no assurance can be given that the Notes will be redeemed in full on or following the occurrence of the circumstances described above.

Any redemption of the Notes and cancellation of any Certificates (then in issue or termination of the obligation to pay Senior Deferred Consideration and Residual Deferred Consideration, as applicable) following such matters, in particular where such an event occurs within a short time of the Closing Date, may adversely affect the yield to maturity of the Notes and/or the amounts payable in respect of the Senior Deferred Consideration and Residual Deferred Consideration. There is no assurance that Noteholders or persons entitled to Senior Deferred Consideration and Residual Deferred Consideration will be able to reinvest the proceeds of such redemption or cancellation at the same or a higher rate than the return they would have earned on the Notes and/or in respect of any Senior Deferred Consideration and Residual Deferred Consideration had they not been redeemed or cancelled, as applicable. In particular, there is no assurance that persons entitled to Senior Deferred Consideration and Residual Deferred Consideration would receive any amounts on such an early redemption.

The Issuer's ability to pay amounts due on the Notes and towards the Senior Deferred Consideration and the Residual Deferred Consideration may be affected by a high rate of default on the Mortgage Loans

The amounts required to pay amounts due on the Notes and towards the Senior Deferred Consideration and the Residual Deferred Consideration are generated substantially from payments of interest and principal pursuant to the Mortgage Loans. Where defaults in payment on the Mortgage Loans occur, there is a risk that the payments made under the remaining Mortgage Loans (where no default has occurred) may not be sufficient to pay amounts

due on the Notes and towards the Senior Deferred Consideration and the Residual Deferred Consideration on the relevant Payment Dates or Final Redemption Dates or at all.

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

The combined effect of the above is that there may be several months between the date of any default occurring under any Mortgage Loan and the time when the proceeds of the sale of the security for such Mortgage Loan are available to repay such Mortgage Loan. During this period there may be no payments made under the relevant Mortgage Loan (thus increasing the amount of the arrears) and there may also be costs and expenses (for example, maintenance costs, insurance premiums and/or the costs of providing services and/or enforcing the security) relating to the property which would need to be discharged. There can be no assurance, at the end of such process, that such realisation proceeds would be sufficient to discharge payments due in respect of the relevant Mortgage Loan. The Issuer's ability to make payments on the Notes and towards the Senior Deferred Consideration and the Residual Deferred Consideration may therefore be reduced.

There may be insufficient funds available to repay the Noteholders and persons entitled to receive Senior Deferred Consideration and the Residual Deferred Consideration as a result of income or principal deficiencies

If on any Payment Date prior to the service of an Enforcement Notice or the redemption in full 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, as a result of shortfalls in Available Revenue Receipts there would be a Revenue Shortfall, the Issuer shall apply Available Principal Receipts (if any) in accordance with item (ii) of the Pre-Enforcement Principal Priority of Payments to cure such Revenue Shortfall (subject, where applicable, to satisfaction of the relevant PDL Condition) (such reapplied amounts, the "**Principal Addition Amounts**").

The application of any Available Principal Receipts as Principal Addition Amounts together with any Losses and any drawing of the Liquidity Reserve Fund will be recorded as a debit to the Principal Deficiency Ledger.

Such debits will be recorded in sequential order to the Class G Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class G Notes then outstanding, Class F Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class F Notes then outstanding, Class E Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class E Notes then outstanding, the Class D Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class D Notes then outstanding, the Class C Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class C Notes then outstanding, the Class B Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class B Notes then outstanding and the Class A Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class A Notes then outstanding.

During the course of the life of the Notes, some but not necessarily all principal deficiencies (should they arise) recorded to the Principal Deficiency Ledger 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 *first* the Class A Principal Deficiency Sub-Ledger, *second* the Class B Principal Deficiency Sub-Ledger, *third* the Class C Principal Deficiency Sub-Ledger, *fourth* the Class D Principal Deficiency Sub-Ledger, *fifth* the Class E Principal Deficiency Sub-Ledger, *sixth* the Class F Principal Deficiency Sub-Ledger and *seventh* the Class G Principal Deficiency Sub-Ledger.

If there are insufficient funds available as a result of such income or principal deficiencies, then one or more of the following consequences may ensue:

- (a) the Available Revenue Receipts and Available Principal 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
- (b) there may be insufficient Available Revenue Receipts and Available Principal Receipts to repay the Notes on or prior to the Final Redemption Date of the Notes.

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

Subordination of other Classes may not protect Noteholders or persons entitled to receive Senior Deferred Consideration and the Residual Deferred Consideration from all risk of loss

To the extent that the Issuer does not have sufficient funds to satisfy its obligations to all its creditors, the holders of the lower ranking Notes and persons entitled to receive the Residual Deferred Consideration 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 or persons entitled to receive Senior Deferred Consideration from all or any risk of loss. There is no assurance that these subordination rules will protect the holders of Notes or persons entitled to receive Senior Deferred Consideration and the Residual Deferred Consideration from all risk of loss.

In addition to the above, payments on the Notes and towards the Senior Deferred Consideration and the Residual Deferred Consideration are subordinate to payments of certain fees, costs and expenses payable to the other Secured Creditors and certain third parties.

Payments of principal in respect of all Classes of Notes will be subordinate to payments of any Principal Addition Amounts.

Details of the terms of the subordination of the Notes, the Senior Deferred Consideration and the Residual Deferred Consideration are further set out in "*Credit Structure and Cashflows – Available Revenue Receipts*", "*Credit Structure and Cashflows – Available Principal Receipts*" and "*Credit Structure and Cashflows – Application of Available Funds following the delivery of an Enforcement Notice*".

2. RISKS RELATING TO THE MORTGAGE LOANS

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

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

Borrowers may default on their obligations due under the Mortgage Loans through failure to pay amounts due under the Mortgage Loans. Defaults by Borrowers may occur for a variety of financial and personal reasons which may, individually or in combination, lead to an increase in delinquencies by and bankruptcies of Borrowers and could adversely affect the ability of Borrowers to make scheduled payments on their Mortgage Loans. Certain national and international macro-economic factors – for example, natural or other disasters, including terrorist attacks and epidemic outbreaks (as to which, see, in particular, section (f) *Geographic concentration* below) – may also contribute to or hinder the economic health of a Borrower and thus the economic performance of the Mortgage Portfolio. Recent geopolitical and economic risks, including those resulting from Russia's invasion of Ukraine, could impact the UK economy, in particular by pushing up energy and oil prices and increasing inflation (and increasing the cost of living) further which negatively impacts household and business incomes, could have an adverse effect on the ability of Borrowers to make payments on their Mortgage Loans, decrease loan redemption levels, increase loan delinquency rates and increase loan losses, which may also result in losses on the Notes and the Certificates.

In addition, the ability of a Borrower to sell a Charged Property given as security for a Mortgage Loan at a price sufficient to repay amounts outstanding under that Mortgage Loan will depend on a number of factors, including the availability of buyers for that Charged Property, the value of that Charged Property and property values in general at that time.

(b) *Increases in prevailing market interest rates may adversely affect the performance of the Mortgage Portfolio*

The UK economy is experiencing a range of economic effects with uneven impacts. As at the date of this Prospectus, the UK is experiencing high energy prices, rapid increases in inflation and the cost of living, termed by many as a "cost of living crisis" (the cost of living in the UK having risen at its fastest rate in 30 years) which could lead to further economic stress as consumers reduce their household expenditure leading to a negative impact on businesses (in particular those in the retail and service sectors). Developments such as consumer energy price inflation and disruption to global supply chains alongside elevated global demand for goods and supply shortages of specific goods have led to recent inflationary pressure. After a period, during which the UK has benefited from a historically low interest rate climate as the Bank of England attempted to limit the slowdown in economic activity in the UK since the global financial crisis, the Bank of England's Monetary Policy Committee has reversed its policy and increased its base rate to 5.25%, as at the date of this Prospectus in response to recent inflationary pressure (see section (d) *Levels of arrears* below). Further inflationary pressure may result in further interest rate increases over time. In addition, market expectations for future base rate changes have resulted in increases in new mortgage rates for all UK lenders. Further interest rate increases, including of the Bank of England base rate, could adversely affect Borrowers' disposable income and ability to meet their payment obligations under their Mortgage Loans, particularly against a background of price rises for essential goods, and thus arrears and default levels on the Mortgage Loan may increase. If inflationary pressure on prices combines with suppressed wage growth, there is the potential for stagflation. Widespread economic impacts have the potential to create contagion effects. A deflationary environment may negatively affect property values.

Further increases in the Bank of England base rate may result in Borrowers with a Mortgage Loan subject to a variable rate of interest, or for which the related interest rate adjusts following an initial fixed rate, as applicable, being exposed to increased Monthly Payments as and when the related mortgage interest rate increases (or, in the case of the latter, at the end of the relevant fixed period). This increase in

Borrowers' Monthly Payments, which (in the case of the latter) may be compounded by any further increase in the related mortgage interest rate during the relevant fixed period, may ultimately result in higher delinquency rates and losses in the future.

Borrowers seeking to avoid these increased Monthly Payments by refinancing their Mortgage Loans may no longer be able to find available replacement loans at comparably low interest rates. Any decline in housing prices may also leave Borrowers with insufficient equity in their homes to permit them to refinance. In addition, the ongoing conflict in Ukraine could also impact interest rates.

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

(c) *Values of residential property may decline*

There are conflicting indicators around the robustness of the United Kingdom's residential housing market with some house price falls being registered and confidence falling. There has been direct Bank of England intervention in the housing market through limits on loan-to-income ratios and such action may become more extensive. Downturns in the United Kingdom economy (due to local, national and/or global macroeconomic factors) generally may have a negative effect on the housing market. In addition, any natural disasters, or widespread health crises (such as a pandemic or epidemic), government policies, action or inaction in response to such crises or such potential crises (including, but not limited to, the COVID-19 pandemic), and/or the fear of any such crises whether in the United Kingdom or in any other jurisdiction, may lead to a deterioration of economic conditions in the United Kingdom and also globally and may reduce the value of the affected Mortgaged Properties. If the residential property market in England, Wales and/or Scotland experiences a decline in property values, the value of the Mortgaged Property could be significantly reduced, thereby potentially resulting in: (i) the inability of Borrowers to sell the relevant Mortgaged Property at an appropriate level, which could ultimately have an adverse impact on the ability of Borrowers to repay the Mortgage Loans; (ii) the inability to recover sufficient proceeds following the enforcement of the Mortgage for a Mortgage Loan in default to repay in full the amounts outstanding under that Mortgage Loan; (iii) Borrowers having insufficient equity in their homes to refinance their Mortgage Loans; and/or (iv) ultimately, losses to the Noteholders and persons entitled to the Senior Deferred Consideration and the Residual Deferred Consideration if the Security is required to be enforced following an Event of Default.

(d) *Levels of arrears*

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

(e) *Servicing of the Mortgage Portfolio*

Pursuant to the terms of the Servicing Agreement, the Servicer is required to administer the Mortgage Portfolio in accordance with the then applicable Servicer's policy, which includes procedures which relate to the day-to-day servicing of performing Mortgage Loans, the setting of interest rates on Mortgage

Loans and how the Servicer manages and handles Mortgage Loans in arrears, default and repossession. In summary, the Servicer is required to administer the Mortgage Portfolio (including making offers of Further Advances and Product Switches) in the same manner as the Servicer administers its own mortgage account portfolio and also as would a Prudent Mortgage Lender servicing mortgages in the UK. Failure of the Servicer to perform its functions in accordance with the terms of the Servicing Agreement may ultimately lead to the termination of the appointment of the Servicer, but any such failure may also have had an impact on the ability of the Issuer to collect in a full and/or timely manner Revenue Receipts or Principal Receipts. In addition, any such failure of the Servicer to carry out its services in accordance with the standards and duty of care required under the Servicing Agreement may have an adverse effect on the market value of the Mortgage Loans and which may, ultimately, result in losses to the Noteholders and persons entitled to receive the Senior Deferred Consideration and the Residual Deferred Consideration in the event the security granted by the Issuer is required to be enforced under the Deed of Charge following an Event of Default.

(f) *Geographic concentration*

Mortgage Loans in the Mortgage 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 Mortgage Loans in such a region may be expected to exacerbate the risks relating to the Mortgage Loans described in this section. Certain geographic regions within the United Kingdom rely on different types of industries. Any downturn in a local economy or particular industry may adversely affect the regional employment levels and the strength of the rental markets and, consequently, the repayment ability of the Borrowers in that region or in the region that relies most heavily on that industry. Government actions taken in response to a downturn may include cuts in public benefits or public sector employment, or other austerity measures that may directly affect Borrowers by reducing or eliminating their income, which could impact their ability to pay their debts. Private businesses may also reduce hiring or implement layoffs or reduce hours of work, which would potentially affect Borrowers. In addition, self-employed Borrowers may see a reduction in volume of work and/or income. Different geographic areas of the United Kingdom might be impacted differently by any economic downturn and by any government action taken or inaction in relation to it.

In addition, any natural disasters or widespread health crises or the fear of such crises (including, but not limited to, COVID-19, measles, SARS, Ebola, H1N1, Zika, avian influenza, swine flu (or any strain of the foregoing), or other epidemic and/or pandemic diseases) in a particular region may weaken economic conditions and reduce the value of affected Mortgaged Properties and/or negatively impact the ability of affected Borrowers to make timely payments on the Mortgage Loans. In addition, governmental action or inaction in respect of, or responses to, any widespread health crises or such potential crises (such as those mentioned previously), whether in the United Kingdom or in any other jurisdiction, may lead to a deterioration in economic conditions both globally and within the United Kingdom. This may result in a loss being incurred upon sale of the Mortgaged Property and/or otherwise affect receipts on the Mortgage Loans. Given the unpredictable effect such factors may have on the local, national or global economy, no assurance can be given as to the impact of any of the matters described in this paragraph (f) and, in particular, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes.

If the timing of the payments, as well as the quantum of such payments, in respect of the Mortgage Loans is adversely affected by any of the risks described above, then payments on the Notes could be reduced and/or delayed and could ultimately result in losses on the Notes.

Repurchases of Mortgage Loans by the Legal Title Holder or the Seller (as applicable) may have the same effect as prepayments on the Mortgage Loans

If the Legal Title Holder or Seller (as applicable) repurchases a Mortgage Loan from the Issuer, including, without limitation, if that Mortgage Loan:

- (a) is subject to a Product Switch and the relevant Mortgage Loan is not in arrears on the first Business Day after the Product Switch Effective Date (see "*The Servicer and the Servicing Agreement – Arrears and default procedures*" below);
- (b) is subject to a Further Advance, provided such Mortgage Loan is not in arrears (see "*The Servicer and the Servicing Agreement – Arrears and default procedures*" below) on the first Business Day after the Further Advance was made; or
- (c) is in breach of the Mortgage Loan Warranties, where that breach has a material adverse effect on that Mortgage Loan or its Related Security,

then the payment received by the Issuer, pursuant to such repurchase, may have the same effect as a prepayment of such Mortgage Loans, and the yield to maturity of the Notes may consequently be affected. The number and timing of any such repurchases are not within the control of the Issuer. Accordingly, no assurance can be given as to the level of effective prepayments that the Mortgage Portfolio may experience as a result, which may in turn affect the yield to maturity of the Notes of each Class. See "*Risks relating to the availability of funds to pay the Notes – Effects of prepayments on, or redemptions or repurchases of, the Mortgage Loans on the yield to maturity of the Notes*" and "*Risks relating to the availability of funds to pay the Notes – Mortgage Loans subject to Product Switches and Further Advances may be repurchased by the Legal Title Holder, which will affect the prepayment rate of the Mortgage Loans, and this may affect the yield to maturity of the Notes*".

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

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

If any Mortgage Loan Warranty is untrue on the Cut-Off Date, and such breach could have a material adverse effect on such Mortgage Loan and/or its Related Security, then, in the first instance, the Seller will be required to remedy the error (if capable of remedy) within 90 days of (i) notification of such breach by the Seller to the Issuer and Security Trustee, which notification shall be made, in case of a breach which is capable of remedy, no later than 30 days from the date of the Seller becoming aware of such breach or (ii) receipt by the Seller of a notice from the Issuer or, following the delivery of an Enforcement Notice, the Security Trustee.

If the error is not remedied by the Seller or waived within such 90 day-period, or if the error is not capable of remedy, then the Issuer will re-assign the relevant Mortgage Loan and its Related Security to the Seller (or its nominee) and the Legal Title Holder (or its nominee) will be required to repurchase from the Issuer (a) the relevant Mortgage Loan and its Related Security and (b) any other Mortgage Loans of the relevant Borrower secured or intended to be secured by the same and their Related Security or any part of it that are in the Mortgage Portfolio, in an amount equal to the aggregate of the Current Balance and all Arrears of Interest and Accrued Interest thereof and expenses payable relating thereto (excluding, if applicable, the amount of any Further Advance which has not yet been paid for by the Issuer) as at the date of completion of such repurchase.

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

Provisional Portfolio

The information in the section entitled "*Characteristics of the Provisional Portfolio*" has been extracted from the systems of the Seller as at 31 August 2023 (the "**Portfolio Reference Date**"). The pool of Mortgage Loans from which the Mortgage Portfolio will be selected (the "**Provisional Portfolio**") as at the Portfolio Reference Date comprises 3,059 Mortgage Loans with an aggregate Current Balance of £573,430,921. The characteristics of the Mortgage Portfolio as at the Closing Date will vary from those of the Provisional Portfolio as a result of Mortgage Loans which redeem prior to the Closing Date. Accordingly, there may be material changes in the characteristics of the Mortgage Portfolio between the Portfolio Reference Date and the Closing Date, which may adversely affect the quality of the Mortgage Loans and their Related Security in the Mortgage Portfolio and accordingly the ability of the Issuer to make payments on the Notes and towards the Senior Deferred Consideration and the Residual Deferred Consideration. See sections "*The Mortgage Loans and the Mortgage Portfolio*" and "*Characteristics of the Provisional Portfolio*" for more detail.

Risk of losses associated with high LTV Mortgage Loans

As of the Portfolio Reference Date, the Mortgage Loans have a weighted average indexed loan-to-value ratio (calculated by dividing the aggregate Current Balance of all sub-accounts with respect to each Mortgage Loan (including capitalised interest and capitalised fees) as at the Cut-Off Date by the lower of the purchase price or the valuation of the mortgaged property securing such Mortgage Loan as determined by the relevant valuation by the Seller) of 84.33 per cent. Mortgage Loans with higher loan-to-value ratios and typically experience higher rates of delinquency, write-offs, enforcement and bankruptcy than mortgage loans with lower loan-to-value ratios, which may impact the ability of the Issuer to meet its payment obligations under the Notes.

3. RISKS RELATING TO THE STRUCTURE AND THE NOTES

The Notes and the requirement to pay Senior Deferred Consideration and Residual Deferred Consideration are limited recourse obligations of the Issuer

The Notes and the requirement to pay Senior Deferred Consideration and Residual Deferred Consideration are limited recourse obligations of the Issuer. If at any time following:

- (a) the occurrence of either:
 - (i) the Final Redemption Date or any earlier date upon which all of the Notes are due and payable; or
 - (ii) the service of an Enforcement Notice; and
- (b) the realisation of the Charged Property and application in full of any amounts available to pay amounts due and payable under the Notes and all claims ranking in priority to payments under the Notes in accordance with the applicable Priority of Payments,

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

Apart from the Security Trustee, none of the Secured Creditors, including the Noteholders and persons entitled to receive Senior Deferred Consideration and the Residual Deferred Consideration, will be entitled to institute against the Issuer any bankruptcy, reorganisation, arrangement, examinership, insolvency or liquidation

proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligation relating to the Notes or the other Transaction Documents unless (i) the Security Trustee has become bound to institute proceedings and has failed to do so within a reasonable period of becoming so bound and (ii) such failure is continuing, and then only if and to the extent that such Secured Creditor is able to do so under applicable law.

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

The ratings (if any) assigned by DBRS and Moody's to the Rated Notes address their respective opinions on the likelihood of in the case of:

- (a) Moody's: (i) the likelihood of timely payment of interest and full and timely payment of principal (a) to the holders of the Class A Notes and the Class B Notes, and (b) where the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, respectively, are the Most Senior Class of Notes, to the holders of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes; (ii) the likelihood of full payment to the holders of the Rated Notes (other than the Class A Notes and the Class B Notes) of all payments of interest in relation to the Rated Notes on or prior to the Final Redemption Date; and (iii) the likelihood of full and ultimate payment to the holders of the Rated Notes of principal in relation to the Rated Notes on or prior to the Final Redemption Date; and
- (b) DBRS, (i) the likelihood of full and timely payment of interest and ultimate payment of principal on the Class A Notes on or before the Final Redemption Date, and (ii) in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, the likelihood of timely payment of interest on the relevant Class of Notes (only while that Class of Notes is the Most Senior Class) and, at all other times, ultimate payment of interest and ultimate repayment of principal on the relevant Class of Notes on or before the Final Redemption Date.

The Issuer has not requested that the Class Z Notes or any Certificates (then in issue) be rated by the Rating Agencies.

Any Rating Agency may lower, withdraw, qualify or suspend its rating of a Class of Notes at any time and for any reason, including as a result of changes in, or unavailability of, information or a revision of its relevant rating criteria or rating methodology or if, in the sole judgement of the Rating Agency, the credit quality of such Notes has declined or is in question or circumstances so warrant. If any rating assigned to a Class of Notes is subsequently suspended, lowered, withdrawn or qualified, the market value of the Notes may be reduced.

Except as described above, the Issuer has not requested a rating of any Class of Notes by any rating agency other than the Rating Agencies; there can be no assurance, however, as to whether any other rating agency will rate any Class of Notes or, if it does, what rating would be assigned by such rating agency. Any rating assigned by such other rating agency to a Class of Notes could be lower than the rating assigned by the Rating Agencies to such Class of Notes, and could have an adverse effect on the value of the Rated Notes. Rating agencies other than the Rating Agencies could seek to rate the Rated Notes and if such unsolicited ratings are lower than the comparable ratings assigned to the Rated Notes by the Rating Agencies, those unsolicited ratings could have an adverse effect on the value of the Rated Notes. For the avoidance of doubt and unless the context otherwise requires, any reference to "**ratings**" or "**rating**" in this Prospectus is to the ratings assigned by the Rating Agencies only.

As highlighted above, the ratings assigned to the Rated Notes by each Rating Agency are based on, among other things, the issuer default rating and the short-term and/or long-term unsecured, unguaranteed and unsubordinated debt ratings, or its equivalent, of the Transaction Account Bank and the Collection Accounts Provider and any replacement Collection Accounts 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 that has the ratings required to maintain the then current ratings of the Rated Notes, noting that the Standby Account Bank has been appointed by the Issuer. If a replacement counterparty with the requisite ratings cannot

be found, this is likely to have an adverse impact on the rating of the Rated Notes and, as a consequence, the resale price of the Rated Notes in the market and the prima facie eligibility of certain classes of the Rated Notes for use in liquidity schemes established by, inter alios, various central banks.

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

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

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

The Issuer is not obliged on or following a revision by a Rating Agency of its rating criteria or rating methodology to take steps to amend any of the Transaction Documents in order to maintain the then current rating by that Rating Agency of a Class of Notes. However, the Note Trustee and the Security Trustee may, and, in certain circumstances and subject to certain conditions being met, will, be obliged to, agree to such amendments (if so proposed) without the consent of Noteholders (see "*Risks relating to Changes to the Structure and the Documents – Conflict between Noteholders and persons entitled to receive Senior Deferred Consideration or Residual Deferred Consideration, and other Secured Creditors*", "*Risks relating to Changes to the Structure and the Documents – Conflict between Classes of Noteholders or persons entitled to receive Senior Deferred Consideration and Residual Deferred Consideration*" and Condition 13.6) or with the consent of Noteholders provided by way of an Extraordinary Resolution (see Condition 13 (*Meetings of Noteholders, modifications and waiver*)).

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 (a) is permitted by the terms of the Transaction Documents or (b) is in the best interests of, or not prejudicial to, the Noteholders of the Rated Notes. While entitled to have regard to the fact that the Rating Agencies have confirmed 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 of the Rated Notes), the Issuer, the Note Trustee, the Security Trustee or any other person or create any legal relationship between the Rating Agencies and the Secured Creditors (including the Noteholders of the Rated Notes), the Issuer, the Note Trustee, the Security Trustee or any other person whether by way of contract or otherwise. In addition, the Note Trustee and/or the Security Trustee, as applicable, may, but is not required to, have regard to any Rating Agency Confirmation.

Any such Rating Agency Confirmation may or may not be given in 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 the 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 have formed 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 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 or more Rating Agencies (each such Rating Agency, a "**Non-Responsive Rating Agency**") indicates that it does not consider such Rating Agency Confirmation or response necessary in the circumstances or that it does not, as a matter of practice or policy, provide such Rating Agency Confirmation or response or (B) within 30 days of delivery of such request, no Rating Agency Confirmation or response is received and/or such request elicits no statement by such Rating Agency that such Rating Agency Confirmation or response could not be given and (ii) the Issuer has otherwise received no indication from that Rating Agency that its then current rating of the Rated Notes would be reduced, qualified, withdrawn or put on negative watch as a result of such step, action or matter, then such condition to receive a Rating Agency Confirmation or response from each Rating Agency shall be modified so that there shall be no requirement for the Rating Agency Confirmation or response from the Non-Responsive Rating Agency if the Issuer provides to the Note Trustee and the Security Trustee a certificate signed by two directors certifying and confirming that (I) a written request for such Rating Agency Confirmation has been delivered to each Rating Agency by or on behalf of the Issuer and (II) each of the events in paragraph (i)(A) or (B) and (ii) above has occurred, and each of 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.

The Notes may be subject to interest rate risks

As at the Closing Date, the Mortgage Loans in the Mortgage Portfolio are Fixed Rate Mortgage Loans that pay interest at a fixed rate for a specified period of time, and at the expiration of such period are subject to a variable rate of interest that is reset quarterly for the subsequent quarterly period and applied monthly (a forward-looking calculation), as the sum of (a) (i) the Bank of England base rate and (ii) a lender funding cost adjustment of

between 0.00 per cent. and 1.00 per cent ("**Kensington Standard Rate**"), and (b) a margin set out in the applicable Mortgage Conditions, and Floating Rate Mortgage Loans that are subject to such variable rate of interest. However, these interest rates on the Mortgage Loans will not necessarily match the rates of interest payable on the Notes, which is calculated pursuant to a margin over SONIA. The Issuer has entered into an Interest Rate Swap Agreement and an Interest Rate Swap with respect to the Fixed Rate Mortgage Loans sold to the Issuer under the Mortgage Sale Agreement in order to hedge its exposure against the variance between the fixed rate of interest payable in respect of those Fixed Rate Mortgage Loans and any Floating Rate Notes. Note, however, that as at the date of this Prospectus, the Issuer has not entered into any Interest Rate Swap Agreement with respect to any Floating Rate Mortgage Loans in the Mortgage Portfolio, and, accordingly, no assurance can be given that the Issuer may be exposed to basis risk in respect of these Mortgage Loans.

If the Interest Rate Swap Agreement terminates, the Issuer will, in addition to the above, be exposed to the variance between the rates of interest payable on the Fixed Rate Mortgage Loans and the floating rate of interest payable on the Floating Rate Notes ("**Floating Rate of Interest**"). Unless replacement Interest Rate Swaps are entered into, the Issuer may have insufficient funds to make payments due on the Notes of any Class or towards the Senior Deferred Consideration and the Residual Deferred Consideration.

4. LEGAL AND REGULATORY RISKS RELATING TO THE STRUCTURE AND THE NOTES

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

The rate of interest for the Floating Rate Notes will be determined on the basis of Compounded Daily SONIA. Compounded Daily SONIA is a backward-looking, risk-free overnight rate. The use of SONIA as a reference rate for Eurobonds is nascent, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing SONIA.

Accordingly, prospective investors in any Notes should be aware that the market continues to develop in relation to the adoption of SONIA as a reference rate in the capital markets and as an alternative to LIBOR. In particular, market participants and relevant working groups are currently assessing the differences between compounded rates and weighted average rates, and such groups are also exploring alternative reference rates based on SONIA, including forward-looking term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The adoption of SONIA may also see component inputs into swap rates or other composite rates transferring from LIBOR or another reference rate to SONIA. The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions of Notes that reference a SONIA rate issued under this Prospectus. The nascent development of SONIA as interest reference rates for the Eurobond markets, as well as continued development of SONIA based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Floating Rate Notes issued from time to time.

Furthermore, interest on Notes which reference a SONIA rate is only capable of being determined at the end of the relevant Observation Period and immediately prior to the relevant Payment Date. It may be difficult for investors in the Notes which reference a SONIA rate to reliably estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of such Notes. Further, if the Notes become due and payable under Condition 11 (*Events of default*), the Rate of Interest payable shall be determined on the date the Notes become due and payable and shall not be reset thereafter.

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

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

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

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

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

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

The EU Securitisation Regulation applies in general (subject to certain grandfathering) from 1 January 2019 and, from 9 April 2021, the EU Securitisation Regulation applies as amended by Regulation (EU) No. 2021/557. However, some legislative measures necessary for the full implementation of the EU Securitisation Regulation regime have not yet been finalised and compliance with certain requirements is subject to the application of transitional provisions. In addition, further amendments are expected to be introduced to the EU Securitisation Regulation regime as a result of its wider review on which, under Article 46 of the EU Securitisation Regulation, the European Commission published a report on 10 October 2022 outlining a number of areas where legislative changes may be introduced in due course.

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

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

The UK Securitisation Regulation applies in the UK from 11pm London time on 31 December 2020 following the end of the transition period relating to the UK's withdrawal from the EU (note that the UK is also no longer part of the EEA). The UK Securitisation Regulation largely mirrors (with some adjustments) the EU Securitisation Regulation as it applied in the EU at the end of 2020 (meaning that the amendments that took effect in the EU

from 9 April 2021 are not part of the UK regime). The currently applicable UK Securitisation Regulation regime will be revoked and replaced in due course with a new recast regime as a result of the ongoing legislative reforms introduced under the “Edinburgh Reforms” of UK financial services unveiled on 9 December 2022 and the UK post-Brexit move to “A Smarter Regulatory Framework for financial services”, the Financial Services and Markets Act 2020 regime, as amended by the Financial Services Markets Act 2023 (“FSMA”) and related thereto statutory instrument on the Securitisation Regulations 2023 published by HM Treasury as the near final draft in July 2023 (“2023 UK SR SI”), as well as the Prudential Regulation Authority (“PRA”) and the Financial Conduct Authority (“FCA”) consultations published in the summer 2023 on the exercise of their rulemaking powers and the draft amendments to their rulebooks which (together with the FSMA and the 2023 UK SR SI) recast (with various changes that result in further divergence from the EU Securitisation Regulation) currently applicable UK Securitisation Regulation requirements. It is expected that the proposed amendments will be finalised and become applicable in Q2 2024. Note that these reforms will impact on new securitisations closed after the relevant date of application and they also have potential implications for securitisations in-scope of the UK Securitisation Regulation that closed prior to such date, although the exact operation of any transitional or grandfathering provisions is yet to be confirmed. Also note that it is expected that, in Q3/Q4 2024, the UK government, the PRA and the FCA will consult on further changes to the UK Securitisation Regulation framework including, but not limited to, the recast of the transparency and reporting requirements. Therefore, at this stage, the timing and all of the details for the implementation of securitisation-specific reforms are not yet fully known and the outcome of ongoing and any new consultations on such reforms will be unfolding in the course 2023-2025. Please note that some divergence between EU and UK regimes exists already. While the UK Securitisation Regulation reforms published in the summer 2023 propose some alignment with the EU regime, these reforms also introduce new points of divergence and the risk of further divergence between EU and UK regimes cannot be ruled out in the longer term as it is not known at this stage how the ongoing reforms or any future reforms will be finalised and implemented in the UK.

The EU Securitisation Regulation and/or the UK Securitisation Regulation requirements will apply to the relevant institutional investors. As such, certain European-regulated institutional investors or UK-regulated institutional investors, which include relevant credit institutions, investment firms, authorised alternative investment fund managers, insurance and reinsurance undertakings, certain undertakings for the collective investment of transferable securities and certain regulated pension funds (institutions for occupational retirement provision), are required to comply under Article 5 of the EU Securitisation Regulation or Article 5 of the UK Securitisation Regulation, as applicable, with certain due diligence requirements prior to holding a securitisation position and on an ongoing basis while holding the position. Among other things, prior to holding a securitisation position, such institutional investors are required to verify under their respective EU or UK regime certain matters with respect to compliance of the relevant transaction parties with credit-granting standards, risk retention and transparency requirements and, on transactions notified as EU STS or UK STS, compliance of that transaction with the EU or UK STS requirements, as applicable.

Note that under the reforms to the UK Securitisation Regulation mentioned above, the recast of the investor due diligence provisions will result in a more fragmented implementation of such requirements so that different type of UK institutional investor (depending on how and by which UK regulator they are authorised or supervised) will need to refer to either the provisions on investor due diligence in the 2023 UK SR SI, or such provisions in the PRA Rulebook or the FCA Handbook. While the recast of the requirements (which broadly builds on the existing requirements of Article 5 but with some material divergence from the EU Article 5 requirements, in particular around due diligence on transparency and the delegation of the investment decision to another investor) is fragmented, it is intended to ensure coherence of the overall framework. However, the final position is yet to be confirmed.

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

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

Various parties to the securitisation transaction described in this Prospectus (including the Retention Holder and the Issuer) are subject to the requirements of the UK Securitisation Regulation. However, some uncertainty remains in relation to the interpretation of some of these requirements and what is or will be required to demonstrate compliance to the relevant UK regulators. Prospective investors are referred to the section entitled "*Certain Regulatory Requirements – The Securitisation Regulation*" for further details and should note that there can be no assurance that the information in this Prospectus or to be made available to investors in accordance with such undertakings will be adequate for any prospective institutional investors to comply with their due diligence obligations under the UK Securitisation Regulation or under the EU Securitisation Regulation (as if it were applicable to the Retention Holder and as in force on the Closing Date). Prospective investors should also note that the Issuer, the Servicer and the Retention Holder have contractually elected and agreed to comply with the requirements of the EU Securitisation Regulation relating to the risk retention, transparency and reporting as such requirements interpreted and applied solely on the Closing Date (there is no obligation to comply with any amendments to applicable EU technical standards, guidance or policy statements introduced in relation thereto after the Closing Date).

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

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

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

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

The UK STS securitisation designation impacts on the potential ability of the Notes to achieve better or more flexible regulatory treatment from the perspective of the applicable UK regulatory regimes, such as the prudential regulation of UK CRR firms and UK Solvency II firms, and from the perspective of the UK EMIR regime, as to which investors are referred to "*Certain Regulatory Requirements – UK STS Securitisation and UK EMIR*" section below and the risk factor entitled "*European Market Infrastructure Regulation*".

It is intended that a UK STS Notification will be submitted to the FCA by, or on behalf of Kensington Mortgage Company Limited, as originator, and Barclays Bank PLC, as sponsor. The STS compliant securitisations in the UK appear in the list of UK STS securitisations established and maintained by the FCA in accordance with Article 27(5) of the UK Securitisation Regulation. The UK STS Notification, once notified to the FCA, will be available for download on the FCA STS Register website.

Kensington Mortgage Company Limited, Barclays Bank PLC and the Issuer have used the services of PCS to carry out the UK STS Verification. It is expected that the UK STS Verification prepared by PCS will be available on its website at <https://www.pcsmarket.org/sts-verification-transactions/> together with detailed explanations of its scope at <https://pcsmarket.org/disclaimer/> on and from the Closing Date. For the avoidance of doubt, the website of PCS and the contents thereof do not form part of this Prospectus.

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

The UK STS status of the Notes is not static and investors should verify the current status on the FCA STS Register website, which will be updated where the Notes are no longer considered to be UK STS following a decision of the FCA or another relevant UK regulator or a notification by, or on behalf of Kensington Mortgage Company Limited and/or Barclays Bank PLC.

The UK STS securitisation designation is not an opinion on the creditworthiness of the relevant Notes nor on the level of risk associated with an investment in the relevant Notes. It is not an indication of the suitability of the relevant Notes for any investor and/or a recommendation to buy, sell or hold Notes. Institutional investors that are subject to the due diligence requirements of the UK Securitisation Regulation need to make their own independent assessment and may not solely rely on any UK STS Verification, the UK STS Notification, any UK STS Additional Assessment or other disclosed information.

No assurances can be provided that the securitisation transaction described in this Prospectus does or continues to qualify as a UK STS securitisation under the UK Securitisation Regulation. The relevant institutional investors are required to make their own assessment with regard to compliance of the securitisation with the UK STS Requirements and such investors should be aware that non-compliance with the UK STS Requirements and the change in the UK STS status of the Notes may result in the loss of better regulatory treatment of the Notes under the applicable UK regulatory regime(s), including in the case of prudential regulation, higher capital charges being applied to the Notes and may have a negative effect on the price and liquidity of the Notes in the secondary market. In addition, non-compliance may result in various sanctions and/or remedial measures being imposed on the relevant transaction parties, including the originator and the Issuer, which may have an impact on the availability of funds to pay the Notes.

Note that designation as UK STS securitisation does not meet, as at the date of this Prospectus, the STS requirements of the EU Securitisation Regulation, and, as such, better or more flexible regulatory treatment under the relevant EU regulatory regimes (in particular, under the EU CRR, the EU LCR Regulation and the EU Solvency II regime) will not be available. While the European Commission in its Article 46 report on the review of the EU Securitisation Regulation of 10 October 2022 considered it premature to introduce an STS equivalence regime for third country securitisations at this time, the Commission also confirmed that it will monitor this issue and that it might reconsider the need for an STS equivalence regime. Therefore, it is possible that in due course, as part of the subsequent review of the EU Securitisation Regulation regime, an equivalence regime for non-EU STS securitisations may be introduced in the EU, resulting in the UK STS regime being considered equivalent. However, no assurances can be made that such equivalence regime will be introduced or that, when introduced, it will benefit the EU regulatory treatment of the Notes.

U.S. Risk Retention Requirements

Section 941 of the Dodd-Frank Act amended the Securities Exchange Act of 1934 to generally require the "securitiser" of a "securitisation transaction" to retain at least 5 per cent. of the "credit risk" of "securitised assets", as such terms are defined for the purposes of that statute, and generally prohibit a securitiser from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitiser is required to retain. The U.S. Risk Retention Rules came into effect on 24 December 2015 with respect to residential mortgage-backed securitisations. The U.S. Risk Retention Rules provide that the securitiser of an asset-backed securitisation is its sponsor. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

No party to the transaction intends to retain at least 5 per cent. of the credit risk of the securitised assets for purposes of the compliance with the U.S. Risk Retention Rules. Instead, the Seller intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that: (a) the transaction is not required to be and is not registered under the Securities Act; (b) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the "**ABS interests**" (as defined in Section 20 of the U.S. Risk Retention Rules) are issued) of all classes of ABS interests issued in the securitisation transaction are sold or transferred to, or for the account or benefit of, Risk Retention U.S. persons; (c) neither the sponsor nor the Issuer of the securitisation transaction is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (d) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

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

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

- (a) any natural person resident in the United States;
- (b) any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any U.S. State or of the United States¹;
- (c) any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);
- (d) any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);
- (e) any agency or branch of a foreign entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- (h) any partnership, corporation, limited liability company, or other organisation or entity if:
 - (i) organised or incorporated under the laws of any foreign jurisdiction; and
 - (ii) formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act².

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

² The comparable provision from Regulation S "(vii)(B) formed by a U.S. person principally for the purpose of investing in securities not registered under the [Securities Act], unless it is organized or incorporated, and owned, by accredited investors (as defined in [17 CFR 230.501(a)]) who are not natural persons, estates or trusts".

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

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

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

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

None of the Arranger, the Lead Manager, the Retention Holder, the Sponsor Administrator or any of their respective affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Closing Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

English law security and insolvency considerations

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

the UK government has expressly provided for changes to the Restructuring Plan to be effected through secondary legislation, particularly in relation to the cross-class cram-down procedure. It is therefore possible that aspects of the legislation may change. While the transaction structure is designed to minimise the likelihood of the Issuer becoming insolvent and/or subject to pre-insolvency restructuring proceedings, no assurance can be given that any modification of the exceptions from the application of the new insolvency reforms referred to above will not be detrimental to the interests of the Noteholders and there can be no assurance that the Issuer will not become insolvent and/or the subject of insolvency or pre-insolvency restructuring proceedings and/or that the Noteholders or the persons entitled to receive Senior Deferred Consideration and Residual Deferred Consideration would not be adversely affected by the application of insolvency laws (including English insolvency laws and, if applicable, Scottish insolvency laws, or the laws affecting the creditors' rights generally).

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

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, several 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 Interest Rate Swap Excluded Termination Amounts.

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

If a creditor of the Issuer (such as the Interest Rate Swap Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the U.S.), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English law-governed Transaction Documents (such as a provision of the Priorities of Payments which refers to the ranking of the Interest Rate Swap Counterparty's payment rights). 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 a range of entities which may act as the Interest Rate Swap Counterparty, including U.S. established entities and certain non-U.S. established entities with assets or operations in the U.S. (although the scope of any such proceedings may be limited if the relevant non-U.S. entity is a bank with a licensed branch in a U.S. state).

In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, there can be no assurance that such actions would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes. Lastly, given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents will include terms providing for the subordination of Interest Rate Swap Excluded Termination Amounts, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the Notes. If any rating assigned to the Notes is lowered, the market value of the Notes may reduce.

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

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

As a result of the changes described above, upon the enforcement of the floating charge security granted by the Issuer, floating charge realisations which would otherwise be available to satisfy the claims of Secured Creditors under the Deed of Charge will be reduced by at least a significant proportion of any liquidation expenses. There can be no assurance that the Noteholders or the persons entitled to receive Senior Deferred Consideration and the Residual Deferred Consideration will not be adversely affected by such a reduction in floating charge realisations.

UK Banking Act 2009 and the Bank Recovery and Resolution Directive

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

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

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

If an instrument or order were to be made under the provisions of the Banking Act currently in force in respect of a relevant entity as described above, such action may (among other things) affect the ability of such entities to

satisfy their obligations under the Transaction Documents and/or result in the cancellation, modification or conversion of certain unsecured liabilities of such entities under the Transaction Documents or in other modifications to such documents. In particular, modifications may be made pursuant to powers permitting (a) certain trust arrangements to be removed or modified, (b) 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 (c) in connection with the modification of an unsecured liability through use of the bail-in tool, the discharge of a relevant entity from further performance of its obligations under a contract. In addition, subject to certain conditions, powers would apply to require a relevant instrument or order (and related events) to be disregarded in determining whether certain widely defined "default events" have occurred (which events may include trigger events included in the Transaction Documents in respect of the relevant entity, including termination events and (in the case of the Legal Title Holder) trigger events in respect of perfection of legal title to the Mortgage Loans). As a result, the making of an instrument or order in respect of a relevant entity as described above may affect the ability of the Issuer to meet its obligations in respect of the Notes.

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

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

Securitisation company tax regime

The Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (as amended) (the "**TSC Regulations**") established a special corporation tax regime for securitisation companies falling within the TSC Regulations with effect for periods of account beginning on or after 1 January 2007.

If the TSC Regulations apply to a company, then, broadly, it will be subject to corporation tax on the cash profit retained by it for each accounting period in accordance with the Transaction Documents. Based on advice received, the Issuer expects to be taxed under the special tax regime for which provision is made by the TSC Regulations.

Investors should note, however, that the TSC Regulations are in short form and advisers rely significantly upon guidance from the United Kingdom tax authorities when advising on the scope and operation of the TSC Regulations including whether any particular company falls within the regime.

Prospective Noteholders should note that if the Issuer did not fall to be taxed under the regime, then its profits or losses for tax purposes might be different from its cash position and there might be a risk of the Issuer incurring unfunded tax liabilities. In addition, the deduction of interest paid on the Notes could be disallowed (in whole or in part) for United Kingdom corporation tax purposes, which could cause a significant divergence between the cash profits and the taxable profits of the Issuer. Any unforeseen taxable profits in the Issuer could have an adverse effect on its ability to make payments to the Noteholders as any resulting taxes would be paid in priority to the payments due to the Noteholders.

Withholding tax and the Notes

Provided that the Notes are and continue to be "listed on a recognised stock exchange" (within the meaning of Section 1005 of the Income Tax Act 2007 for the purposes of Section 987 of that Act), as at the date of this Prospectus, no withholding or deduction for or on account of United Kingdom income tax will be required on payments of interest on the Notes. However, there can be no assurance that the law in this area will not change during the life of the Notes.

In the event that any withholding or deduction for or on account of United Kingdom income tax is imposed in respect of payments made to the Noteholders under the Notes, neither the Issuer nor any other person is obliged to gross up or otherwise compensate the Noteholders for the lesser amounts the Noteholders will receive as a result of such withholding or deduction.

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 Tax Consequences" below.

Where a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, would require the Issuer or the Principal Paying Agent to make a deduction or withholding from any payment on any Notes for or on account of United Kingdom income tax the Issuer may (in certain circumstances) redeem the Notes pursuant to and in accordance with Condition 7.9 (*Optional redemption for tax and other reasons*).

European Market Infrastructure Regulation

As noted above, the Notes will have the benefit of one or more derivative instruments; namely, the Interest Rate Swaps. In this regard, it should be noted that the derivatives markets are subject to extensive regulation in a number of jurisdictions, including in the UK pursuant to Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK EMIR**") as amended from time to time, and in the U.S. under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

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

UK EMIR (as amended from time to time) prescribes a number of regulatory requirements for counterparties to derivatives contracts including (a) a mandatory clearing obligation for certain classes of OTC derivatives contracts (the "**Clearing Obligation**"), (b) collateral exchange, daily valuation and other risk mitigation requirements for OTC derivatives contracts not subject to clearing (the "**Risk Mitigation Requirements**") and (c) certain reporting requirements. In general, an application of such regulatory requirements in respect of the Interest Rate Swap will depend on the classification of the counterparties to such derivative transactions.

Pursuant to UK EMIR, counterparties can be classified as (a) financial counterparties ("**FCs**") (which includes a sub-category of small FCs, being FC's that fall below the "clearing threshold"), and (b) non-financial counterparties ("**NFCs**"). The NFC classification is further split into: (i) non-financial counterparties above the "clearing threshold" ("**NFC+s**"); and (ii) non-financial counterparties below the "clearing threshold" ("**NFC-s**"). Whereas FCs and NFC+ entities may be subject to the Clearing Obligation or, to the extent that the relevant derivative contracts are not subject to clearing, to the collateral exchange obligation and the daily valuation obligation under the Risk Mitigation Requirements, such obligations do not apply in respect of NFC- entities.

The Issuer is currently an NFC-, although a change in its position cannot be ruled out. Should the status of the Issuer change to an NFC+ or FC, this may result in the application of the Clearing Obligation or (more likely) the collateral exchange obligation and daily valuation obligation under the Risk Mitigation Requirements. In respect of UK EMIR, it should also be noted that, given the intention to seek the UK STS designation for the Notes, should the status of the Issuer change to NFC+ or FC, another exemption from the Clearing Obligation and a partial exemption from the collateral exchange obligation may be available for the Interest Rate Swaps, provided the applicable conditions are satisfied. With regard to the latter, please refer to the sections entitled "*Risk Factors – Legal and Regulatory Risks relating to the Structure and the Notes – Simple, ransparent and standardised securitisations (STS) and UK STS designation – UK STS designation impacts on regulatory treatment of the Notes*", "*Certain Regulatory Requirements – UK STS Securitisation and UK EMIR*" and "*Certain Regulatory Requirements – The Securitisation Regulation – Simple, Transparent and Standardised (STS) Securitisation*".

Prospective investors should note that there is some uncertainty with respect to the ability of the Issuer to comply with the Clearing Obligation and the collateral exchange obligation were they to be applicable, which may (A) lead to regulatory sanctions, (B) adversely affect the ability of the Issuer to continue to be party to the Interest Rate Swaps (possibly resulting in a restructuring or termination of the Interest Rate Swaps) or to enter into Interest Rate Swaps and/or (C) significantly increase the cost of such arrangements, thereby negatively affecting the ability of the Issuer or defined 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.

Lastly, it should be noted that, as described above under "*Risks relating to Changes to the Structure and the Documents – The Note Trustee may agree to modifications to the Transaction Documents without, respectively, the Noteholders', the persons' entitled to Senior Deferred Consideration and Residual Deferred Consideration or the Secured Creditors' prior consent*", amendments relating to UK EMIR may be made to the Transaction Documents and/or to the terms and conditions applying to Notes.

The Legal Title Holder will initially retain legal title to the Mortgage Loans

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

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

The Issuer has the right to demand that the Seller transfers to it legal title to the Mortgage Loans and the Related Security in the circumstances described in "*Assignment of the Mortgage Loans and Related Security – Transfer of title to the Mortgage Loans to the Issuer*" below. Until then, no notice of the sale of the Mortgage Loans and their Related Security will be given to any Borrower and no application will be made to the HM Land Registry, the Central Land Charges Registry, the Land Register of Scotland or the General Register of Sasines to register or record its equitable interest or, as applicable, beneficial interest in the Mortgage Loans and their Related Security.

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

- (a) if the Seller wrongly sold to another person a Mortgage Loan and that Mortgage Loan has already been assigned to the Issuer, and that person acted in good faith and did not have notice of the interests of the Issuer in the Mortgage Loan and that person notified the Borrower of that sale to it of the Mortgage Loan and its Related Security or registered its interest in that Mortgage, then that person might obtain good title to the Mortgage Loan, free from the interests of the Issuer. If this occurred, then the title of the Issuer to the affected Mortgage Loan and its Related Security would be subordinated to the title of that person and the Issuer would not be entitled to payments by a Borrower in respect of such a Mortgage Loan. This may affect the ability of the Issuer to repay the Notes;
- (b) the rights of the Issuer may be subject to the rights of the Borrowers against the Legal Title Holder such as rights of set-off (and certain analogous rights in Scotland) (see in particular "*Further Information relating to the Regulation of Mortgages in the UK – Flexible Mortgage Loans*") which occur in relation to transactions or deposits made between certain Borrowers and the Legal Title Holder and the rights of Borrowers to repay their Mortgage Loans directly to the Legal Title Holder. If these rights were to be exercised, the Issuer may receive less money than anticipated from the Mortgage Loans, which may reduce the incoming cashflow to the Issuer and affect the ability of the Issuer to repay the Notes; and
- (c) the Issuer would not be able to enforce any Borrower's obligations under a Mortgage Loan or Mortgage itself but would have to join the Seller and Legal Title Holder as a party to any legal proceedings.

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

While central bank schemes (such as the Bank of England's Discount Window Facility, the Indexed Long-Term Repo Facility and other schemes under its Sterling Monetary Framework, and the Eurosystem monetary policy framework for the European Central Bank), including emergency liquidity operations introduced by central banks in response to a financial crisis or a widespread health crisis (such as the COVID-19 pandemic), provide an important source of liquidity in respect of eligible securities, relevant eligibility criteria for eligible collateral apply (and will apply in the future) under such schemes and liquidity operations. Investors should make their own conclusions and seek their own advice with respect to whether or not the Notes constitute eligible collateral for the purposes of any of the central bank liquidity schemes, including whether and how such eligibility may be impacted by the UK withdrawal from the EU and the UK no longer being part of the EEA (see also "*Macro-Economic Risks – Lack of liquidity in the secondary market may adversely affect the market value of the Notes*" and "*Macro-Economic Risks – The relationship between the United Kingdom with the European Union may affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or liquidity of the Notes in the secondary market*" below). No assurance is given that any Notes or any Certificates (then in issue) will be eligible for any specific central bank liquidity schemes.

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

Registered Definitive Notes and denominations in integral multiples

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

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

Considerations relating to book-entry interests

The Notes are initially issued in global form, and if Certificates are issued, they will initially be issued in global form. In each case, the Global Notes and any Global Certificates will be deposited with a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg. Interests in the Global Notes and the Global Certificates will trade in book-entry form only. The Common Safekeeper for Euroclear and/or Clearstream, Luxembourg, is and will be the sole holder of the Global Notes and Global Certificates representing the Notes and the Certificates (then in issue) (as applicable). Accordingly, owners of book-entry interests must rely on the procedures of Euroclear and/or Clearstream, Luxembourg, and non-participants in Euroclear and/or Clearstream, Luxembourg, must rely on the procedures of the participant through which they own their interests, to exercise any rights and obligations of a holder of Notes and/or the Certificates (then in issue).

Unlike the holders of the Notes and the Certificates (then in issue) themselves, owners of book-entry interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the Notes and the Certificates. The procedures to be implemented through Euroclear and/or Clearstream, Luxembourg, may not be adequate to ensure the timely exercise of rights under the Notes and any Certificates (then in issue).

5. COUNTERPARTY RISKS

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

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

Noteholders may be adversely affected if such third parties or any of their successors fail to perform their obligations under the respective agreements to which they are a party (including any failure arising from circumstances beyond their control, such as epidemics). In addition, Noteholders may be adversely affected if the appointment of a third party is terminated and no replacement can be found.

In particular, the Servicer's ability to administer the mortgages in accordance with the Servicing Agreement may be adversely affected by disruptions to its infrastructure, business processes and technology services, resulting from the unavailability of staff due to illness or the failure of third parties to supply services. In addition, registration, enforcement and similar activities that could not be processed in a timely manner owing to the COVID-19 pandemic, may be further delayed as government agencies and courts address any backlogs of such actions that accumulated during the period of closure, and the duration of such backlogs is impossible to predict at this time. The performance of any such third parties, including the Servicer, may be affected by economic, social, political and other factors, such as changes in the national or international economic climate, regional economic conditions, changes in laws, political developments and government policies, natural disasters, conflict, war, illness (including illnesses from epidemics or pandemics, including COVID-19) and widespread health crises or the fear of such crises, which may result in a material delay or default in the performance of certain services in relation to the Notes by such third parties, which then may impact the ability of the Issuer to perform its obligations under the Notes, including its obligations to make timely payments on the Notes.

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

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

Swap Termination Payments may adversely affect the funds available to make payments on the Notes and towards the Senior Deferred Consideration and the Residual Deferred Consideration

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

No assurance can be given that the Issuer will have the funds available to make any Swap Termination Payment under the Interest Rate Swap Agreement or to make subsequent payments in respect of the Notes. In addition, no assurance can be given that the Issuer will be able to enter into a replacement Interest Rate Swap or, if one is entered into, that the credit rating of the replacement Interest Rate Swap Counterparty (notwithstanding the terms of the Transaction Documents) will be sufficiently high to prevent a reduction, qualification or withdrawal of the then current ratings of the Rated Notes by the Rating Agencies.

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

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

Change of counterparties may reduce amounts available to the Issuer to make payments to Noteholders and persons entitled to receive Senior Deferred Consideration and Residual Deferred Consideration

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 Transaction Account Bank and, if applicable, the Standby Account Bank) are required to satisfy certain criteria in order that they can continue to be counterparties to the Issuer.

These criteria include requirements imposed by the FCA under the FSMA and requirements in relation to the short-term and long-term unguaranteed and unsecured ratings ascribed to such parties by the Rating Agencies. If a 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, principal and other amounts (as applicable) on the Notes and towards the Senior Deferred Consideration and Residual Deferred Consideration.

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 and/or persons entitled to receive Senior Deferred Consideration and Residual Deferred Consideration may not be required in relation to such amendments and/or waivers.

Termination of the Servicer and/or the Legal Title Holder and appointment of a substitute Servicer and/or Legal Title Holder

The Legal Title Holder has been appointed by the Issuer as Servicer to service the Mortgage Loans. If a Servicer Termination Event occurs, then the Issuer will be entitled to and, if instructed to do so by the Security Trustee, shall terminate the appointment of the Servicer and appoint a substitute Servicer. If a Legal Title Holder Termination Event occurs, then the Issuer will be entitled to and, if instructed to do so by the Security Trustee, shall terminate the appointment of the Legal Title Holder and appoint a replacement Legal Title Holder. The Back-up Servicer Facilitator has been appointed to provide assistance with the appointment of a replacement Servicer and a replacement Legal Title Holder.

There can be no assurance that a substitute servicer would be found who would be willing and able to service the Mortgage Loans on the terms of the Servicing Agreement. In particular, there can be no assurance that a substitute servicer would be willing to accept an appointment in consideration of the servicing fee, which is calculated as, among other things, a fixed percentage of the aggregate Current Balance of the Mortgage Portfolio. If a substitute servicer were required at a time when the Current Balance of the Mortgage Loans in the Mortgage Portfolio was relatively low, the amount of the servicing fee so calculated might be insufficient to obtain a substitute servicer. The Servicing Agreement provides that the Issuer and a potential substitute servicer (other than the Legal Title Holder) may agree a different servicing fee, which could be higher than the current fee. In addition, any substitute servicer or legal title holder will be required to be appropriately licensed under the CCA and, as described under "*Further Information relating to the Regulation of Mortgages in the UK – Regulation of the UK Residential Mortgage Market*", a substitute servicer or legal title holder will also be required to be authorised with the appropriate permissions under the FSMA in order to administer Mortgage Loans that constitute regulated mortgage contracts. The ability of a substitute servicer fully to perform the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a substitute Servicer and/or legal title holder (if a substitute Servicer and/or legal title holder can be found) may affect payments on the Mortgage Loans and hence the ability of the Issuer to make payments when due on the Notes.

Transfer of the Issuer Accounts

The Transaction Account Bank is required to satisfy certain criteria (including certain criteria and/or permissions set or required by the FCA from time to time) in order to continue to receive deposits in the Issuer Accounts, including that the Transaction Account Bank satisfies the Account Bank Required Ratings. If the Transaction Account Bank ceases to satisfy the Account Bank Required Ratings, then the Issuer will: (a) close the Issuer Accounts with the Transaction Account Bank and transfer their closing credit balance to the Standby Issuer Accounts held with the Standby Account Bank, or, if the Standby Account Bank no longer satisfies the Account Bank Required Ratings, to another entity which is a Qualified Institution; (b) obtain a guarantee in support of the Transaction Account Bank's obligations under the Account Bank Agreement from a financial institution which has the Account Bank Required Ratings; or (c) take any other reasonable action as the Rating Agencies may agree will not result in a downgrade of the Rated Notes. In scenario (a) above, the Transaction Account Bank shall use reasonable efforts to assist the orderly transition of the banking arrangements documented under the Account

Bank Agreement, including, without limitation, transferring all amounts standing to the credit of the Issuer Accounts to the Standby Issuer Accounts or the accounts with the replacement financial institution notified to it by the Issuer (as applicable).

The failure to take one of the actions listed at scenarios (a) to (c) above if the Transaction Account Bank no longer satisfies the Account Bank Required Ratings may increase the risk of losses on amounts held by the Issuer at the affected Transaction Account Bank and affect the ability of the Issuer to make payments when due on the Notes, and may have an adverse effect on the ratings assigned to the Notes, which could reduce the market value of the Notes.

For a summary of the Account Bank Required Ratings as of the date of this Prospectus, see "*Cash Management – Account Bank Agreement and Issuer Accounts – Account Bank Required Ratings*". These criteria are subject to change by the Rating Agencies.

Certain conflicts of interest involving or relating to the Arranger, the Lead Manager, the Retention Holder, the Sponsor Administrator and their affiliates

Barclays Bank PLC and/or its affiliates (the "**Barclays Parties**"), will play various roles in relation to the offering of the Notes, as described below.

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

The Barclays Parties may act as retention holder, sponsor administrator, lead manager, arranger, placement agent, transaction account bank, collections account provider and/or initial purchaser or investment manager in other transactions involving issues of residential mortgage-backed securities or other investment funds with assets similar to those of the Issuer, which may have an adverse effect on the price or value of the Notes. The Barclays Parties will not disclose specific trading positions or their hedging strategies, including whether they are in long or short positions in any Notes or obligations referred to in this Prospectus except where required in accordance with applicable law.

In the ordinary course of business, the Barclays Parties and employees or customers of the Barclays Parties may actively trade in and/or otherwise hold long or short positions in the Notes or enter into transactions similar to or referencing the Notes for their own accounts and for the accounts of their customers. As at the Closing Date, BBUKPLC will retain 95% of the Class A Notes. If any of the Barclays Parties becomes an owner of any of the Notes, through market-making activity or otherwise, any actions that it takes in its capacity as owner, including voting, providing consents or otherwise will not necessarily be aligned with the interests of other owners of the Notes. To the extent any of the Barclays Parties makes a market in the Notes (which it is under no obligation to do), it would expect to receive income from the spreads between its bid and offer prices for the Notes. In connection with any such activity, it will have no obligation to take, refrain from taking or cease taking any action with respect to these transactions and activities based on the potential effect on an investor in the Notes. The price at which any of the Barclays Parties may be willing to purchase Notes, if it makes a market, will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the Notes and significantly lower than the price at which it may be willing to sell the Notes.

The Arranger and/or the Lead Manager and/or their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, the Seller, the Legal Title Holder, the Retention Holder and/or their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Arranger and/or the Lead Manager and/or the Seller and/or the Legal Title Holder and/or the Retention Holder and/or their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments issued by the Issuer, the Seller, the

Legal Title Holder, the Retention Holder or their affiliates. The Lead Manager and/or the Arranger and/or their affiliates that have a commercial relationship with the Retention Holder routinely hedge their credit exposure to the Retention Holder consistent with their customary risk management policies. Typically, such Arranger and/or the Lead Manager and/or the Retention Holder and/or their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes or whether a specified barrier or level is reached. The Arranger and/or the Lead Manager and/or their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. Such recommendations may adversely affect the market for trading in any securities, including the Notes.

The Arranger, the Lead Manager, the Retention Holder, the Sponsor Administrator and/or their affiliates may hold Notes or be entitled to receive Senior Deferred Consideration and Residual Deferred Consideration from time to time and each may exercise their rights as Noteholder or as a person entitled to receive Senior Deferred Consideration and the Residual Deferred Consideration in a manner which is adverse to the other Noteholders or other persons entitled to receive Senior Deferred Consideration and Residual Deferred Consideration. Other parties to the transaction may also perform multiple roles.

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

Accordingly, conflicts of interest may exist or may arise as a result of parties to this transaction:

- (a) having previously engaged or in the future engaging in transactions with other parties to the transaction;
- (b) having multiple roles in this transaction; and/or
- (c) carrying out roles in other transactions for third parties.

To the maximum extent permitted by applicable law, none of the Arranger, the Lead Manager, the Retention Holder, the Sponsor Administrator and/or their affiliates are restricted from entering into, performing or enforcing its rights in respect of the Transaction Documents, the Notes or the Senior Deferred Consideration and the Residual Deferred Consideration, 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 other persons entitled to receive Senior Deferred Consideration and the Residual Deferred Consideration, and in so doing may act in its own commercial interests and without notice to, and without regard to, the interests of any such person.

Exposure to counterparties

The Issuer will be exposed to a number of counterparties throughout the life of the Notes. Investors should note that following the UK's withdrawal from the EU and depending on the terms of any future trading relationship between the UK and the EU, such counterparties may be unable to perform their obligations due to changes in regulation, including the loss of, or changes to, existing regulatory rights to do cross-border business in the EU or the costs of such transactions with such counterparties may increase. In addition, counterparties may be adversely affected by rating actions or volatile and illiquid markets (including currency markets and bank funding markets) arising from the result of the withdrawal of the UK from the EU, therefore increasing the risk that such counterparties may become unable to fulfil their obligations. Such inability could adversely impact the Issuer and could be materially detrimental to Noteholders.

Ratings actions

Following the result of the 2016 referendum on the UK's withdrawal from the European Union, Moody's, S&P and Fitch each downgraded the UK's sovereign credit rating and each of S&P and Fitch had placed such rating on negative outlook, suggesting possible further negative rating action.

The credit rating of a country affects the ratings of entities operating in its territory, and in particular the ratings of financial institutions. Accordingly, the downgrades of the UK's sovereign credit rating and any further downgrade action may trigger downgrades in respect of parties to the Transaction Documents. If a counterparty no longer satisfies the relevant rating requirement, the Transaction Documents may require that such counterparty be replaced with an entity that satisfies the relevant rating requirement. If rating downgrades are widespread, it may become difficult or impossible to replace counterparties with entities that satisfy the relevant rating requirement.

While the extent and impact of these issues are unknown, investors should be aware that they could have an adverse impact on the Issuer, its service providers, the payment of interest and repayment of principal on the Notes or payments towards the Senior Deferred Consideration and Residual Deferred Consideration and, therefore, the Noteholders or persons entitled to receive Senior Deferred Consideration and the Residual Deferred Consideration, as applicable.

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

Conflict between Classes of Noteholders or persons entitled to receive Senior Deferred Consideration and Residual Deferred Consideration

The Trust Deed and the Deed of Charge contain provisions requiring the Note Trustee and the Security Trustee (acting in accordance with the direction of the Note Trustee) to have regard to the interests of all Classes of Noteholders and/or persons entitled to receive Senior Deferred Consideration or Residual Deferred Consideration and the Retention Holder with regard to 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 opinion, however, there is or may be a conflict between the interests of the holders of one or more Classes of Notes or any person entitled to receive Senior Deferred Consideration or Residual Deferred Consideration (as applicable), on the one hand, and the interests of the holders of one or more Classes of Notes or any person entitled to receive Senior Deferred Consideration or Residual Deferred Consideration (as applicable), on the other hand, then the Note Trustee is required to have regard only to the interests of the holders of the relevant affected Class of Notes or the Senior Deferred Consideration or Residual Deferred Consideration (as applicable) ranking in priority to other relevant Classes of Notes or relevant Senior Deferred Consideration or Residual Deferred Consideration (as applicable) in the Post-Enforcement Priority of Payments (other than the Senior Deferred Consideration in respect of which the Note Trustee will have regard only in respect of the Senior Deferred Consideration Entrenched Rights).

As a result (other than in respect of a Basic Terms Modification, the Senior Deferred Consideration Entrenched Rights and the Retained Interest Entrenched Rights), holders of Notes or any persons entitled to receive Senior Deferred Consideration or Residual Deferred Consideration other than the Most Senior Class may not have their interests taken into account by the Note Trustee when the Note Trustee exercises discretion.

In addition, prospective investors should note that the Trust Deed provides that (other than in respect of a Basic Terms Modification, the Senior Deferred Consideration Entrenched Rights and the Retained Interest Entrenched Rights) no Extraordinary Resolution of the holders of a Class of Notes or any person entitled to receive Senior Deferred Consideration or Residual Deferred Consideration, other than the holders of the Most Senior Class, shall take effect for any purpose while the Most Senior Class remains outstanding, unless such Extraordinary Resolution shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class or the Note

Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class.

In addition, it is expected that on the Closing Date, BBUKPLC will acquire a majority holding in the Class A Notes, giving it a sufficient holding of such Notes to allow it to pass or block Noteholder resolutions which are controlled by the Most Senior Class of Notes (while the Class A Notes are the Most Senior Class of Notes) and in respect of Basic Terms Modifications or resolutions in respect of such Class of Notes. Therefore, no assurance can be given that any other Noteholder will not have influence to block or pass certain Noteholder resolutions.

Conflict between Noteholders and persons entitled to receive Senior Deferred Consideration or Residual Deferred Consideration, and other Secured Creditors

So long as any of the Notes are outstanding or right to receive Senior Deferred Consideration and Residual Deferred Consideration exists, neither the Security Trustee nor the Note Trustee shall have regard to the interests of the other Secured Creditors, subject to the provisions of the Trust Deed and Condition 16 (*Notice to Noteholders*) and Certificate Condition 15 (*Notice to Certificateholders*). Noteholders and persons entitled to receive Senior Deferred Consideration or Residual Deferred Consideration should be aware that the interests of Secured Creditors (and amounts payable to such Secured Creditors) rank higher in the Post-Enforcement Priority of Payments.

Where in the opinion of the Note Trustee, there is a conflict between the interests of the Noteholders of one Class of Notes and the Noteholders of any other Class(es) of Notes and/or the persons entitled to receive Senior Deferred Consideration or Residual Deferred Consideration, the Note Trustee will (except as expressly provided otherwise in the Trust Deed) be required to have regard only to the holders of the Most Senior Class of Notes outstanding and will not have regard to any lower ranking Class of Notes or Residual Deferred Consideration, nor to the interests of the other Secured Creditors other than to apply the proceeds of any enforcement in accordance with the Post-Enforcement Priority of Payments.

Retained Interest modifications and Retained Interest Entrenched Rights

Notwithstanding any other provision of the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver and no such modification or waiver may otherwise be made which affects any Retained Interest Entrenched Rights, unless the Retention Holder has consented to such modification or waiver in writing. There can be no assurance that the Retention Holder will provide consent to any such modification in a timely manner or at all. The Retention Holder may act solely in its own interests and it does not have any duties to any Noteholders or any persons entitled to receive Senior Deferred Consideration and Residual Deferred Consideration and, as such, may consent to such modification that negatively impacts the Noteholders or any persons entitled to receive Senior Deferred Consideration and Residual Deferred Consideration.

Senior Deferred Consideration modifications and Senior Deferred Consideration Entrenched Rights

Notwithstanding any other provision of the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver and no such modification or waiver may otherwise be made which affects any Senior Deferred Consideration Entrenched Rights, unless the person entitled to receive the Senior Deferred Consideration has consented to such modification or waiver in writing. There can be no assurance that the person entitled to receive the Senior Deferred Consideration will provide consent to any such modification in a timely manner or at all. The person entitled to receive the Senior Deferred Consideration may act solely in its own interests and it does not have any duties to any Noteholders or persons entitled to Residual Deferred Consideration and as such may consent to such modification that negatively impacts the Noteholders, or persons entitled to Residual Deferred Consideration.

The Note Trustee may agree to modifications to the Transaction Documents without, respectively, the Noteholders', the persons' entitled to Senior Deferred Consideration and Residual Deferred Consideration or the Secured Creditors' prior consent

Pursuant to the Conditions, the Certificate Conditions, the terms of the Trust Deed and the Deed of Charge, the Note Trustee may from time to time, without the consent or sanction of the Noteholders, the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration or the Secured Creditors:

- (a) concur with the Issuer or any other person; or
- (b) direct the Security Trustee to concur with the Issuer or any other person, in making or sanctioning any modifications to the Notes or any Certificates (then in issue) including the Conditions or the Certificate Conditions applicable thereto or any waiver or authorisation of any breach or proposed breach of any of the provisions of the Conditions, the Notes, the Certificates (then in issue), the Certificate Conditions or the provisions of any Transaction Document:
 - (i) (other than in respect of a Basic Terms Modification or matters affecting a Senior Deferred Consideration Entrenched Right or a Retained Interest Entrenched Right) where the Note Trustee is of the opinion that such modification, waiver or authorisation will not be materially prejudicial to the interests of any of the Noteholders or the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration (as applicable); or
 - (ii) where such modification, waiver or authorisation is made to correct a manifest error or of a formal, minor or technical nature or made to comply with mandatory provisions of law.

In addition, the Conditions also provide that, subject to certain conditions being met, the Note Trustee and the Security Trustee, acting on the direction of the Note Trustee, will be obliged, without the consent or sanction of the Noteholders or the persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration (as applicable) or, subject to receipt of the consent from each other Secured Creditor (x) who is a party to the Transaction Document being modified or in relation to which it holds security or (y) whose ranking in any Priority of Payments is adversely affected by such amendment, any other Secured Creditor to concur with the Issuer in making and/or approving any modification (other than a Basic Terms Modification) to the Notes or any Certificates (then in issue) including the conditions applicable thereto or of any Transaction Document that the Issuer considers necessary:

- (a) in order to comply with, implement or reflect any change in the criteria of one or more Rating Agencies which may be applicable from time to time;
- (b) in order to enable the Issuer to comply with its obligations under UK EMIR and any such provisions, rules, regulations, directions, processes, guidelines and procedures relating to UK EMIR which have been clarified, updated, delivered, amended, modified or become operative or applicable, subject to the terms of the Interest Rate Swap Agreement;
- (c) in order to comply with, implement or reflect any changes in the requirements (including, but not limited to, risk retention, transparency and/or investor due diligence) of, or to enable the Issuer or any other transaction party to comply with an obligation under, the UK Securitisation Regulation or the EU Securitisation Regulation including relating to the treatment of the Notes as a simple, transparent and standardised securitisation for the purposes of the UK Securitisation Regulation, together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements, in each case as amended, varied or substituted from time to time after the Closing Date;
- (d) in order to enable the Notes to be (or to remain) listed on the London Stock Exchange;

- (e) in order to enable the Issuer or any of the other transaction parties to comply with FATCA;
- (f) in order to comply with any changes in the requirements of the UK CRA Regulation after the Closing Date including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation or regulations or official guidance in relation thereto;
- (g) in order to comply (or continue to comply) with any changes in the requirements of the CRR or the Solvency II Regulation applicable to the Notes;
- (h) in connection with the transfer of the Interest Rate Swap Agreement to a replacement Interest Rate Swap Counterparty, enable such modifications to the original Interest Rate Swap Agreement as may be agreed with the replacement Interest Rate Swap Counterparty, **provided that** the Servicer or the replacement Interest Rate Swap Counterparty certifies to the Note Trustee and the Security Trustee that, following any such modifications, the Interest Rate Swap Agreement will satisfy the rating criteria of the Rating Agencies;
- (i) in connection with the transfer of any Account Bank Agreement to a replacement Transaction Account Bank, enable such modifications to the original Account Bank Agreement as may be agreed with the replacement Transaction Account Bank; and
- (j) in order to effect a Base Rate Modification or a Swap Rate Modification.

In respect of proposed modifications described in the immediately preceding paragraph, each of the Note Trustee and the Security Trustee, acting on the direction of the Note Trustee, is bound to concur or provide its consent (as the case may be), **provided that**, among other things, and other than in the case of paragraph (b) above: (1) the proposed modification would not adversely affect the then current ratings of the Rated Notes as evidenced by a Ratings Confirmation; (2) the Issuer has provided at least 30 calendar days' notice to the Noteholders or the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration which would be affected by the proposed modification in accordance with Condition 16 (*Notice to Noteholders*) and Certificate Condition 15 (*Notice to Certificateholders*) and by publications on Bloomberg on the "Company News" screen; and (3) Noteholders or the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have not notified the Note Trustee or the Security Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) that they do not consent to the modification. Noteholders of each outstanding Classes of Notes and/or persons entitled to Senior Deferred Consideration and Residual Deferred Consideration should be aware that, if 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have not notified the Note Trustee that they do not consent to the proposed modification(s), the modification(s) will nonetheless be passed and will be binding on all Noteholders of outstanding Classes of Notes.

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

Investors should note the various circumstances in which a modification may be made to the Conditions or any other Transaction Documents for the purposes of making a Base Rate Modification and to the Interest Rate Swap Agreement for the purpose of making a Swap Rate Modification. These circumstances broadly relate to the disruption or discontinuation of an applicable benchmark rate (which is expected to be SONIA for Sterling), but also specifically include, among other things, any public statements by the administrator of the applicable benchmark rate or certain regulatory bodies that that benchmark rate will be discontinued or may no longer be used, and a Base Rate Modification or a Swap Rate Modification may also be made if the Issuer (or the Servicer on its behalf) reasonably expects any of these events to occur within six months of the proposed effective date of the Base Rate Modification or the Swap Rate Modification, subject to certain conditions. Investors should note the various circumstances in which a Base Rate Modification or a Swap Rate Modification may be made, which

are specified in Condition 13.6, and should also note the various options permitted as an Alternative Base Rate specified therein. In the event of a Base Rate Modification, there can be no assurance that the Issuer and the Interest Rate Swap Counterparty would agree to modify the base floating rate used to determine payments under the Interest Rate Swap Agreement such that the rate corresponds to the rate used to determine interest payments under the Notes or that any such amendment made would allow the Interest Rate Swap Agreement to effectively mitigate interest rate risk on the Notes. As a result, and in such circumstances, the Issuer's obligation under the SONIA-linked Notes may be unhedged.

7. MACRO-ECONOMIC RISKS

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

No assurance is provided that there is an active and liquid secondary market for the Notes, and no assurance is provided that a secondary market for the Notes will develop or, if it does develop, that it will provide Noteholders with liquidity of investment for the life of the Notes. Any investor in the Notes must be prepared to hold their Notes for an indefinite period of time or until their Final Redemption Date or alternatively such investor may only be able to sell the Notes at a discount to the original purchase price of those Notes.

The secondary market for mortgage-backed securities similar to the Notes has, at times, experienced significant disruptions and limited liquidity. Limited liquidity in the secondary market may have an adverse effect on the market value of mortgage-backed securities (including the Notes issued by the Issuer), 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.

In addition, potential investors should be aware that global markets have recently been negatively impacted by the then prevailing global market conditions and reduced growth expectations for the Organisation for Economic Co-operation and Development economies, which could affect any secondary market for instruments similar to the Notes. In particular, at the date of this Prospectus, as well as the current challenges facing the European macro-economic environment, certain European governments are in discussions with other countries in the Eurozone, the International Monetary Fund and other creditors are in the process of establishing or have already established and are implementing an austerity programme. There has been further uncertainty in the global markets as a result of the United Kingdom leaving the European Union. It is unclear what the effect of these discussions will be on the Eurozone economy. Additionally, these uncertainties have been exacerbated in the UK and the European Union by developments such as consumer energy price inflation and disruption to global supply chains. This, alongside elevated global demand for goods and supply shortages of specific goods, arising partly from COVID-19, has led to recent inflationary pressure and rises in UK interest rates. Continuing inflationary pressure may result in further interest rate increases over time. There are also geopolitical risks arising from war and terrorism, for example, around the conflict in Ukraine, which could impact the UK economy, in particular by increasing energy and oil prices (and therefore petrol and diesel retail prices) and increasing inflation further.

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

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

None of the Issuer, the Arranger or Lead Manager is or will be obliged to make a market for Notes issued by the Issuer.

The relationship between the United Kingdom with the European Union may affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or liquidity of the Notes in the secondary market

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

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

The European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) and secondary legislation made under powers provided in that Act ensure that there is a functioning statute book in the UK. While the UK introduced a temporary permission regime to allow EEA firms to continue to do business in the UK for a limited period of time, once the passporting regime fell away, the majority of EEA states have not introduced similar transitional regimes. The TCA is only part of the overall package of agreements. Other supplementing agreements included a series of joint declarations on a range of important issues where further cooperation is foreseen, including financial services. The declarations state that the EU and the UK will discuss how to move forward with equivalence determinations in relation to financial services. It should be noted that even if equivalence arrangements for certain sectors of the financial services industry are agreed, market access is unlikely to be as comprehensive as the market access that the UK enjoyed through its EU membership.

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

Further, UK law may change and differ from EU law and it is impossible at this time to predict the consequences on the Mortgage Portfolio, the underlying agreements, the Servicer, the Seller, the Legal Title Holder, the Seller or the Issuer's business, financial condition, results of operations or prospects or any potential investors. Such changes could be materially detrimental to Noteholders and the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration.

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

8. LEGAL AND REGULATORY RISKS RELATING TO THE MORTGAGE LOANS

Mortgage Loans are subject to certain legal and regulatory risks

Certain regulatory risks exist in relation to the Mortgage Loans, including in relation to the legal and regulatory considerations relating to the Mortgage Loans and their Related Security, changes in law or regulation, the possibility of complaints by Borrowers in relation to terms of the Mortgage Loans and in relation to the policies and procedures of the Seller. If any of these risks materialise, they could have an adverse effect on the ability of the Issuer to satisfy its obligations under the Notes. Further detail on certain considerations in relation to the regulation of mortgages in the UK is set out in the section headed "*Further Information relating to the Regulation of Mortgages in the UK*" and certain specific risks are set out below.

Regulated Mortgage Contracts. A borrower who is a private person may be entitled to claim damages for loss suffered as a result of any contravention by an authorised person of an FCA or PRA rule, and may set off the amount of the claim against the amount owing by the borrower under the loan or any other loan that the borrower has taken with that authorised person (or exercise analogous rights in Scotland). Any such set-off in respect of the Mortgage Loans may adversely affect the Issuer's ability to make payments on the Notes and in respect of the Senior Deferred Consideration and Residual Deferred Consideration. Further detail is included in the section headed "*Further Information relating to the Regulation of Mortgages in the UK – Regulation of the UK Residential Mortgage Market*".

Distance Marketing. The Financial Services (Distance Marketing) Regulations 2004 allow, in certain specified circumstances, a borrower to cancel a credit agreement it has entered into with lenders. If a significant proportion of the Mortgage Loans are treated as being cancellable under these regulations, there could be an adverse effect on the Issuer's receipts in respect of the Mortgage Loans affecting the Issuer's ability to make payments under the Notes. Further detail is included in the section headed "*Further Information relating to the Regulation of Mortgages in the UK – Distance Marketing Regulations*".

CRA. The CRA provides that a consumer may, in certain circumstances, challenge a term in an agreement on the basis that it is unfair. The broad and general wording of the CRA makes any assessment of the fairness of terms largely subjective and makes it difficult to predict whether or not a term would be held by a court to be unfair. It is therefore possible that any Mortgage Loans which have been made to Borrowers covered by the CRA may contain unfair terms that may result in the possible unenforceability of the terms of the underlying loans. If any term of the Mortgage Loans is found to be unfair for the purpose of the CRA, this may reduce the amounts available to meet the payments due in respect of the Notes, including by way of non-recovery of a Mortgage Loan, a claim made by the Borrower, or the exercise by the Borrower of a right of set-off (including analogous rights under Scots law) arising as a result of a term of a loan being found to be unfair (and therefore not binding on the consumer).

No assurance can be given that any changes in legislation, guidance or case law on unfair terms will not have a material adverse effect on the Seller, the Legal Title Holder, the Issuer and/or the Servicer and their respective businesses and operations. No assurance can be given that any such changes in guidance on the CRA, or reform of the CRA, will not affect the Mortgage Loans and will not have a material adverse effect on the Issuer's ability to make payments on the Notes and in respect of the Senior Deferred Consideration and Residual Deferred Consideration. Further detail in relation to the CRA is included in the sections headed "*Further Information relating to the Regulation of Mortgages in the UK – Consumer Rights Act 2015*" and "*Further Information relating to the Regulation of Mortgages in the UK – Regulation of the UK Residential Mortgage Market*".

Consumer Protection from Unfair Trading Regulations 2008. The CPUTR prohibits certain practices which are deemed unfair within the terms of the CPUTR. Breach of the CPUTR may lead to liability for misrepresentation or breach of contract in relation to the underlying credit agreements, which may result in irrecoverable losses on amounts to which such agreements apply and which may adversely affect the ability of the Issuer to satisfy its obligations under the Notes. Further detail in relation to the CPUTR is included in the section headed "*Further Information relating to the Regulation of Mortgages in the UK – Consumer Protection from Unfair Trading Regulations 2008*".

Financial Ombudsman Service. Under the FSMA, the Financial Ombudsman Service (the "**Ombudsman**") is required to make decisions on, among other things, complaints relating to activities and transactions under its jurisdiction. The Ombudsman is required to make decisions on the basis of, among other things, the principles of fairness, and may order a money award to a borrower. Given the way the Ombudsman makes its decisions, 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. Further detail is included in the section headed "*Further Information relating to the Regulation of Mortgages in the UK – Financial Ombudsman Service*".

Mortgage repossessions. The protocols for mortgage repossession may have adverse effects in relation to the ability of the Seller to repossess properties in markets experiencing above-average levels of possession claims.

Delays in the initiation of responsive action in respect of the Mortgage Loans may result in lower recoveries and may adversely affect the ability of the Issuer to make payments to Noteholders. Further detail is included in the section headed "*Further Information relating to the Regulation of Mortgages in the UK – Repossessions*".

Consumer Duty. The FCA published in July 2022 its finalised guidance and policy statement on regulated firms (the "**Consumer Duty**"), which aims to set a higher level of consumer protection in retail financial markets. The Consumer Duty has become applicable from 31 July 2023 for new and existing products or services that are open to sale or renewal and from 31 July 2024 for closed products and services. It is unclear, despite the guidance from the FCA, how the Consumer Duty will operate. The FCA has its usual enforcement powers, such as issuing fines and securing redress for consumers, in relation to breaches of the Consumer Duty. If (for example) the obligations relating to fair value or not causing harm are not met in relation to the Mortgage Portfolio, it could adversely affect the amounts received or recoverable in relation to the Mortgage Portfolio. This may adversely affect the ability of the Issuer to make payments in full on the Notes when due. Further detail is included in the section headed "*Further Information relating to the Regulation of Mortgages in the UK – FCA Consumer Duty*".

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

FCA response to the cost of living crisis. On 16 June 2022, the FCA sent a "Dear CEO" letter which stated that the FCA consider that the Mortgages Tailored Support Guidance published on 25 March 2021 which was issued to address exceptional circumstances arising out of coronavirus, is also relevant for borrowers in financial difficulties due to other circumstances such as the rising cost of living. Therefore, if a borrower indicates that they are experiencing or reasonably expect to experience payment difficulties due to the rising cost of living, the FCA have said that lenders should offer prospective forbearance to enable them to avoid, reduce, or manage any payment shortfall that would otherwise arise. This includes borrowers who have not yet missed a payment. On 13 March 2023, the FCA published finalised guidance: "Guidance for firms supporting their existing mortgage borrowers impacted by the rising cost of living" (FG23/2). The FCA stated that the purpose of the finalised guidance was to ensure that lenders are clear about the effect of the FCA rules and the range of options lenders have to support their customers including those who are facing higher interest rates alongside the rising cost of living. The FCA have said that the guidance clarifies the effect of their existing rules and principles and is not intended to set new expectations or requirements of lenders or to repeat the position set out in other documents such as the expectations around repossessions or the treatment of vulnerable customers. It explains how lenders can support borrowers in, or at risk of, payment difficulty and confirms the flexibility lenders have under FCA rules and guidance to support borrowers in different ways. Further, on 25 May 2023, the FCA launched consultation CP23/13 setting out how they plan to incorporate aspects of the Mortgages Tailored Support Guidance into MCOB and withdraw the Mortgages Tailored Support Guidance. The FCA are also proposing targeted additional changes to support consumers in financial difficulty. The FCA expect their new rules to come into force in the first half of 2024 and propose to withdraw the Mortgages Tailored Support Guidance at the same time. There can be no assurance that the FCA, or other UK government or regulatory bodies, will not take further steps in response to the rising cost of living in the UK which may impact the performance of the Loans, including further amending and extending the scope of the above guidance.

Mortgage Charter. On 26 June 2023, the HM Treasury published the 'Mortgage Charter' in light of the current pressures on households following interest rate rises and the cost-of-living crisis. The Mortgage Charter states that the UK's largest mortgage lenders and the FCA have agreed with the Chancellor a set of standards that they will adopt when helping their regulated mortgage borrowers worried about high interest rates. Kensington

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

TRANSACTION OVERVIEW

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

OVERVIEW OF TRANSACTION PARTIES

Party	Name	Address	Document under which appointed/Further Information
Issuer	Gemgarto 2023-1 PLC	10th Floor 5 Churchill Place London E14 5HU	N/A. See the section entitled " <i>The Issuer</i> " for more information.
Holdings	Gemgarto 2023-1 Holdings Limited	10th Floor 5 Churchill Place London E14 5HU	N/A. See the section entitled " <i>Holdings</i> " for more information.
Seller	Kensington Mortgage Company Limited	Ascot House, Maidenhead Office Park, Maidenhead, SL6 3QQ, United Kingdom	N/A. See the section entitled " <i>The Seller, the Legal Title Holder and the Servicer</i> " for further information.
Legal Title Holder	Kensington Mortgage Company Limited	Ascot House, Maidenhead Office Park, Maidenhead, SL6 3QQ, United Kingdom	N/A. See the section entitled " <i>The Seller, the Legal Title Holder and the Servicer</i> " for further information.
Retention Holder (for UK and EU risk retention purposes)	Barclays Bank PLC	1 Churchill Place London E14 5HP	N/A. See the section entitled " <i>Certain Regulatory Requirements – The Securitisation Regulation – UK and EU risk retention requirements</i> " for further information.
Sponsor Administrator	Barclays Bank PLC	1 Churchill Place London E14 5HP	The Sponsor Administrator was appointed pursuant to the Sponsor Administration Agreement. See the section entitled " <i>The Sponsor Administrator, Retention Holder, Transaction Account Bank, Interest Rate Swap Counterparty and Collection Accounts Provider</i> " for further information.
Servicer	Kensington Mortgage Company Limited	Ascot House, Maidenhead Office Park, Maidenhead, SL6 3QQ, United Kingdom	The Servicer was appointed pursuant to the Servicing Agreement. See the sections entitled " <i>The Seller, the Legal Title Holder and the Servicer</i> " and " <i>The Servicer and the</i>

Party	Name	Address	Document under which appointed/Further Information
			<i>Servicing Agreement</i> " for further information.
			The Servicer may delegate its duties under the Servicing Agreement. As of the date of this Prospectus, the Servicer intends to delegate its duties to Barclays Execution Services Limited.
Security Trustee	U.S. Bank Trustees Limited	125 Old Broad Street Fifth Floor London EC2N 1AR	The Security Trustee was appointed pursuant to the Deed of Charge. See the section entitled " <i>The Note Trustee and the Security Trustee</i> " for more information.
Note Trustee	U.S. Bank Trustees Limited	125 Old Broad Street Fifth Floor London EC2N 1AR	The Note Trustee was appointed pursuant to the Trust Deed. See the section entitled " <i>The Note Trustee and the Security Trustee</i> " for more information.
Share Trustee	CSC Corporate Services (UK) Limited	10th Floor 5 Churchill Place London E14 5HU	The issued share capital of Holdings is held by the Share Trustee under the terms of a discretionary trust. See the section entitled " <i>Holdings</i> " for more information.
Cash Manager	U.S. Bank Global Corporate Trust Limited	125 Old Broad Street Fifth Floor London EC2N 1AR	The Cash Manager was appointed pursuant to the Cash Management Agreement. See the section entitled " <i>Cash Management</i> " for more information.
Corporate Services Provider	CSC Capital Markets UK Limited	10th Floor 5 Churchill Place London E14 5HU	The Corporate Services Provider was appointed pursuant to the Corporate Services Agreement.
Transaction Account Bank	Barclays Bank PLC	1 Churchill Place London E14 5HP	The Transaction Account Bank was appointed pursuant to the Account Bank Agreement. See the section entitled " <i>Cash Management – Account Bank Agreement and Issuer Accounts</i> " for more information.
Collection Accounts Provider .	Barclays Bank PLC	1 Churchill Place London E14 5HP	The Collection Accounts Provider was appointed pursuant

Party	Name	Address	Document under which appointed/Further Information
			to the Main Collection Account Agreement, F Collection Account Agreement, the F Collection Account Accession Agreement, R Collection Account Agreement and the R Collection Account Accession Agreement.
			See the sections entitled " <i>The Sponsor Administrator, Retention Holder, Transaction Account Bank, Interest Rate Swap Counterparty and Collection Accounts Provider</i> " and " <i>The Servicer and the Servicing Agreement</i> " for more information.
Interest Rate Swap Counterparty.....	Barclays Bank PLC	1 Churchill Place London E14 5HP	N/A. See the sections entitled " <i>The Sponsor Administrator, Retention Holder, Transaction Account Bank, Interest Rate Swap Counterparty and Collection Accounts Provider</i> " and " <i>The Interest Rate Swap Agreement</i> " for more information.
Principal Paying Agent	Elavon Financial services DAC, U.K. Branch	125 Old Broad Street Fifth Floor London EC2N 1AR	The Principal Paying Agent was appointed pursuant to the Agency Agreement.
Agent Bank.....	Elavon Financial Services DAC, UK Branch	125 Old Broad Street Fifth Floor London EC2N 1AR	The Agent Bank was appointed pursuant to the Agency Agreement.
Standby Account Bank	Elavon Financial Services DAC, UK Branch	125 Old Broad Street Fifth Floor London EC2N 1AR	The Standby Account Bank was appointed pursuant to the Standby Account Bank Agreement.
Registrar.....	Elavon Financial Services DAC, UK Branch	125 Old Broad Street Fifth Floor London EC2N 1AR	The Registrar was appointed pursuant to the Agency Agreement.
Back-up Servicer Facilitator	CSC Capital Markets UK Limited	10th Floor 5 Churchill Place London E14 5HU	The Back-up Servicer Facilitator was appointed pursuant to the Servicing Agreement.
Arranger.....	Barclays Bank PLC acting through its investment bank or its affiliates	1 Churchill Place London E14 5HP	The Arranger was appointed pursuant to the Subscription Agreement. See the section entitled " <i>Subscription and Sale and Transfer and Selling</i> "

Party	Name	Address	Document under which appointed/Further Information <i>Restrictions"</i> for further information.
Lead Manager	Barclays Bank PLC acting through its investment bank or its affiliates	1 Churchill Place London E14 5HP	The Lead Manager was appointed pursuant to the Subscription Agreement. See the section entitled " <i>Subscription and Sale and Transfer and Selling Restrictions</i> " for further information.
Listing Authority...	The Financial Conduct Authority	N/A	N/A
Stock Exchange	The London Stock Exchange's regulated market	N/A	N/A
Clearing Systems...	Euroclear/Clearstream, Luxembourg	N/A	N/A
Rating Agencies.....	DBRS	20 Fenchurch Street 31st Floor London EC3M 3BY	N/A
	Moody's Investors Service Limited	1 Canada Square, Canary Wharf, London E14 5FA	N/A

OVERVIEW OF MORTGAGE PORTFOLIO AND SERVICING

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

Sale of Mortgage Portfolio..... The Mortgage Portfolio will consist of Mortgage Loans and their Related Security sold by the Seller to the Issuer in accordance with the terms of the Mortgage Sale Agreement.

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

As at the Closing Date, the Mortgage Loans comprising the Mortgage Portfolio will be Floating Rate Mortgage Loans and Fixed Rate Mortgage Loans (and at the expiry of the relevant fixed rate term of any such Mortgage Loan, it will become a Floating Rate Mortgage Loan).

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

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

Features of Mortgage Loans The following is a summary of certain features of all of the Mortgage Loans as at the Closing Date and investors should refer to, and carefully consider, the section entitled "The Mortgage Loans and the Mortgage Portfolio".

Type of Borrower	Prime
Type of Mortgage Loan	Repayment Mortgage Loans, Interest Only Mortgage Loans and Part and Part Mortgage Loans
Self-Certified Mortgage Loans	No
Fast-track Mortgage Loans	No
Buy-to-Let Mortgage Loans	No

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

- (a) the Initial Purchase Price; and
- (b) the deferred consideration consisting of the Senior Deferred Consideration and the Residual Deferred Consideration.

See further the section entitled "Assignment of the Mortgage Loans and Related Security".

Eligibility Criteria	<p>Any Mortgage Loan and its Related Security to be sold to the Issuer must comply with the Eligibility Criteria.</p> <p>See "<i>Assignment of the Mortgage Loans and Related Security – Eligibility Criteria</i>" for more information on the Eligibility Criteria.</p>
Representations and warranties.....	<p>The Seller is required to give the Mortgage Loan Warranties in respect of the Mortgage Portfolio as at the Cut-Off Date sold to the Issuer on the Closing Date.</p> <p>See further the section entitled "<i>Assignment of the Mortgage Loans and Related Security</i>".</p>
Mandatory repurchase of the Mortgage Loans and Related Security	<p>The Seller will be required to repurchase the relevant Mortgage Loans and their Related Security if (i) any Mortgage Loan Warranty proves to have been untrue, and such breach has a material adverse effect on a Mortgage Loan or its Related Security, as at the Cut-Off Date, and (ii) following the making of a Further Advance or the granting of a Product Switch (provided that the relevant Mortgage Loan subject to a Further Advance or Product Switch is not in arrears on the first Business Day following the Product Switch Effective Date or the date the Further Advance was made (as applicable)).</p> <p>See further the sections entitled "<i>The Mortgage Loans and the Mortgage Portfolio – Flexible features – Further Advances</i>" and "<i>Assignment of the Mortgage Loans and Related Security</i>" and "<i>The Servicer and the Servicing Agreement</i>".</p>
Consideration for repurchase	<p>Consideration payable by the Seller or the Legal Title Holder (as applicable) in respect of any repurchase of any Mortgage Loan and its Related Security will be an amount equal to the aggregate of the Current Balance and all Arrears of Interest and Accrued Interest thereof and expenses payable relating thereto (excluding, if applicable, the amount of any Further Advance which has not yet been paid for by the Issuer) as at the date of completion of such repurchase.</p>
Perfection Trigger Events	<p>Transfer of the legal title to the relevant Mortgage Loans will be completed following the occurrence of a Perfection Trigger Event. See further "<i>Assignment of the Mortgage Loans and Related Security – Transfer of title to the Mortgage Loans to the Issuer</i>", the definition of "Perfection Trigger Event" set out therein and "<i>The Servicer and the Servicing Agreement</i>".</p> <p>Prior to the completion of the transfer of legal title to the Mortgage Loans, the Issuer will hold only the equitable title to those Mortgage Loans or, in the case of Scottish Mortgage Loans, will be the sole beneficiary under the grant of a declaration of trust and will therefore be subject to certain risks as set out in the section entitled "<i>Risk Factors – Legal and Regulatory Risks relating to the Structure and the Notes – The Legal Title Holder will initially retain legal title to the Mortgage Loans</i>".</p>
Servicing of the Mortgage Portfolio.....	<p>The Servicer will be appointed by the Issuer to administer the Mortgage Loans on a day-to-day basis in accordance with the Servicing Agreement. The Servicer performs the day-to-day servicing of the Mortgage Loans from its mortgage service centres and telephone banking and operations centres. The</p>

appointment of the Servicer may be terminated by the Issuer following the occurrence of certain Servicer Termination Events, which include:

- (a) default is made by the Servicer in the performance or observance of any of its covenants, undertakings and obligations under the Servicing Agreement which, in the sole opinion of the Note Trustee, is materially prejudicial to the interests of the Noteholders or the Certificateholders and which, in the case of a default that is remediable, continues unremedied for a period of 15 days after written notice from the Note Trustee requiring the same to be remedied or such longer period as the parties agree;
- (b) the Servicer ceases to be an authorised person under FSMA or fails to obtain or maintain the necessary licenses, registrations or regulatory approvals enabling it to continue to service the Mortgage Loans and perform its obligations under the Servicing Agreement;
- (c) an order is made or an effective resolution is passed for the winding up of the Servicer;
- (d) the Servicer ceases or threatens to cease to carry on its business or a substantial part of its business or stops payment or threatens to stop payment of any amounts due to its creditors generally or becomes unable to pay its debts as they fall due or otherwise becomes insolvent;
- (e) (other than in the case of a reorganisation the terms of which have been approved by the Issuer, or following the delivery of an Enforcement Notice, the Security Trustee and where the Servicer demonstrates to the satisfaction of the Issuer, or following the delivery of an Enforcement Notice, the Security Trustee that it is solvent) an order is made against the Servicer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or a receiver, administrator or other similar official is appointed in relation to the Servicer or in relation to the whole or any substantial part of the undertaking or assets of the Servicer or an encumbrancer or other security holder shall take possession of the whole or any substantial part of the undertaking or assets of the Servicer, and in any of the foregoing cases it shall not be discharged within 30 Business Days; or if the Servicer shall initiate or consent to judicial proceedings relating to itself (other than in the case of a reorganisation) under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or shall make a conveyance or assignment for the benefit of its creditors generally or if a petition is presented to wind up the Servicer (other than any petition which is frivolous or vexatious and is not withdrawn within five Business Days);
- (f) an Enforcement Notice is given and the Security Trustee is of the opinion that the continuation of the appointment of the Servicer is materially prejudicial to the interests of the holders of the Most Senior Class;
- (g) a Perfection Trigger Event;

- (h) the Issuer giving notice to the Legal Title Holder of termination of its appointment in accordance with the Servicing Agreement or the Legal Title Holder purporting to resign its appointment as Legal Title Holder in accordance with the Servicing Agreement; or
- (i) a Force Majeure Event occurs and continues unremedied for 21 calendar days.

See further "*The Servicer and the Servicing Agreement – Removal or resignation of the Servicer*".

Upon termination of the appointment of the Servicer following a Servicer Termination Event, the Back-up Servicer Facilitator shall use its reasonable endeavours to assist the Issuer in appointing, as soon as reasonably practicable, a replacement servicer that satisfies the following conditions:

- (A) such replacement servicer has experience of administering Mortgage Loans secured on residential mortgaged properties in England, Wales, and Scotland;
- (B) such replacement servicer enters into a deed on substantially the same terms as the relevant provisions of the Servicing Agreement with the Issuer, the Seller, the Legal Title Holder and the Security Trustee (and the Servicer will not be released from its obligations under the relevant provisions of the Servicing Agreement until such replacement servicer has entered into such new deed); and
- (C) such replacement Servicer is authorised and licensed to act as such under the FSMA.

The Servicer may also resign upon giving 12 months' notice to the Issuer and the Security Trustee, provided that the conditions referred to above are satisfied, the Issuer and the Security Trustee consent in writing to such termination, and a replacement servicer will be appointed (subject to the prior written consent of the Security Trustee), such appointment to be effective not later than the date of such termination (and the Servicer will notify the Rating Agencies in writing of the identity of such replacement servicer).

Sub-contracting or delegation

The Servicer may sub-contract or delegate some or all of its servicing function to a third party, provided that it meets conditions as set out in the Servicing Agreement. As at the Closing Date, the Servicer intends to delegate certain of its servicing functions to Barclays Execution Services Limited.

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

Purchase options

The Mortgage Loans in the Mortgage Portfolio are subject to several different purchase options as outlined below. If any of these purchase options are exercised, the Notes will be redeemed in full and, in certain circumstances, any Certificates (then in issue) will be cancelled.

Portfolio Purchase Option. Exercise

The Portfolio Option Holder may exercise the Portfolio Purchase Option to effect an early redemption of the Notes:

- (a) on the First Optional Redemption Date or any Payment Date following the First Optional Redemption Date;
- (b) on any Payment Date following the date on which the Retention Holder (or any of its nominees) give notice of its intention to exercise the Risk Retention Regulatory Change Option following the date on which a Risk Retention Regulatory Change Event has occurred;
- (c) on the Payment Date following the date on which the Seller gives notice of its intention to exercise the Regulatory Change Event Option following the date on which the Seller has determined that a Regulatory Change Event has occurred; and
- (d) on the Payment Date following the date on which the Seller gives notice of its intention to exercise the Tax/Illegality Option following the date on which a Tax/Illegality Event has occurred, provided that any election to exercise the Portfolio Purchase Option in these circumstances must be notified to the Note Trustee within 20 Business Days of receipt of such notice.

The Portfolio Purchase Option may be exercised by notice to the Issuer with a copy to the Cash Manager, the Note Trustee, the Security Trustee, the Seller, the Legal Title Holder, the Retention Holder and each of the Rating Agencies with such purchase to take effect on the Calculation Date immediately preceding the Optional Redemption Date specified in the exercise notice (such purchase date, the "**Portfolio Sale Completion Date**"). The Notes shall be redeemed in full (or in respect of the Retention Holder Notes, which will not be redeemed and will be left outstanding in limited specified circumstances) on the relevant Optional Redemption Date subject to the satisfaction of the New Issue Conditions Precedent in the reasonable opinion of KMC in its capacity as Servicer and Legal Title Holder being satisfied prior to the Portfolio Sale Completion Date.

The Issuer has covenanted in the Portfolio Option Deed Poll in favour of the Portfolio Option Holder that, prior to the service of an Enforcement Notice, it shall not agree to any sale of the Mortgage Portfolio that is not already provided for under the Transaction Documents without the prior written consent of the Portfolio Option Holder.

The "**Portfolio Option Holder**" is the person entitled to receive more than 50 per cent. of the Residual Deferred Consideration or an entity representing persons in aggregate entitled to receive more than 50 per cent. of the Residual Deferred Consideration (other than any Residual Deferred Consideration entitlement held directly or indirectly by or on behalf of the Retention Holder).

Purchase price

The purchase price payable by the Portfolio Option Holder in respect of the Portfolio Purchase Option shall be an amount equal to the New Issue Proceeds

Amount. "**New Issue Proceeds Amount**" is an amount greater than or equal to the higher of:

- (a) the "**New Issue Proceeds Base Amount**" being an amount equal to:
 - (i) the aggregate Principal Amount Outstanding of the Notes plus accrued and unpaid interest thereon as at the Optional Redemption Date; plus
 - (ii) the amount (if any) required to be paid by the Issuer to the Interest Rate Swap Counterparty in respect of the termination of the Interest Rate Swap(s) as a result of the exercise of the relevant Option; plus
 - (iii) any fees, costs, amounts and expenses of the Issuer payable senior to payment of Residual Deferred Consideration in the Post-Enforcement Priority of Payments as at the Optional Redemption Date; less
 - (iv) any amounts standing to the credit of the Transaction Account as at the date of the most recent Servicer Report (but disregarding any amounts standing to the credit of the Issuer Profit Ledger); less
 - (v) the amount (if any) required to be paid, and actually paid, by the Interest Rate Swap Counterparty to the Issuer in respect of the termination of the Interest Rate Swap as a result of the exercise of the relevant Option; and
- (b) the fair market value of all (but not some only) of the Mortgage Loans in the Mortgage Portfolio as determined by the relevant Option Holder in accordance with the relevant Option Deed Poll (the "**New Issue Proceeds Current Value Amount**"). The New Issue Proceeds Current Value Amount shall be determined by the relevant Option Holder calculating such price and giving notice of it to the Retention Holder and the Portfolio Option Holder (where applicable):
 - (i) for the purposes of the Portfolio Purchase Option, notwithstanding any other provision, if the Portfolio Option Holder and the Retention Holder cannot agree on a New Issue Proceeds Current Value Amount, they may together appoint an independent third party valuer who shall, following consultation with such parties, propose, on a non-binding basis, an alternative New Issue Proceeds Current Value Amount, and if the Portfolio Option Holder and the Retention Holder cannot agree on such alternative New Issue Proceeds Current Value Amount:
 - (A) the Issuer will use reasonable commercial endeavours to obtain, prior to the relevant Portfolio Sale Completion Date, a separate ISIN and Common Code for each Class of Notes, so that there is one ISIN and Common Code for 95 per cent. of the Principal Amount Outstanding of each

Class of Notes (the "**General Notes**") and another ISIN and Common Code for the remaining 5 per cent. of the Principal Amount Outstanding of each Class of Notes which are held by the Retention Holder (the "**Retention Holder Notes**"). If it is not possible for the Issuer to do so, the Retention Holder and the Portfolio Option Holder will use commercially reasonable endeavours to agree an alternative approach (which could, without limitation, involve issuing an additional 5 per cent. of notes with a different ISIN to the Retention Holder and, in return, cancelling the Retention Holder Notes). If no such agreement can be reached, the Portfolio Option cannot be exercised unless the Retention Holder and the Portfolio Option Holder agree on the New Issuer Proceeds Current Value Amount;

(B) on the assumption that there has been agreement between the Portfolio Option Holder and the Retention Holder in accordance with paragraph (A) above:

(I) the Portfolio Purchase Option Loans for the purposes of the Portfolio Purchase Option will be 95 per cent. of all Mortgage Loans (randomly selected) and Related Security in the Mortgage Portfolio (other than the Mortgage Loans which have been repurchased or have redeemed in full). The remaining 5 per cent. of Mortgage Loans will remain with the Issuer;

(II) the purchase price payable by the Portfolio Option Holder (or its nominee) for 95% of the Mortgage Portfolio, as referred to in paragraph (1) above shall be an amount equal to 95% of the New Issue Proceeds Base Amount (such amount will be deemed to be the New Issue Proceeds Amount under the Portfolio Purchase Option) and such amount will be applied by the Issuer in accordance with the Post-Enforcement Priority of Payments on the basis that only the General Notes will be redeemed and the Retention Holder Notes will remain outstanding;

(III) prior to the Portfolio Sale Completion Date, the Issuer must have received a legal opinion in respect of UK tax matters, on terms acceptable to the Retention Holder and the Issuer (and the Issuer will be so satisfied if such opinion confirms that the

matters outlined in paragraphs (A) and (B)(I) and (II) above will not cause the Issuer to be taxed otherwise than in accordance with regulation 14 of the Taxation of Securitisation Companies Regulations 2006 (as amended) and will not cause the Issuer to be subject to any other materially adverse taxation consequences); and

- (C) the New Issue Conditions Precedent must be satisfied prior to the Portfolio Sale Completion Date; and
- (ii) for the purposes of the Refinancing Option, Risk Retention Regulatory Change Option, Regulatory Change Event Option or Tax/Illegality Option, if the Portfolio Option Holder and the Retention Holder cannot agree on a New Issue Proceeds Current Value Amount they may together appoint an independent third party valuer who shall, following consultation with such parties, propose an alternative New Issue Proceeds Current Value Amount, which shall be binding on the parties; or
- (iii) for the purposes of the Clean-up Purchase Option, if the relevant Option Holder and the Portfolio Option Holder cannot agree on a New Issue Proceeds Current Value Amount they may together appoint an independent third party valuer who shall, following consultation with such parties, propose an alternative New Issue Proceeds Current Value Amount, which shall be binding on the parties.

Provided that there is no shortfall to pay items ranking higher in the applicable Priorities of Payments, to the extent that the Portfolio Option Holder holds any of the Notes and/or is entitled to receive Senior Deferred Consideration or Residual Deferred Consideration, it may set off from the New Issue Proceeds Amount an amount equal to the amounts due to it as Noteholder and/or as the person entitled to Senior Deferred Consideration or Residual Deferred Consideration on the Optional Redemption Date.

See the section entitled "*Early Redemption of the Notes pursuant to the Portfolio Purchase Option, Clean-up Purchase Option, Refinancing Option, Risk Retention Regulatory Change Option, Regulatory Change Event Option or Optional Redemption for Tax and Other Reasons*" for further details.

Refinancing Option *Exercise*

The Issuer will, pursuant to the Refinancing Option Deed Poll, grant to the Refinancing Option Holder the option (the "**Refinancing Option**") to require the Issuer to:

- (a) redeem (in whole and not in part) the Notes, on the First Optional Redemption Date or any Payment Date thereafter;

- (b) as agreed between the Issuer, the Refinancing Option Holder and the Class S Certificateholder (where Class S Certificates are in issue), cancel some or all of the Certificates (then in issue) on such date and/or leave some or all of the Certificates (then in issue) outstanding on such date; and
- (c) issue the Refinancing Instruments on the Refinancing Date.

Refinancing Option Holder

The person entitled to receive more than 50 per cent. of the Residual Deferred Consideration or an entity representing persons in aggregate entitled to receive more than 50 per cent. of the Residual Deferred Consideration (other than any Residual Deferred Consideration entitlement held directly or indirectly by or on behalf of the Retention Holder).

Required refinancing proceeds

The refinancing proceeds available following exercise of the Refinancing Option is required to be an amount at least equal to the New Issue Proceeds Amount.

See the section entitled "*Early Redemption of the Notes pursuant to the Portfolio Purchase Option, Clean-up Purchase Option, Refinancing Option, Risk Retention Regulatory Change Option, Regulatory Change Event Option or Optional Redemption for Tax and Other Reasons*" for further details.

**Clean-up Purchase
Option.....**

Exercise

The Seller may exercise the Clean-up Purchase Option to effect an early redemption of the Notes on any Payment Date on which the aggregate Current Balance of the Mortgage Loans in the Mortgage Portfolio (as of the immediately preceding Calculation Date) is less than or equal to 10 per cent. of the aggregate Current Balance of the Mortgage Loans in the Mortgage Portfolio as at the Cut-Off Date.

The Clean-up Purchase Option may be exercised by notice to the Issuer with a copy to the Cash Manager, the Note Trustee, the Security Trustee, the Retention Holder, the Portfolio Option Holder and the Rating Agencies with such purchase to take effect on the Calculation Date immediately preceding the Optional Redemption Date (the "**Clean-up Sale Completion Date**"). The Notes shall be redeemed on the Payment Date falling immediately after the Clean-up Sale Completion Date.

Purchase price

The purchase price payable by the Seller (or its nominee) in respect of the Clean-up Purchase Option shall be an amount equal to the New Issue Proceeds Amount.

Provided that there is no shortfall to pay items ranking higher in the applicable Priorities of Payments, to the extent that the purchaser of the Mortgage Loans holds any of the Notes, the Seller may set off from the New Issue Proceeds

Amount an amount equal to the amounts due to it as Noteholder on the Optional Redemption Date.

See the section entitled "*Early Redemption of the Notes pursuant to the Portfolio Purchase Option, Clean-up Purchase Option, Refinancing Option, Risk Retention Regulatory Change Option, Regulatory Change Event Option or Optional Redemption for Tax and Other Reasons*" for further details.

**Risk Retention Regulatory
Change Option**

Exercise

If the Seller and the Retention Holder jointly determine that a Risk Retention Regulatory Change Event has occurred, and the Risk Retention Regulatory Change Event Option Holder gives notice of its intention to exercise the Risk Retention Regulatory Change Option, the Portfolio Option Holder (or its nominee) may elect to purchase the Mortgage Loans under the Portfolio Purchase Option. In the event that the Portfolio Option Holder (or its nominee) does not elect to purchase the Mortgage Loans, the Retention Holder (or any of its nominees) has the right (but not any obligation) to acquire (or procure the acquisition of) the entire beneficial interest of the Issuer in the Mortgage Portfolio upon the occurrence of a Risk Retention Regulatory Change Event in accordance with the terms of Condition 7.7 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*).

In the event that neither the Portfolio Option Holder (or its nominee) nor the Retention Holder (or any of its nominees) elects to purchase the Mortgage Loans, the Seller (or any of its nominees) has the right (but not any obligation) to re-acquire (or procure the re-acquisition of) the entire beneficial interest of the Issuer in the Mortgage Portfolio and thereby effect a redemption of the Notes following the occurrence of a Risk Retention Regulatory Change Event.

Purchase price

The price payable by or on behalf of the Retention Holder or the Seller (or any of its nominees) (as applicable) to the Issuer to acquire or re-acquire (as applicable) the beneficial interest of the entire Mortgage Portfolio from the Issuer shall be a price equal to the New Issue Proceeds Amount as calculated three Business Days prior to acquisition or re-acquisition (as applicable).

An exercise of a purchase right in respect of the entire Mortgage Portfolio following a Risk Retention Regulatory Change Event is referred to as the "**Risk Retention Regulatory Change Option**".

Provided that there is no shortfall to pay items ranking higher in the applicable Priorities of Payments, to the extent that the Retention Holder or the Seller (or any of its nominees) (as applicable) holds any of the Notes, or is entitled to receive Senior Deferred Consideration or Residual Deferred Consideration, it may set off from the New Issue Proceeds Current Value Amount an amount equal to the amounts due to it as Noteholder or as the person entitled to Senior Deferred Consideration or Residual Deferred Consideration on the Payment Date on which the Notes are to be redeemed.

**Regulatory Change Event
Option.....**

Exercise

Following a determination by the Seller (acting in a commercially reasonable manner) that a Regulatory Change Event has occurred, and the Seller giving

notice of its intention to exercise the Regulatory Change Event Option, the Portfolio Option Holder (or its nominee) may elect to purchase the Mortgage Loans under the Portfolio Purchase Option. In the event that the Portfolio Option Holder (or its nominee) does not elect to purchase the Mortgage Loans, the Seller shall have the right (but not any obligation) to re-acquire (or procure the re-acquisition of) the entire beneficial interest of the Issuer in the Mortgage Portfolio upon the occurrence of a Regulatory Change Event in accordance with the terms of Condition 7.8 (*Mandatory Redemption of the Notes following the exercise of a Regulatory Change Event Option*).

Purchase price

The price payable by or on behalf of the Seller to the Issuer to re-acquire the beneficial interest of the entire Mortgage Portfolio from the Issuer shall be a price equal to the New Issue Proceeds Amount as calculated three Business Days prior to acquisition or re-acquisition (as applicable).

An exercise of a purchase right in respect of the entire Mortgage Portfolio following a Regulatory Change Event is referred to as the "**Regulatory Change Event Option**".

Provided that there is no shortfall to pay items ranking higher in the applicable Priorities of Payments, to the extent that the Seller holds any of the Notes or is entitled to receive Senior Deferred Consideration or Residual Deferred Consideration, it may set off from the New Issue Proceeds Amount an amount equal to the amounts due to it as Noteholder or as the person entitled to receive Senior Deferred Consideration or Residual Deferred Consideration on the Payment Date on which the Notes are to be redeemed.

Optional redemption of the Notes for tax and other reasons.....

Exercise

Pursuant to Condition 7.9 (*Optional redemption for tax and other reasons*), following the occurrence of any of the following events, as determined by the Seller: (a) a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date which would require a deduction or withholding from any payment on any Notes or Senior Deferred Consideration or Residual Deferred Consideration (other than because the relevant person entitled to such payment has some connection with the United Kingdom other than the holding of such Notes, or having the right to Senior Deferred Consideration or Residual Deferred Consideration) of any tax; (b) 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 pay the Senior Deferred Consideration and Residual Deferred Consideration; or (c) a change in law or a change in guidance and/or interpretation (either communicated publicly by any relevant regulatory authority or bilaterally following communications between Barclays Bank UK PLC or KMC and the UK Regulators) after the Closing Date which would cause KMC in its capacity as Servicer and Legal Title Holder or Barclays Bank UK Plc to breach any Ring-Fencing Rules or prohibit KMC from performing or otherwise it is unable to perform the services contemplated to be provided by it in such capacities in the Transaction in respect of which the Issuer has appointed it (each a "**Tax/Illegality Event**").

Upon the occurrence of any of the above Tax/Illegality Events, and the Seller giving notice of its intention to exercise the Tax/Illegality Option, the Portfolio Option Holder (or its nominee) may exercise the Portfolio Purchase Option to elect to purchase the Mortgage Loans. If the Portfolio Option Holder (or its nominee) does not elect to purchase the Mortgage Loans, the Seller may (but is not obliged to) repurchase the Issuer's interest in the Mortgage Loans and their Related Security in respect of any optional redemption of the Notes pursuant to Condition 7.9 (*Optional redemption for tax and other reasons*) (the "**Tax/Illegality Option**").

Purchase price

The consideration payable by the Seller shall be an amount equal to the New Issue Proceeds Amount, as at the close of business on the immediately preceding Business Day.

Provided that there is no shortfall to pay items ranking higher in the applicable Priorities of Payments, to the extent that Seller holds any of the Notes or is entitled to receive Senior Deferred Consideration or Residual Deferred Consideration, it may set off from the New Issue Proceeds Current Value Amount an amount equal to the amounts due to it as Noteholder or as the person entitled to receive Senior Deferred Consideration or Residual Deferred Consideration on the Payment Date on which the Notes are to be redeemed.

Redemption of Notes and cancellation of Certificates (then in issue) following the exercise of a call option.....

The Issuer will redeem the Notes (or in respect of the Retention Holder Notes, which will not be redeemed and will be left outstanding in limited specified circumstances) and (in certain situations) cancel any Certificates (then in issue) following the exercise of the Portfolio Purchase Option, the Refinancing Option, the Clean-up Purchase Option, the Risk Retention Regulatory Change Option, the Regulatory Change Event Option or the Tax/Illegality Option.

For further details, see Condition 7.4 (*Mandatory Redemption in full or in part pursuant to the exercise of the Portfolio Purchase Option*), Condition 7.5 (*Mandatory Redemption in full pursuant to the exercise of the Refinancing Option*), Condition 7.6 (*Mandatory Redemption in full pursuant to the exercise of the Clean-up Purchase Option*), Condition 7.7 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*), Condition 7.8 (*Mandatory Redemption of the Notes following the exercise of a Regulatory Change Event Option*) or Condition 7.9 (*Optional redemption for tax and other reasons*).

Repurchases of securitisation positions

Any purchase or repurchase of positions in the securitisation (including the Notes, any Certificates (then in issue) or the right to receive Senior Deferred Consideration or Residual Deferred Consideration (as applicable)) by the Seller (or an entity that is an originator within the meaning of Article 4(1)(13) of the Capital Requirements Regulation (Regulation 575/2013 EC) as it formed part of domestic law at 11pm on 31 December 2020, or, from 31 March 2022, within the meaning of Article 4(1)(13) of the Capital Requirements Regulation as it forms part of domestic law by virtue of the EUWA) in relation to the securitisation as a related entity of the Seller (a "**Group Originator**") beyond its contractual obligations would be exceptional, and any such purchase or repurchase, and any repurchase, restructuring or substitution of underlying assets by the Seller (or a Group Originator) beyond its contractual obligations would be made in accordance with prevailing market conditions with the

parties to them acting in their own interests as free and independent parties (arm's length).

OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES AND THE SENIOR DEFERRED CONSIDERATION AND RESIDUAL DEFERRED CONSIDERATION

	CLASS A NOTES	CLASS B NOTES	CLASS C NOTES	CLASS D NOTES	CLASS E NOTES	CLASS F NOTES	CLASS G NOTES	CLASS Z NOTES	SENIOR DEFERRED CONSIDERATION	RESIDUAL DEFERRED CONSIDERATION	
Principal Amount:	£476,487,000	£38,338,000	£10,954,000	£10,954,000	£5,477,000	£2,738,000	£2,738,000	£5,477,000	N/A	N/A	
Credit enhancement features:	Over collateralisation funded by other Notes and Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund and General Reserve Fund	Over collateralisation funded by other Notes (other than the Class A Notes) and Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund and General Reserve Fund	Over collateralisation funded by other Notes (other than the Class A Notes and the Class B Notes), Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund and General Reserve Fund	Over collateralisation funded by other Notes (other than the Class A Notes, the Class B Notes and the Class C Notes), Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund and General Reserve Fund	Over collateralisation funded by other Notes (other than the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes), Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund and General Reserve Fund	Over collateralisation funded by other Notes (other than the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes), Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund and General Reserve Fund	Over collateralisation funded by other Notes (other than the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes), Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund and General Reserve Fund	Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund and General Reserve Fund	N/A	N/A	N/A
Liquidity support features:	Subordination in payment of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes, the Class Z Notes and the Residual Deferred Consideration, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall, amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund to pay Senior Revenue Amounts	Subordination in payment of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes, the Class Z Notes and the Residual Deferred Consideration, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall (subject to the relevant PDL Condition being satisfied), amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund to pay Senior Revenue Amounts (subject to the relevant PDL Condition being satisfied) the Liquidity Reserve Fund to pay Senior Revenue Amounts	Subordination in payment of the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes, the Class Z Notes and the Residual Deferred Consideration, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall (subject to the relevant PDL Condition being satisfied) and amounts standing to the credit of the General Reserve Fund	Subordination in payment of the Class E Notes, the Class F Notes, the Class G Notes and the Residual Deferred Consideration, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall (subject to the relevant PDL Condition being satisfied) and amounts standing to the credit of the General Reserve Fund	Subordination in payment of the Class F Notes, the Class G Notes, the Class Z Notes and the Residual Deferred Consideration, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall (subject to the relevant PDL Condition being satisfied) and amounts standing to the credit of the General Reserve Fund	Subordination in payment of the Class G Notes, the Class Z Notes and the Residual Deferred Consideration, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall (subject to the relevant PDL Condition being satisfied) and amounts standing to the credit of the General Reserve Fund	Subordination in payment of the Class G Notes, the Class Z Notes and the Residual Deferred Consideration, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall (subject to the relevant PDL Condition being satisfied) and amounts standing to the credit of the General Reserve Fund	Subordination in payment of the Class Z Notes and the Residual Deferred Consideration, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall (subject to the relevant PDL Condition being satisfied) and amounts standing to the credit of the General Reserve Fund	N/A	Subordination in payment of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes, the Class Z Notes and the Residual Deferred Consideration, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall and amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund to pay Senior Revenue Amounts	N/A
Issue Price:	100 per cent.	99.71 per cent.	98.70 per cent.	97.16 per cent.	97.66 per cent.	96.02 per cent.	95.07 per cent.	95.07 per cent.	N/A	N/A	
Reference Rate:	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	N/A	N/A	
Coupon:	Reference Rate + Initial Margin/Step-Up Margin (as applicable)	Reference Rate + Initial Margin/Step-Up Margin (as applicable)	Reference Rate + Initial Margin/Step-Up Margin (as applicable)	Reference Rate + Initial Margin/Step-Up Margin (as applicable)	Reference Rate + Initial Margin/Step-Up Margin (as applicable)	Reference Rate + Initial Margin/Step-Up Margin (as applicable)	Reference Rate + Initial Margin/Step-Up Margin (as applicable)	Reference Rate + Initial Margin/Step-Up Margin (as applicable)	N/A	N/A	
Initial Margin (payable to but excluding the Step-Up Date) (per annum):	0.90 per cent.	1.50 per cent.	2.00 per cent.	2.50 per cent.	4.50 per cent.	6.00 per cent.	6.00 per cent.	6.00 per cent.	Payment of the Senior Deferred Consideration	Payment of the Residual Deferred Consideration	
Step-Up Margin	1.35 per cent.	2.25 per cent.	3.60 per cent.	4.60 per cent.	6.80 per cent.	8.80 per cent.	8.80 per cent.	8.80 per cent.	N/A	N/A	

	CLASS A NOTES	CLASS B NOTES	CLASS C NOTES	CLASS D NOTES	CLASS E NOTES	CLASS F NOTES	CLASS G NOTES	CLASS Z NOTES	SENIOR DEFERRED CONSIDERATION	RESIDUAL DEFERRED CONSIDERATION
(payable on and from the Step-Up Date) (per annum):										
Interest Accrual Method:	Actual/365	N/A	N/A							
Payment Dates:	16 th of March, June, September and December in each year	16 th of March, June, September and December in each year	16 th of March, June, September and December in each year	16 th of March, June, September and December in each year	16 th of March, June, September and December in each year	16 th of March, June, September and December in each year	16 th of March, June, September and December in each year	16 th of March, June, September and December in each year	16 th of March, June, September and December in each year	16 th of March, June, September and December in each year
First Payment Date:	The Payment Date falling in March 2024	N/A	N/A							
Final Redemption Date:	Payment Date falling in December 2073	N/A	N/A							
Application for Exchange Listing:	London Stock Exchange	N/A	N/A							
ISIN:	XS2702923728	XS2702924882	XS2702925004	XS2702925186	XS2702925269	XS2702925699	XS2702925772	XS2702926150	Class S1 Certificate: XS2702929253 Class S2 Certificate: XS2702929337	XS2702928016
Common Code:	270292372	270292488	270292500	270292518	270292526	270292569	270292577	270292615	Class S1 Certificate: 270292925 Class S2 Certificate: 270292933	270292801
Ratings (DBRS (sf)/Moody's (sf)):	AAA / Aaa	AA (low) / Aa3	A (high) / A3	BBB (high) / Baa2	BB (high) / Ba1	BB (low) / B1	Not Rated	Not Rated	N/A	N/A
Minimum Denomination:	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	N/A	N/A
Governing law of the Notes:	English	N/A	N/A							

OVERVIEW OF THE CHARACTERISTICS OF THE NOTES AND CERTIFICATES (THEN IN ISSUE)

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

Payment priority and ranking of the Notes

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

- (a) Class A Mortgage Backed Floating Rate Notes due December 2073 (the "**Class A Notes**");
- (b) Class B Mortgage Backed Floating Rate Notes due December 2073 (the "**Class B Notes**");
- (c) Class C Mortgage Backed Floating Rate Notes due December 2073 (the "**Class C Notes**");
- (d) Class D Mortgage Backed Floating Rate Notes due December 2073 (the "**Class D Notes**");
- (e) Class E Mortgage Backed Floating Rate Notes due December 2073 (the "**Class E Notes**");
- (f) Class F Mortgage Backed Floating Rate Notes due December 2073 (the "**Class F Notes**");
- (g) Class G Mortgage Backed Floating Rate Notes due December 2073 (the "**Class G Notes**"); and
- (h) Class Z Floating Rate Notes due December 2073 (the "**Class Z Notes**"),

and 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 together the "**Rated Notes**". The Rated Notes together with the Class G Notes and the Class Z Notes are the "**Notes**" and the holders thereof, the "**Noteholders**".

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

For more information on the Priority of Payments, see "*Credit Structure and Cashflows*" and see also "*Risk Factors – Risks relating to the availability of funds to pay the Notes – Subordination of other Classes may not protect Noteholders or persons entitled to receive Senior Deferred Consideration and the Residual Deferred Consideration from all risk of loss*".

Certificates

Any person entitled to the Senior Deferred Consideration or the Residual Deferred Consideration may request that the right to receive the Senior Deferred Consideration and/or the Residual Deferred Consideration be certificated in global form. The Class S1 Certificate will represent the right to receive the

Class S1 Certificate Payment in respect of the Senior Deferred Consideration on each Payment Date including the Step-Up Date, the Class S2 Certificate will represent the right to receive the Class S2 Certificate Payment in respect of the Senior Deferred Consideration on each Payment Date from but excluding the Step-Up Date, and the Class Y Certificates will represent the right to receive the Class Y Certificate Payment (being the Residual Deferred Consideration), in accordance with the Certificate Conditions.

Where such request is made, the Issuer will issue the Class S Certificates and the Class Y Certificates as certificates, to be constituted under the Trust Deed (the "**Certificates**" and the holders thereof, the "**Certificateholders**").

The Certificates will be issued in registered form. The Certificates are not being offered by this Prospectus and will not be listed or rated. The Certificates will be cleared through Euroclear and/or Clearstream, Luxembourg, as set out in "*Description of the Trust Deed, the Global Notes and the Global Certificates*" below.

The Certificates do not have a Principal Amount Outstanding. However, for the purposes of the voting and quorum provisions, any reference to the Principal Amount Outstanding of the Class S Certificates and the Class Y Certificates shall be deemed to be £1,000,000 in respect of each Class of Certificate. Where there is more than one holder of the relevant Class of Certificates, any reference to the Principal Amount Outstanding of such Class of Certificates held by that person shall be a reference to their pro rata proportion of such amount.

Sequential order

The Class A Notes rank pro rata and *pari passu* without preference or priority among its holders in relation to payment of interest and principal at all times, and pro rata and *pari passu* without preference or priority among its holders in relation to payment of (in respect of the Class A Notes) interest and Senior Deferred Consideration, as provided in the Conditions and the Transaction Documents.

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

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

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

The Class E Notes rank pro rata and *pari passu* without preference or priority among its holders in relation to payment of interest and principal at all times, but subordinate to the Senior Deferred Consideration and payments of interest

and principal in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, as provided in the Conditions and the Transaction Documents.

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

The Class G Notes rank pro rata and *pari passu* without preference or priority among its holders in relation to payment of interest and principal at all times, but subordinate to the Senior Deferred Consideration and payments of interest and principal 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, as provided in the Conditions and the Transaction Documents.

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

The Senior Deferred Consideration ranks pro rata and *pari passu* with the payment of interest on the Class A Notes, as provided in the Conditions, the Certificate Conditions and the Transaction Documents.

The Residual Deferred Consideration ranks pro rata and *pari passu* without preference or priority among its holders in accordance with the applicable Priority of Payments, but subordinate to the Notes and the Senior Deferred Consideration, as provided in the Conditions, the Certificate Conditions and the Transaction Documents.

Payments of principal in relation to all Classes of Notes will be subordinate to payments of Principal Addition Amounts.

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 in priority to the payment of Senior Deferred Consideration and Residual Deferred Consideration.

Security.....

As security for the payment of all monies payable in respect of the Notes, the Senior Deferred Consideration and Residual Deferred Consideration, the Issuer will, pursuant to the Deed of Charge, create security in favour of the Security Trustee for itself and on trust for, among others, the Noteholders and persons entitled to receive Senior Deferred Consideration and Residual Deferred Consideration over, among other things, the following:

- (a) a first fixed charge over all of the Issuer's right, title, interest and benefit, present and future, in, to and under the Mortgage Portfolio in

respect of the English Mortgage Loans and their Related Security and all other related rights under the same;

- (b) an assignment by way of first fixed security of the Issuer's right, title, interest, benefit and interest, present and future, in, to and under each of the Transaction Documents to which it is a party (but excluding all of the Issuer's right, title, interest and benefit in the Deed of Charge, the Scottish Declaration of Trust and the Scottish Supplemental Charge (and, in respect of the Interest Rate Swap Agreement, after giving effect to all applicable netting and set-off provisions therein));
- (c) a first fixed charge over (x) the Issuer's right, title, interest and benefit in each Issuer Account and each other account (if any) of the Issuer and all amounts or securities standing to the credit of those accounts (including all interest or other income or distributions earned on such amounts or securities) and the debts represented by them, together with all rights and claims relating or attached thereto including, without limitation, the right to interest and the proceeds of any of the foregoing and (y) the Issuer's beneficial interest in the Collection Accounts and each declaration of trust in respect of the Collection Accounts;
- (d) a first fixed charge over the Issuer's right, title, benefit and interest, present and future in, to and under all Authorised Investments made by or on behalf of the Issuer (including all interest and other income or distributions paid or payable on such investments), any Swap Collateral in the form of securities from time to time being owned by the Issuer and all rights in respect of or ancillary to such Authorised Investments and such Swap Collateral, including the right to income, distributions and the proceeds of any of the foregoing;
- (e) an assignment by way of first fixed security of the Issuer's rights, title, interest and benefit in any Insurance Contracts;
- (f) an assignation in security in respect of the Issuer's right, title and interest in the Scottish Mortgage Loans and their Related Security (comprising the Issuer's beneficial interest under the Scottish Declaration of Trust); and
- (g) a first floating charge over all the assets and undertaking of the Issuer which are not otherwise effectively subject to a fixed charge or assignment by way of security as described in the preceding paragraphs (and also extending over all of the Issuer's Scottish assets and undertaking whether or not effectively charged or assigned by way of security as aforesaid).

See "*Security for the Issuer's Obligations – Deed of Charge*" for more information.

Interest provisions Please refer to the "*Overview of the Terms and Conditions of the Notes and the Senior Deferred Consideration and Residual Deferred Consideration*" table above and as fully set out in Condition 6 (*Interest*).

Interest deferral The Issuer may defer payments of interest on the Notes (other than the Most Senior Class of Notes then outstanding) with Condition 6.9 (*Subordination by*

deferral). Payments in respect of the Senior Deferred Consideration may be deferred in accordance with Certificate Condition 6.7 (*Subordination by deferral*).

Payments in respect of the Residual Deferred Consideration are not deferrable as in circumstances where the Issuer has insufficient proceeds available to meet its obligations ranking senior to any Residual Deferred Consideration, the amount due in respect of the Residual Deferred Consideration shall be zero.

Gross-up None of the Issuer, the Note Trustee or the Security Trustee, any Principal Paying Agent or any other person will be obliged to gross up payments in respect of the Notes if there is any withholding or deduction required by applicable law, or in connection with FATCA (defined below), on account of any present or future taxes, duties, assessments or governmental charges of whatever nature.

Redemption The Notes, the Senior Deferred Consideration and the Residual Deferred Consideration are subject to the following redemption and cancellation events:

- (a) mandatory redemption of the Notes in whole, and cancellation of any Certificates (then in issue or termination of the obligation to pay Senior Deferred Consideration and Residual Deferred Consideration, as applicable), on the Payment Date falling in 16 December 2073 (the "**Final Redemption Date**"), as fully set out in Condition 7.1 (*Final redemption*);
- (b) prior to the service of an Enforcement Notice, mandatory redemption in part on each Payment Date subject to availability of Available Principal Receipts (to the extent not applied to cover any Revenue Shortfall) as fully set out in Condition 7.2 (*Mandatory redemption of the Notes in part*);
- (c) mandatory redemption of the Notes in whole (or in respect of the Retention Holder Notes, which will not be redeemed and will be left outstanding in limited specified circumstances), and cancellation of any Certificates (then in issue or termination of the obligation to pay Senior Deferred Consideration and Residual Deferred Consideration, as applicable), following the exercise by the Portfolio Option Holder of the Portfolio Purchase Option as fully set out in Condition 7.4 (*Mandatory Redemption in full or in part pursuant to the exercise of the Portfolio Purchase Option*);
- (d) mandatory redemption of the Notes in whole, and (where applicable) cancellation of any Certificates (then in issue or termination of the obligation to pay Senior Deferred Consideration and Residual Deferred Consideration, as applicable), following the exercise by the Refinancing Option Holder of the Refinancing Option as fully set out in Condition 7.5 (*Mandatory Redemption in full pursuant to the exercise of the Refinancing Option*);
- (e) mandatory redemption of the Notes in whole, and cancellation of any Certificates (then in issue or termination of the obligation to pay Senior Deferred Consideration and Residual Deferred Consideration, as applicable) following the exercise by the Seller of the Clean-up

Purchase Option as fully set out in Condition 7.6 (*Mandatory Redemption in full pursuant to the exercise of the Clean-up Purchase Option*);

- (f) mandatory redemption of the Notes in whole, and cancellation of any Certificates (then in issue or termination of the obligation to pay Senior Deferred Consideration and Residual Deferred Consideration, as applicable) following the exercise by the Retention Holder or the Seller of the Risk Retention Regulatory Change Option as fully set out in Condition 7.7 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*);
- (g) mandatory redemption in respect of the Notes in whole, and cancellation of any Certificates (then in issue or termination of the obligation to pay Senior Deferred Consideration and Residual Deferred Consideration, as applicable) following the exercise by the Seller of the Regulatory Change Event Option as fully set out in Condition 7.8 (*Mandatory Redemption of the Notes following the exercise of a Regulatory Change Event Option*); and
- (h) optional redemption exercisable by the Seller, in whole for tax or other reasons (including if it becomes unlawful for the Issuer to allow to remain outstanding any of the Notes) on any Payment Date following the date on which there is a change in tax law or other law, as fully set out in Condition 7.9 (*Optional redemption for tax and other reasons*).

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

Upon all of the Notes being redeemed in full and the determination by the Security Trustee that no amounts are available to be paid in respect of the Security, the Notes will be cancelled.

Upon all of the Notes being redeemed in full or cancelled and the determination by the Security Trustee that no amounts are available to be paid in respect of the Security, any Certificates (then in issue) will be cancelled (or the Mortgage Sale Agreement evidencing the obligation to pay Senior Deferred Consideration and Residual Deferred Consideration terminated, as applicable).

Events of Default As fully set out in Condition 11 (*Events of default*), an Event of Default broadly includes (where relevant, subject to any applicable grace period):

- (a) non-payment of interest and/or principal due in respect of the Most Senior Class of Notes where such non-payment continues for a period of fourteen Business Days in the case of interest and seven Business Days in the case of principal;
- (b) default on the Final Redemption Date (or such other date on which the Notes are due to be redeemed in full) in the payment of interest or principal on any Class of Notes or in the payment of any amounts due in respect of the Senior Deferred Consideration and the Residual Deferred Consideration;

- (c) breach of any contractual obligations by the Issuer under the Transaction Documents which, in the opinion of the Note Trustee, is materially prejudicial to the interests of the holders of the Most Senior Class if such breach is incapable of remedy or, if it is capable of remedy, has not been remedied within the applicable grace period;
- (d) any material representation made by the Issuer is incorrect when given if the matters giving rise to such misrepresentation are in the opinion of the Note Trustee materially prejudicial to the interests of the holders of the Most Senior Class, and the Note Trustee considers the matters giving rise to such misrepresentation to be incapable of remedy or, if capable of remedy, such matters are not remedied within the applicable grace period; and
- (e) the occurrence of certain insolvency-related events in relation to the Issuer.

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

Other than in respect of the Most Senior Class of Notes, non-payment of any interest in respect of any Notes as a result of the deferral provisions in Condition 6.9 (*Subordination by deferral*) will not constitute an Event of Default unless such amounts remain unpaid on the Final Redemption Date.

Limited recourse All Notes and the requirement to pay the Senior Deferred Consideration and the Residual Deferred Consideration are and will be limited recourse obligations of the Issuer. Where, following the occurrence of certain events, and following the realisation and application of the Charged Property, amounts outstanding under the Notes and the Senior Deferred Consideration and the Residual Deferred Consideration are not paid in full, any such unpaid amounts will cease to be due and payable, which is described in more detail in Condition 13.17 (*Limited recourse*).

Non-petition..... The Noteholders and the persons entitled to receive Senior Deferred Consideration and the Residual Deferred Consideration will not be entitled to take any corporate action or other steps or legal proceedings for the winding-up, dissolution, arrangement, reconstruction or reorganisation of the Issuer, unless the Security Trustee has become bound to institute such proceedings but has failed to do so within a reasonable period of becoming so bound and the failure is continuing. See Condition 13.17 (*Limited recourse*) and Certificate Condition 12.17 (*Limited recourse*).

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

OVERVIEW OF RIGHTS OF NOTEHOLDERS AND CERTIFICATEHOLDERS

Please refer to sections entitled "Terms and Conditions of the Notes" and "Terms and Conditions of the Certificates" and "Risk Factors" for further information in respect of the rights of Noteholders, conditions for exercising such rights and relationship with other Secured Creditors. References in this section to Certificates or Certificateholders shall be deemed to apply only when Certificates are in issue and, except where the context otherwise requires, shall otherwise be read as references to Senior Deferred Consideration (in respect of the Class S Certificates) and Residual Deferred Consideration (in respect of the Class Y Certificates) and persons entitled to such Senior Deferred Consideration and Residual Deferred Consideration.

Convening a meeting

Prior to the occurrence of an Event of Default, Noteholders holding not less than 10 per cent. of the Principal Amount Outstanding of the Notes or persons entitled to not less than 10 per cent. interest in the Senior Deferred Consideration and Residual Deferred Consideration are entitled to convene a Noteholders' meeting or meeting of persons entitled Senior Deferred Consideration and Residual Deferred Consideration respectively.

All meetings of Noteholders and persons entitled Senior Deferred Consideration and Residual Deferred Consideration shall be held in the UK or by way of conference call, including by use of video conference platform, as applicable.

However, so long as no Event of Default has occurred and is continuing, neither the Noteholders nor persons entitled Senior Deferred Consideration and Residual Deferred Consideration 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.

Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding in relation to the holders of the Residual Deferred Consideration (other than in respect of a Basic Terms Modification) if passed in accordance with the Conditions. Notwithstanding any other provision of the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution (or Ordinary Resolution) of any Class of Noteholders may authorise or sanction any modification or waiver which constitutes a Basic Terms Modification affecting the Residual Deferred Consideration and no such modification or waiver may otherwise be made which is a Basic Terms Modification which affects the Residual Deferred Consideration, unless the persons entitled to the Residual Deferred Consideration have consented to such modification or waiver (in writing).

Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding in relation to the Retained Interest (other than any resolutions in respect of a Retained Interest Entrenched Right) if passed in accordance with the Conditions. Notwithstanding any other provision of the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution (or Ordinary Resolution) may authorise or sanction any modification or waiver of which constitutes a Retained Interest Entrenched Right unless the Retention Holder has consented to such modification or waiver (in writing).

Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding in relation to the holders of the Senior Deferred Consideration (other than any resolutions in respect of a Senior Deferred Consideration Entrenched Right) if passed in accordance with the Conditions. Notwithstanding any other provision of the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver and no such modification or waiver may otherwise be made which affects any Senior Deferred Consideration Entrenched Rights, unless the persons entitled to the Senior Deferred Consideration have consented to such modification or waiver (in writing).

The persons entitled to the Senior Deferred Consideration shall only be entitled to convene meetings of the persons entitled to the Senior Deferred Consideration and/or pass resolutions in respect of the Senior Deferred Consideration in relation to matters affecting Senior Deferred Consideration Entrenched Rights.

The persons entitled to the Residual Deferred Consideration shall only be entitled to convene meetings of the persons entitled to the Residual Deferred Consideration and/or pass resolutions in respect of the Residual Deferred Consideration in relation to Basic Terms Modifications affecting the Residual Deferred Consideration.

The Retention Holder will not be entitled to convene, count in the quorum or pass resolutions in respect of Notes, Senior Deferred Consideration or Residual Deferred Consideration comprising the Retained Interest, save that, in respect of any matter that affects a Retained Interest Entrenched Right, the prior written consent of the Retention Holder will be required.

Following an Event of Default

Following the occurrence of an Event of Default which is continuing, the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class, or if an Extraordinary Resolution of the holders of the Most Senior Class is passed, direct the Note Trustee to give an Enforcement Notice to the Issuer and the Security Trustee that all classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding together with accrued (but unpaid) interest or that all due and unpaid Senior Deferred Consideration or Residual Deferred Consideration are immediately due and repayable, as applicable. The Note Trustee shall not be bound to take any such action unless first indemnified and/or pre-funded and/or secured to its satisfaction. In addition, Noteholders holding not less than 10 per cent. of the Principal Amount Outstanding of the Notes are entitled to convene a Noteholders' meeting and persons entitled to not less than 10 per cent. interest in the Senior Deferred Consideration and Residual Deferred Consideration are entitled to convene a meeting, as applicable.

Noteholders' meeting provisions

Notice Periods

Initial meeting No less than 21 clear days (and no more than 365 calendar days, exclusive of the day on which the notice is given and the day on which the meeting is held).

Adjourned meeting No less than 13 clear days and no more than 42 clear days for the adjourned meeting.

Quorum

	Initial meeting	Adjourned meeting
Ordinary Resolution	one or more persons holding or representing not less than one-quarter of the aggregate Principal Amount Outstanding of the Notes of the relevant Class or Classes and/or one or more persons entitled to not less than one-quarter interest in the Senior Deferred Consideration and Residual Deferred Consideration.	one or more persons holding or representing not less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Class or Classes so held or represented by them and/or one or more persons entitled to not less than 10 per cent. interest in the Senior Deferred Consideration and Residual Deferred Consideration.
Extraordinary Resolution	one or more persons holding or representing more than half of the aggregate Principal Amount Outstanding of the Notes of the relevant Class or Classes and/or one or more persons entitled to not less than half of the interest in the Senior Deferred Consideration and Residual Deferred Consideration.	one or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Class or Classes and/or one or more persons entitled to not less than 25 per cent. of the interest in the Senior Deferred Consideration and Residual Deferred Consideration.
Extraordinary Resolution including a Basic Terms Modification	one or more persons holding or representing not less than three-quarters of the aggregate principal amount of the Notes outstanding of the relevant Class or Classes and/or one or more persons entitled to not less than three-quarter interest in the Senior Deferred Consideration and Residual Deferred Consideration.	one or more persons holding or representing not less than half of the aggregate Principal Amount Outstanding of the Notes of the relevant Class or Classes and/or one or more persons entitled to not less than half of the interest in the Senior Deferred Consideration and Residual Deferred Consideration.

Required majority

Ordinary Resolution A simple majority of votes cast.

Extraordinary Resolution A majority consisting of not less than 75 per cent. of votes cast for matters requiring an Extraordinary Resolution.

Written resolution A resolution signed by or on behalf of 75 per cent. of the Noteholders of the relevant Class or Classes of Notes and/or signed by or on behalf of the persons entitled to 75 per cent. interest in the Senior Deferred Consideration or Residual Deferred Consideration. A written resolution has the same effect as an Ordinary Resolution or an Extraordinary Resolution.

Matters requiring Extraordinary Resolution ..

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

- (a) sanctioning a Basic Terms Modification;
- (b) sanctioning any compromise or arrangement proposed to be made between, among others, the Issuer or any other party to any Transaction Document;
- (c) sanctioning any abrogation, modification, compromise or arrangement in respect of the rights of, among others, the Note Trustee or any other party to any of the Transaction Documents or against any of their property, whether such rights will arise under the Trust Deed, any other Transaction Document or otherwise;
- (d) to approve the substitution of any person for the Issuer as principal debtor under the Notes other than in accordance with Condition 7.9 (*Optional redemption for tax and other reasons*) or Condition 13.16 (*Issuer substitution condition*);
- (e) assenting to any modification of the provisions of the Trust Deed or any other Transaction Document which will be proposed by the Issuer, the Note Trustee, or any Noteholder or person entitled to Senior Deferred Consideration and Residual Deferred Consideration or any other person other than those modifications which are sanctioned by the Note Trustee without the consent or sanction of the Noteholders in accordance with the terms of the Trust Deed;
- (f) approving a person to be appointed as a Note Trustee or Security Trustee and power to remove any Note Trustee or Security Trustee for the time being;
- (g) discharging or exonerating the Note Trustee or the Security Trustee and/or any appointee of the Note Trustee or the Security Trustee from all liability in respect of any act or omission for which the Note Trustee and/or the Security Trustee and/or such appointee may have become responsible under the Trust Deed or the Notes;
- (h) instructing the Note Trustee to deliver an Enforcement Notice following an Event of Default or to take any enforcement action or to instruct the Security Trustee to enforce the Security;

- (i) 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;
- (j) to appoint any persons as a committee to represent the interests of the Noteholders or the person entitled to Senior Deferred Consideration and Residual Deferred Consideration and to confer upon such committee any powers which the Noteholders or the person entitled to Senior Deferred Consideration and Residual Deferred Consideration could themselves exercise by Extraordinary Resolution;
- (k) other than in relation to a Refinancing, to sanction any scheme or proposal for the exchange, sale, conversion or cancellation of the Notes or any Certificates (then in issue) 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; and
- (l) to give any other authorisation or sanction that under the Trust Deed or any other Transaction Document is required to be given by Extraordinary Resolution.

See Condition 13 (*Meetings of Noteholders, modifications and waiver*) for further information.

**Retained Interest
Entrenched Rights.....**

Notwithstanding any other provision of the Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver and no such modification or waiver may otherwise be made which is adverse to the holder of the Retained Interest (the "**Retention Holder**"), where a corresponding modification or waiver is not made which affects all holders of the relevant Class or Classes of Notes on an equivalent basis (the "**Retained Interest Entrenched Rights**"), unless the Retention Holder has consented to such modification or waiver in writing.

**Senior Deferred
Consideration Entrenched
Rights.....**

Notwithstanding any other provision of the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver and no such modification or waiver may otherwise be made that affects any Senior Deferred Consideration Entrenched Rights, unless the persons entitled to the Senior Deferred Consideration have consented to such modification or waiver in writing.

"Senior Deferred Consideration Entrenched Rights" means any modification or waiver which changes: (a) the date of payment of amounts due in respect of the Senior Deferred Consideration; (b) the method of calculating the amounts payable in respect of the Senior Deferred Consideration; (c) the priority of payments of amounts in respect of the Senior Deferred Consideration; and (d) the definition of "**Senior Deferred Consideration Entrenched Rights**".

Principal Amount Outstanding of the Certificates (then in issue)..

Any Certificates (then in issue) will not have a Principal Amount Outstanding. However, for the purposes of the voting and quorum provisions set out in the Conditions, the Certificate Conditions and the Trust Deed, any reference to the Principal Amount Outstanding of the Class S Certificates and the Class Y Certificates (in each case, then in issue) shall each be deemed to be a reference at all times to £1,000,000 respectively (and where there is more than one holder of Class S Certificates or Class Y Certificates, as applicable, any reference to the Principal Amount Outstanding of the Class S Certificates or Class Y Certificates held by that person shall be a reference to their pro rata proportion of such amount).

Relationship between Classes of Noteholders.....

The Security Trustee will be bound to exercise its rights under the Deed of Charge only in accordance with the directions of the Note Trustee, which will in turn be bound to act as directed by the Noteholders, subject to both the Security Trustee and the Note Trustee being indemnified and/or secured and/or pre-funded to their satisfaction.

Subject to the provisions governing a Basic Terms Modification, Senior Deferred Consideration Entrenched Rights and the Retained Interest Entrenched Rights, an Extraordinary Resolution of a relevant Class of Notes or the persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration shall be binding on all other Classes of Notes or all other persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration which are subordinate to such Class of Notes or such Senior Deferred Consideration and Residual Deferred Consideration in the Pre-Enforcement Revenue Priority of Payments, irrespective of the effect upon them. No Extraordinary Resolution of any other Class of Noteholders or of any person entitled to Senior Deferred Consideration and Residual Deferred Consideration shall take effect for any purpose unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class or the Note Trustee is of the opinion it would not be materially prejudicial to the interests of the holders of the Most Senior Class.

A Basic Terms Modification requires an Extraordinary Resolution of the holders of each affected Class of Notes and/or persons entitled to Senior Deferred Consideration and Residual Deferred Consideration (other than the person entitled to Senior Deferred Consideration unless the matter is also a Senior Deferred Consideration Entrenched Right) then outstanding or in issue, as applicable.

The persons entitled to the Senior Deferred Consideration shall only be entitled to convene meetings of the persons entitled to Senior Deferred Consideration and/or pass resolutions in respect of the Senior Deferred Consideration in relation to matters affecting a Senior Deferred Consideration Entrenched Right.

Subject to the Retained Interest Entrenched Rights, the Retention Holder will not be entitled to convene, count in the quorum or pass resolutions (including Extraordinary Resolutions and Ordinary Resolutions) in respect of Notes or the Senior Deferred Consideration or Residual Deferred Consideration comprising the Retained Interest save that, in respect of any matter that affects a Retained Interest Entrenched Right, the prior written consent of the Retention Holder will be required.

The persons entitled to Residual Deferred Consideration are not entitled to convene meetings of the Residual Deferred Consideration and/or pass resolutions in respect of the Residual Deferred Consideration (other than in relation to Basic Terms Modifications affecting the Residual Deferred Consideration).

Seller as Noteholder

There are no restrictions on the ability of the Seller to exercise voting rights to the extent that it holds any of the Notes.

Relationship between Noteholders, persons entitled to Senior Deferred Consideration and Residual Deferred Consideration and other Secured Creditors.....

So long as any of the Notes are outstanding or the right to Senior Deferred Consideration and Residual Deferred Consideration exists, neither the Security Trustee nor the Note Trustee shall have regard to the interests of the other Secured Creditors.

So long as any of the Notes are outstanding and/or the right to Senior Deferred Consideration and Residual Deferred Consideration exists, the Note Trustee will have regard to the interests of each Class of Noteholders and persons entitled to Senior Deferred Consideration and Residual Deferred Consideration (but at all times having regard to and subject always to the Senior Deferred Consideration Entrenched Right and the Retained Interest Entrenched Rights), but if in the Note Trustee's sole opinion there is a conflict between the interests of any Classes of Notes and/or the interests of any persons entitled to Senior Deferred Consideration and Residual Deferred Consideration, it will (subject to the Senior Deferred Consideration Entrenched Rights and the Retained Interest Entrenched Rights) have regard solely to the interests of the holders of the Class of Notes and/or persons entitled to Senior Deferred Consideration and Residual Deferred Consideration ranking in priority to the other relevant Classes of Notes or Senior Deferred Consideration or Residual Deferred Consideration (as applicable) in the Post-Enforcement Priority of Payments (other than the Senior Deferred Consideration, in respect of which the Note Trustee or, as the case may be, the Security Trustee will have regard only as to the Senior Deferred Consideration Entrenched Rights) and no Noteholder or person entitled to Senior Deferred Consideration and Residual Deferred Consideration shall have any claim against the Note Trustee for so doing.

Provision of information to the Noteholders and persons entitled to Senior Deferred Consideration and Residual Deferred Consideration

Please refer to the section entitled "*Certain Regulatory Requirements – The Securitisation Regulation – Transparency and reporting*" and the section entitled "*General Information*" for more information in relation to investor reporting to be provided.

Communication with Noteholders and persons entitled to Senior Deferred Consideration and Residual Deferred Consideration...

Any notice to be given by the Issuer or the Note Trustee to Noteholders and/or persons entitled to Senior Deferred Consideration and Residual Deferred Consideration may be given in the following manner:

- (a) so long as the Notes and/or any Certificates (then in issue) are held in the Clearing Systems, by delivering to the relevant Clearing System for communication by it to Noteholders and/or Certificateholders; or

- (b) sent by first class mail (or its equivalent) or (if posted to a non-UK address) by airmail at the respective addresses on the Register, and published in the *Financial Times*; or
- (c) publication of the notice in accordance with the rules of the relevant stock exchange on or by which the relevant Notes are listed and/or admitted to trading.

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

OVERVIEW OF CREDIT STRUCTURE AND CASHFLOWS

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

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

Credit support from Available Revenue Receipts It is expected that, during the life of the Notes, Revenue Receipts received from Borrowers on the Mortgage Loans in the Mortgage Portfolio will be greater than the sum of the interest which the Issuer will be required to pay under items (i) to (xxv) (inclusive) of the Pre-Enforcement Revenue Priority of Payments.

General Reserve Fund..... Prior to the delivery of an Enforcement Notice, availability of the General Reserve Fund to pay General Reserve Fund Payments.

Following the delivery of an Enforcement Notice, the General Reserve Fund may be utilised by the Issuer in payment of any of its other liabilities and applied in accordance with the Post-Enforcement Priority of Payments.

The General Reserve Fund will be funded on the Closing Date from the proceeds of the relevant Notes in an amount equal to the General Reserve Fund Required Amount. Thereafter, it will be replenished through the application of Available Revenue Receipts.

The General Reserve Fund will be required to be maintained in an amount no less than the General Reserve Fund Required Amount from time to time.

See further the section entitled "Credit Structure and Cashflows – General Credit Structure – General Reserve Fund".

Liquidity Reserve Fund... Prior to the delivery of an Enforcement Notice, availability of the Liquidity Reserve Fund to pay Senior Revenue Amounts.

Following the delivery of an Enforcement Notice, the Liquidity Reserve Fund may be utilised by the Issuer in payment of any of its other liabilities and applied in accordance with the Post-Enforcement Priority of Payments.

The Liquidity Reserve Fund will be established on the Closing Date but will not be immediately funded from the proceeds of the Notes.

Following the occurrence of a Liquidity Reserve Fund Trigger Event, the Liquidity Reserve Fund will be required to be maintained in an amount no less than the Liquidity Reserve Fund Required Amount from time to time. On the Closing Date and prior to the occurrence of the Liquidity Reserve Fund Trigger Event, the Liquidity Reserve Fund Required Amount will be zero.

See further the section entitled "Credit Structure and Cashflows – General Credit Structure – Liquidity Reserve Fund".

Principal deficiencies and the Principal Deficiency Ledger..... The Principal Deficiency Ledger will record any Losses, any Principal Addition Amounts and any drawing of the Liquidity Reserve Fund. Losses on the Mortgage Loans in the Mortgage Portfolio, any Principal Addition Amounts and any drawing of the Liquidity Reserve Fund will be recorded on the Principal

Deficiency Sub-Ledger for each Class of Notes in reverse sequential order, starting with the Class G Notes.

See "*Credit Structure and Cashflows – General Credit Structure – Principal deficiencies and the Principal Deficiency Ledger*" for more details.

Interest Rate Swap Agreement

The Issuer will enter into an Interest Rate Swap with the Interest Rate Swap Counterparty to hedge against the difference between the rates of interest payable by the Borrowers under any Fixed Rate Mortgage Loans sold to the Issuer under the Mortgage Sale Agreement in the Mortgage Portfolio and interest payments due by the Issuer on the Floating Rate Notes and may enter into further Interest Rate Swaps. See "*The Interest Rate Swap Agreement*" for more information.

Key terms of the Interest Rate Swap Agreement.....

The Interest Rate Swap Agreement will include the following key commercial terms:

Swap notional amount	In relation to an Interest Rate Swap, as set out in a pre-agreed table to that Interest Rate Swap and sized by reference to the balance of Fixed Rate Mortgage Loans hedged by that Interest Rate Swap during the term of the relevant Interest Rate Swap, with the initial Interest Rate Swap fixed profile based on the Current Balance of Fixed Rate Mortgage Loans as at the Cut-Off Date, as based on a forecast.
Issuer payment	In relation to an Interest Rate Swap, periodic Sterling amounts calculated by reference to an agreed fixed rate of interest.
Interest Rate Swap Counterparty payment	Periodic Sterling amounts calculated by reference to the compounded SONIA-based rate.
Frequency of payment	Quarterly

Transfer of collections and Collection Accounts

All collections of interest and principal in respect of the Mortgage Loans in the Mortgage Portfolio are received by the Legal Title Holder in the Main Collection Account, the F Collection Account or the R Collection Account which are operated by the Servicer.

The Servicer is obliged to transfer collections in respect of the Mortgage Loans in the Mortgage Portfolio standing to the credit of the Main Collection Account (which will include amounts transferred to the Main Collection Account from the F Collection Account and the R Collection Account) to the Transaction Account on each Business Day (as set out in the Servicing Agreement).

See "*The Servicer and the Servicing Agreement*" for more details.

Transaction Accounts.....

The Issuer holds the Transaction Account with the Transaction Account Bank, subject to the terms of the Account Bank Agreement. The Issuer holds the Standby Transaction Account with the Standby Account Bank, subject to the terms of the Standby Account Bank Agreement.

See "*Cash Management*" for more details.

Authorised Investments .. Amounts standing to the credit of the Transaction Account (including the General Reserve Fund and the Liquidity Reserve Fund) may be invested in Authorised Investments. See "*Credit Structure and Cashflows*" and "*Cash Management*" for more details.

Changes to Priorities of Payments Any events which trigger changes in any priority of payments and any change in any priority of payment which will materially adversely affect the repayment of the Notes shall be disclosed without undue delay to the extent required under Article 21(9) of the UK Securitisation Regulation.

Summary of Priorities of Payments The Cash Manager will apply Available Revenue Receipts and Available Principal Receipts on each Payment Date in accordance with the order of priority set out in the Cash Management Agreement, as summarised below.

Pre-Enforcement Revenue Priority of Payments	Pre-Enforcement Priority of Payments	Principal	Post-Enforcement Priority of Payments
(i) Amounts due to the Security Trustee and Note Trustee and any Appointee;	(i) Credit the Liquidity Reserve Fund up to the Liquidity Reserve Fund Required Amount;		(i) Amounts due to the Security Trustee and Note Trustee, any Receiver and any Appointee;
(ii) Amounts due to the Agents, Servicer (up to and including the Senior Servicing Fee Cap), the Legal Title Holder, Cash Manager, Corporate Services Provider, Back-up Servicer Facilitator, the Transaction Account Bank, the Collection Accounts Provider, (if applicable) the Standby Account Bank and (if applicable) the Securitisation Repository;	(ii) Principal Addition Amounts to be applied to meet any Revenue Shortfall;		(ii) Amounts due to the Agents, Servicer, the Legal Title Holder, Back-up Servicer Facilitator, Cash Manager, Corporate Services Provider, the Transaction Account Bank, the Collection Accounts Provider, (if applicable) the Standby Account Bank and (if applicable) the Securitisation Repository;
	(iii) Principal amounts due on the Class A Notes;		
	(iv) Principal amounts due on the Class B Notes;		
	(v) Principal amounts due on the Class C Notes;		
(iii) Amounts due to third party creditors of the Issuer;	(vi) Principal amounts due on the Class D Notes;		(iii) Amounts (including such part of any Swap Termination Payment following the return of any Swap Collateral Excluded Amounts) due to the Interest Rate Swap Counterparty under the Interest Rate Swap Agreement (excluding any Interest Rate Swap Excluded Termination Amount);
	(vii) Principal amounts due on the Class E Notes;		
(iv) Issuer Profit Amount;	(viii) Principal amounts due on the Class F Notes;		
(v) Amounts (including such part of any Swap Termination Payment following the return of any Swap Collateral	(ix) Principal amounts due on the Class G Notes; and		
	(x) Payment of Residual Deferred Consideration.		

Pre-Enforcement Revenue Priority of Payments	Pre-Enforcement Priority of Payments	Principal	Post-Enforcement Priority of Payments
	Excluded Amounts) due to the Interest Rate Swap Counterparty under the Interest Rate Swap Agreement (excluding any Interest Rate Swap Excluded Termination Amount);		(iv) All amounts payable on the Class A Notes and payment of Senior Deferred Consideration due;
(vi)	Interest on the Class A Notes and payment of Senior Deferred Consideration;		(v) All amounts payable on the Class B Notes;
(vii)	Eliminate debit entries on the Class A Principal Deficiency Sub-Ledger;		(vi) All amounts payable on the Class C Notes;
(viii)	Interest on the Class B Notes;		(vii) All amounts payable on the Class D Notes;
(ix)	Eliminate debit entries on the Class B Principal Deficiency Sub-Ledger;		(viii) All amounts payable on the Class E Notes;
(x)	Interest on the Class C Notes;		(ix) All amounts payable on the Class F Notes;
(xi)	Eliminate debit entries on the Class C Principal Deficiency Sub-Ledger;		(x) All amounts payable on the Class G Notes;
(xii)	Interest on the Class D Notes;		(xi) All amounts payable on the Class Z Notes;
(xiii)	Eliminate debit entries on the Class D Principal Deficiency Sub-Ledger;		(xii) Interest Rate Swap Excluded Termination Amounts;
(xiv)	Interest on the Class E Notes;		(xiii) Issuer Profit Amount; and
(xv)	Eliminate debit entries on the Class E Principal Deficiency Sub-Ledger;		(xiv) Payment of Residual Deferred Consideration.
(xvi)	Interest on the Class F Notes;		

<u>Pre-Enforcement Revenue Priority of Payments</u>	<u>Pre-Enforcement Priority of Payments</u>	<u>Principal</u>	<u>Post-Enforcement Priority of Payments</u>
(xvii)	Eliminate debit entries on the Class F Principal Deficiency Sub-Ledger;		
(xviii)	Credit the General Reserve Fund up to the General Reserve Fund Required Amount;		
(xix)	Eliminate debit entries on the Class G Principal Deficiency Sub-Ledger;		
(xx)	Interest on the Class G Notes;		
(xxi)	the Servicing Fee payable to the Servicer to the extent of such amounts in excess of the Senior Servicing Fee Cap;		
(xxii)	Interest on the Class Z Notes;		
(xxiii)	If all the Rated Notes have been redeemed in full, principal on the Class Z Notes;		
(xxiv)	Interest Rate Swap Excluded Termination Amounts; and		
(xxv)	Payment of Residual Deferred Consideration.		

TRIGGERS TABLES

RATING TRIGGERS TABLE

<u>Transaction Party</u>	<u>Required Ratings/Triggers</u>	<u>Possible effects of trigger being breached</u>
Interest Rate Swap Counterparty (or any credit support provider from time to time in respect of the Interest Rate Swap Counterparty).	<p>The terms Moody's Initial Required Rating, Moody's Subsequent Required Rating have the meaning given to them below.</p> <p>Moody's Initial Required Rating</p> <p>One of the Interest Rate Swap Counterparty or any guarantor of the Interest Rate Swap Counterparty's present and future obligations under the Interest Rate Swap Agreement must satisfy the following requirement to have the Moody's Initial Required Rating: its counterparty risk assessment is "A3(cr)" or above or, if a counterparty risk assessment is not available, its long-term, unsecured and unsubordinated debt or counterparty obligations are rated "A3" or above by Moody's.</p> <p>Moody's Subsequent Required Rating</p> <p>One of the Interest Rate Swap Counterparty or any guarantor of the Interest Rate Swap Counterparty's present and future obligations under the Interest Rate Swap Agreement must satisfy the following requirement to have the Moody's Subsequent Required Rating: its counterparty risk</p>	<p>The Interest Rate Swap Counterparty must within 30 Business Days provide collateral (to the extent required depending on the value of the Interest Rate Swap to each of the parties at such time) unless it (i) transfers its obligations to an entity that is eligible to be a swap provider under the Moody's criteria (ii) it obtains a guarantee from an entity with the Moody's Initial Required Rating or (iii) it takes such other action (which may include inaction) as may be necessary and in respect of which Moody's confirms that there will not be an adverse impact on the current rating of the Rated Notes.</p> <p>The Issuer may terminate the Interest Rate Swap Agreement if the Interest Rate Swap Counterparty (a) fails to use its commercially reasonable efforts to take the relevant actions described above or (b) fails to provide collateral in the relevant time period (to the extent the Interest Rate Swap Counterparty is required to do so).</p>

<u>Transaction Party</u>	<u>Required Ratings/Triggers</u>	<u>Possible effects of trigger being breached</u>
	assessment is "Baa1(cr)" or above or, if a counterparty risk assessment is not available, its long-term, unsecured and unsubordinated debt or counterparty obligations are rated "Baa1" or above by Moody's.	<p>reasonably practicable (and in any event within 30 Business Days), either:</p> <ul style="list-style-type: none"> <li data-bbox="967 405 1398 506">(a) procure a guarantee from an entity with the Moody's Subsequent Required Rating; <li data-bbox="967 539 1398 741">(b) transfer its rights and obligations under the Interest Rate Swap Agreement to a replacement counterparty with the Moody's Subsequent Required Rating; or <li data-bbox="967 775 1398 1012">(c) take other such action (which may include inaction) as may be necessary and in respect of which Moody's confirms that there will not be an adverse impact on the current rating of the Rated Notes.

While this process is ongoing the Interest Rate Swap Counterparty must also provide collateral (to the extent required depending on the value of the Interest Rate Swap to each of the parties at such time).

The Issuer may terminate the Interest Rate Swap Agreement if the Interest Rate Swap Counterparty fails to provide collateral in the relevant time period (to the extent the Interest Rate Swap Counterparty is required to do so). The Issuer may also terminate the Interest Rate Swap Agreement if the Interest Rate Swap Counterparty fails to take action in accordance with item (a), (b) or (c) above (provided that, in respect of item (b) above, at least one eligible replacement counterparty has made an offer which is capable of becoming legally binding upon acceptance).

DBRS rating requirements

Failure by the Interest Rate Swap Counterparty to maintain a Long-Term DBRS Rating at least as high as "A"	The Interest Rate Swap Counterparty must, at its own cost, within 30 Business Days of the occurrence of
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<u>Transaction Party</u>	<u>Required Ratings/Triggers</u>	<u>Possible effects of trigger being breached</u>
	<p>and provided that the highest Rated Notes rated by DBRS have a rating of at least AA(low) (the "Initial DBRS Rating Event").</p>	<p>such Initial DBRS Rating Event, either: (a) post collateral in accordance with the terms of the Interest Rate Swap Agreement; (b) transfer its rights and obligations under the Interest Rate Swap Agreement to an appropriately rated replacement third party (or a replacement third party with an appropriately rated guarantor); (c) procure a co-obligation or guarantee from an appropriately rated third party in accordance with the terms of the Interest Rate Swap Agreement; or (d) take such other actions as will result in the rating of the highest rated class of Notes will be rated by DBRS following the taking of such action being maintained at, or restored to, the same level as immediately prior to such Initial DBRS Rating Event.</p> <p>The Issuer may terminate the Interest Rate Swap Agreement if the Interest Rate Swap Counterparty fails to take either of the relevant actions in paragraphs (a) to (d) above in the relevant time period.</p>
	<p>Failure by the Interest Rate Swap Counterparty to maintain a Long-Term DBRS Rating at least as high as "BBB" (the "Subsequent DBRS Rating Event").</p>	<p>The Interest Rate Swap Counterparty must, at its own cost, within 30 Business Days of the occurrence of such Subsequent DBRS Rating Event, as soon as practicable: (a) post collateral in accordance with the terms of the Interest Rate Swap Agreement; and (b) use commercially reasonable efforts to either: (i) transfer its rights and obligations under the Interest Rate Swap Agreement to an appropriately rated replacement third party (or a replacement third party with an appropriately rated guarantor); (ii) procure a co-obligation or guarantee from an appropriately rated third party in accordance with the terms of the Interest Rate Swap Agreement; or (iii) take such other actions as will result in the rating of the highest rated class of Notes will be rated by DBRS following the taking of</p>

<u>Transaction Party</u>	<u>Required Ratings/Triggers</u>	<u>Possible effects of trigger being breached</u>
		<p>such action being maintained at, or restored to, the same level as immediately prior to such Subsequent DBRS Rating Event.</p> <p>The Issuer may terminate the Interest Rate Swap Agreement if the Interest Rate Swap Counterparty fails to provide collateral in respect of the Interest Rate Swap Agreement in the relevant time period. The Issuer may also terminate the Interest Rate Swap Agreement if the Interest Rate Swap Counterparty fails to take the relevant actions in paragraphs (b)(i) to (iii) above in the relevant time period.</p>

<u>Transaction Party</u>	<u>Required Ratings/Triggers</u>	<u>Possible effects of trigger being breached</u>
Collection Accounts Provider	<p>(a) Moody's. A long-term, unsecured, unguaranteed and unsubordinated debt obligation rating of at least "Baa3" by Moody's; and</p> <p>(b) DBRS. A Long-Term DBRS Rating of at least equal to "BBB (low)",</p> <p>or such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then current ratings of the Rated Notes (the "Collection Accounts Provider Required Rating").</p>	<p>If the rating of the Collection Accounts Provider falls below the Collection Accounts Provider Required Rating from at least one of the Rating Agencies (such failure a "Collection Accounts Provider Downgrade Event"), the Issuer will use its commercially reasonable endeavours to procure that the Collection Accounts shall be transferred to another institution authorised under FSMA which has the Collection Accounts Provider Required Ratings pursuant to an agreement with such institution in substantially the form of the Main Collection Account Agreement, the F Collection Account Agreement and the R Collection Account Agreement (to the extent applicable to the Collection Accounts) or to procure the opening of replacement Collection Accounts with another institution authorised under FSMA which has the Collection Accounts Provider Required Ratings within a period not exceeding 60 calendar days (or such longer period as the Note Trustee and the Rating Agencies may agree) (but no less than 35 calendar days) from the date on which such downgrade occurs and the Collection Accounts Provider will, at the request and cost of the Issuer, use its commercially reasonable endeavours to assist with the same.</p>
Transaction Account Bank	<p>(a) Moody's. A long-term deposit rating of at least "A3" by Moody's; and</p> <p>(b) DBRS. The higher of: (A) if a critical obligations rating ("COR" or ("Critical Obligations Rating")) is currently maintained in respect of the Transaction Account Bank, a rating at least one notch below the Transaction Account Bank's COR, being "A" from DBRS,</p>	<p>If the Transaction Account Bank no longer satisfies the Account Bank Required Ratings, then the Issuer (with the assistance of the Cash Manager) shall use all reasonable endeavours to, within 60 calendar days (but no sooner than 35 calendar days) following the first day on which such downgrade occurred:</p> <p>(a) close the Issuer Accounts with such Transaction Account Bank and transfer their closing credit balance to</p>

Transaction Party	Required Ratings/Triggers	Possible effects of trigger being breached
	<p>(B) if no COR has been assigned by DBRS, the higher of (I) the solicited public issuer rating assigned by DBRS to such entity or (II) the solicited public rating assigned by DBRS to such entity's long-term senior unsecured debt obligations, in each case at least equal to "A" from DBRS; or (C) if no such solicited public rating has been assigned by DBRS, the corresponding DBRS Equivalent Rating of at least equal to "A",</p> <p>or such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then current ratings of the Rated Notes.</p>	<p>the Standby Issuer Accounts, or, if the Standby Account Bank no longer satisfies the Account Bank Required Ratings, to another entity which is a Qualified Institution; or</p> <p>(b) obtain a guarantee in support of the Transaction Account Bank's obligations under the Account Bank Agreement from a financial institution which has the Account Bank Required Ratings; 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>
Standby Account Bank	<p>(a) Moody's. A long-term deposit rating of at least "A3" by Moody's.</p> <p>(b) DBRS. The higher of: (A) if a critical obligations rating ("COR" or ("Critical Obligations Rating") is currently maintained in respect of the Standby Account Bank, a rating at least one notch below the Standby Account Bank's COR, being "A" from DBRS, (B) if no COR has been assigned by DBRS, the higher of (I) the solicited public issuer rating assigned by DBRS to such entity or (II) the solicited public rating assigned by DBRS to such entity's long-term senior unsecured debt obligations, in each case at least equal to "A" from DBRS; or (C) if no such solicited public rating has</p>	<p>If the Standby Account Bank no longer satisfies the Account Bank Required Ratings, then within 60 calendar days (but no sooner than 35 calendar days) following the first day on which such downgrade occurred the Issuer (with the assistance of the Cash Manager):</p> <p>(a) shall open replacement accounts with a financial institution that is a Qualified Institution and that meets the other requirements as set out in the Standby Account Bank Agreement; or</p> <p>(b) may obtain a guarantee in support of the Standby Account Bank's obligations under the Account Bank Agreement from a financial institution which has the Account Bank Required Ratings; or</p> <p>(c) take any other reasonable action as the Rating Agencies</p>

<u>Transaction Party</u>	<u>Required Ratings/Triggers</u>	<u>Possible effects of trigger being breached</u>
	<p>been assigned by DBRS, the corresponding DBRS Equivalent Rating of at least equal to "A",</p> <p>or such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then current ratings of the Rated Notes.</p>	<p>may agree will not result in a downgrade of the Rated Notes.</p>

"**Critical Obligations Rating**" means the rating assigned to a relevant entity by DBRS to address the risk of default of particular obligations and/or exposures of certain banks that have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations.

"**DBRS Equivalent Chart**" means:

DBRS	Moody's
AAA	Aaa
AA(high)	Aa1
AA	Aa2
AA(low)	Aa3
A(high)	A1
A	A2
A(low)	A3
BBB(high)	Baa1
BBB	Baa2
BBB(low)	Baa3
BB(high)	Ba1
BB	Ba2
BB(low)	Ba3
B(high)	B1
B	B2
B(low)	B3
CCC(high)	Caa1
CCC	Caa2
CCC(low)	Caa3
CC	Ca
D	C

"**DBRS Equivalent Rating**" means, with respect to the long-term senior debt ratings, the public long-term issuer default rating assigned by Moody's (upon conversion on the basis of the DBRS Equivalent Chart).

"Long-Term DBRS Rating" means, at any time, with respect to an entity:

- (a) its Critical Obligations Rating; or
- (b) if no Critical Obligations Rating has been assigned by DBRS, the higher of (I) the solicited public issuer rating assigned by DBRS to such entity or (II) the solicited public rating assigned by DBRS to such entity's long-term senior unsecured debt obligations; or
- (c) if no such solicited public rating has been assigned by DBRS, the corresponding DBRS Equivalent Rating.

NON-RATING TRIGGERS TABLE

Nature of Trigger	Description of Trigger	Consequence of Trigger
<p>"Perfection Trigger Event" </p>	<p>(a) The occurrence of an Event of Default and delivery of an Enforcement Notice;</p> <p>(b) the occurrence of an Insolvency Event in relation to the Seller;</p> <p>(c) unless otherwise agreed by the Security Trustee, the termination of the Legal Title Holder's role as Servicer under the Servicing Agreement, unless as at the relevant date of termination any substitute servicer is a member of the Barclays Group;</p> <p>(d) the Legal Title Holder and/or the Issuer being required to perfect legal title to the Mortgage Loans and their Related Security by an order of a court of competent jurisdiction, a change in law occurring after the Closing Date, or by a regulatory authority of which the Legal Title Holder is a member or any organisation whose members comprise (but are not necessarily limited to) mortgage lenders with whose instructions it is customary for the Legal Title Holder to comply;</p> <p>(e) the Security created under or granted pursuant to the Deed of Charge or any material part of that Security being, in the opinion of the Security Trustee, in jeopardy;</p> <p>(f) the Legal Title Holder requesting a transfer by way of assignment or assignation (as appropriate) by giving notice in writing to the Issuer and the Security Trustee;</p>	<p>The Issuer may, by notice in writing to the Legal Title Holder (with a copy to the Security Trustee), require the Legal Title Holder to complete the transfer, by way of assignment (or, in respect of Scottish Mortgage Loans, assignation), to the Issuer of the legal title to the Mortgage Loans and their Related Security.</p>

Nature of Trigger	Description of Trigger	Consequence of Trigger
	<p>(g) a default by the Seller in the performance of its covenants and obligations under the Servicing Agreement and such breach, where capable of remedy, is not remedied to the reasonable satisfaction of the Security Trustee within 90 calendar days;</p> <p>(h) all or any part of the property, business, undertakings, assets or revenues of the Seller having an aggregate value in excess of £25,000,000 having been attached as a result of any distress, execution or diligence being levied or any encumbrancer taking possession or similar attachment and such attachment having not been lifted within 30 days;</p>	
<p>"Servicer Termination Event" </p>	<p>(a) default is made by the Servicer in the performance or observance of any of its covenants, undertakings and obligations under the Servicing Agreement which, in the sole opinion of the Note Trustee, is materially prejudicial to the interests of the Noteholders or the Certificateholders and which, in the case of a default that is remediable, continues unremedied for a period of 15 days after written notice from the Note Trustee requiring the same to be remedied or such longer period as the parties agree;</p> <p>(b) the Servicer ceases to be an authorised person under FSMA or fails to obtain or maintain the necessary licenses, registrations or regulatory approvals enabling it to continue to service the Mortgage Loans and</p>	<p>Successor servicer to be appointed in accordance with the terms of the Servicing Agreement.</p>

<u>Nature of Trigger</u>	<u>Description of Trigger</u>	<u>Consequence of Trigger</u>
	perform its obligations under the Servicing Agreement;	
	(c) an order is made or an effective resolution is passed for the winding up of the Servicer;	
	(d) the Servicer ceases or threatens to cease to carry on its business or a substantial part of its business or stops payment or threatens to stop payment of any amounts due to its creditors generally or becomes unable to pay its debts as they fall due or otherwise becomes insolvent;	
	(e) (other than in the case of a reorganisation the terms of which have been approved by the Issuer, or following the delivery of an Enforcement Notice, the Security Trustee and where the Servicer demonstrates to the satisfaction of the Issuer, or following the delivery of an Enforcement Notice, the Security Trustee that it is solvent) an order is made against the Servicer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or a receiver, administrator or other similar official is appointed in relation to the Servicer or in relation to the whole or any substantial part of the undertaking or assets of the Servicer or an encumbrancer or other security holder shall take possession of the whole or any substantial part of the undertaking or assets of the Servicer, and in any of the foregoing cases it shall not be discharged within 30 Business Days; or if the Servicer shall initiate or consent to judicial proceedings relating to itself (other than in the case of a	

<u>Nature of Trigger</u>	<u>Description of Trigger</u>	<u>Consequence of Trigger</u>
	<p>reorganisation) under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or shall make a conveyance or assignment for the benefit of its creditors generally or if a petition is presented to wind up the Servicer (other than any petition which is frivolous or vexatious and is not withdrawn within five Business Days);</p> <p>(f) an Enforcement Notice is given and the Security Trustee is of the opinion that the continuation of the appointment of the Servicer is materially prejudicial to the interests of the holders of the Most Senior Class;</p> <p>(g) a Perfection Trigger Event;</p> <p>(h) the Issuer giving notice to the Legal Title Holder of termination of its appointment in accordance with the Servicing Agreement or the Legal Title Holder purporting to resign its appointment as Legal Title Holder in accordance with the Servicing Agreement; or</p> <p>(i) a Force Majeure Event occurs and continues unremedied for 21 calendar days.</p>	
<p>"Legal Title Holder Termination Event" </p>	<p>(a) an order is made or an effective resolution passed for winding up the Legal Title Holder;</p> <p>(b) the Legal Title Holder ceases or threatens to cease to carry on its business or a substantial part of its business or stops payment or threatens to stop payment of any amounts due to its creditors generally or becomes unable to pay its debts as they fall due or otherwise becomes insolvent;</p>	<p>Replacement legal title holder to be appointed in accordance with the terms of the Servicing Agreement.</p>

Nature of Trigger	Description of Trigger	Consequence of Trigger
	<p>(c) an order is made against the Legal Title Holder under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or a receiver or other similar official is appointed in relation to the Legal Title Holder or in relation to the whole or any substantial part of the undertaking or assets of the Legal Title Holder or an encumbrancer shall take possession of the whole or any substantial part of the undertaking or assets of the Legal Title Holder, and in any of the foregoing cases it shall not be discharged within 15 days; or if the Legal Title Holder shall initiate or consent to judicial proceedings relating to itself (other than in the case of a reorganisation) under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or shall make a conveyance or assignment for the benefit of its creditors generally or if a petition is presented to wind up the Legal Title Holder (other than any petition which is frivolous or vexatious and is not withdrawn within five Business Days); or</p> <p>(d) a Perfection Trigger Event occurs.</p>	
<p>"Cash Manager Termination Event" </p>	<p>(a) Default is made by the Cash Manager in the payment on the due date of any payment to be made by it under the Cash Management Agreement (subject to funds being available for the same) or in the performance of its obligations under the Cash Management Agreement and such default,</p>	<p>Successor cash manager to be appointed in accordance with the terms of the Cash Management Agreement.</p>

<u>Nature of Trigger</u>	<u>Description of Trigger</u>	<u>Consequence of Trigger</u>
	<p>unless waived by the Issuer (with the prior written consent of the Security Trustee), continues unremedied for a period of five 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 delivery of an Enforcement Notice) the Security Trustee requiring the same to be remedied;</p>	
	<p>(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, other than such obligations set out in paragraph (a) above, and such default is not waived by the Issuer (with the prior written consent of the Security Trustee), which in the opinion of the Security Trustee (acting in accordance with the direction of the Note Trustee) is materially prejudicial to the interests of the holders of the Most Senior Class of Notes and such default continues unremedied for a period of 20 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 delivery of an Enforcement Notice) the Security Trustee requiring the same to be remedied; or</p>	
	<p>(c) an Insolvency Event occurs in respect of the Cash Manager.</p>	

FEES

The table below sets out the principal ongoing transaction fees to be paid by the Issuer to Transaction Parties. Each of these fees is subject to change at any time without the notification or approval of Noteholders, including upon the appointment of any successor service provider or any other successor transaction party pursuant to the applicable Transaction Document.

<u>Type of Fee</u>	<u>Amount of Fee</u>	<u>Priority in Cashflow</u>	<u>Frequency</u>
<p>Servicing fee (payable to the Servicer in respect of the performance of the services during the Determination Period immediately preceding the relevant Payment Date) comprising:</p> <p>(i) Servicing Fee;</p>	<p>an amount equal to the sum of:</p> <p>in respect of each Determination Period, an amount (exclusive of VAT, if any) equal to 0.25 per cent. multiplied by the aggregate Current Balance of the Mortgage Loans in the Mortgage Portfolio as at the first day of the applicable Determination Period multiplied by the number of days in such Determination Period divided by 365; and</p>	<p>Ahead of all outstanding Notes in accordance with the Pre-Enforcement Revenue Priority of Payments. To the extent such ranking of the Servicing Fee would change the amounts due and payable to the Servicer or the Legal Title Holder in accordance with the Servicing Agreement, the Issuer must obtain the written consent of the Servicer and/or the Legal Title Holder (as applicable)</p> <p>In respect of the Servicing Fee, any amounts in excess of the Senior Servicing Fee Cap to be paid in accordance with item (xxi) below of the Pre-Enforcement Revenue Priority of Payments.</p>	<p>Quarterly in arrear on each Payment Date</p>

<u>Type of Fee</u>	<u>Amount of Fee</u>	<u>Priority in Cashflow</u>	<u>Frequency</u>
	<p data-bbox="507 297 785 741">Other than costs, expenses and/or liabilities of the Servicer relating to compliance with Applicable Law pursuant to the provisions of the Servicing Agreement, the Servicer may not increase the Servicing Fee if the Servicer incurs increased costs as a result of a Change.</p> <p data-bbox="507 779 785 1671">Notwithstanding the above, the aggregate amount (exclusive of VAT) payable on each Payment Date as a Servicing Fee is subject to an overall cap equal to 0.50 per cent. multiplied by the aggregate Current Balance of the Mortgage Loans as at the first day of the relevant Determination Period multiplied by the number of days in the Determination Period divided by 365 (the "Senior Servicing Fee Cap") with any remaining balance above the Senior Servicing Fee Cap to be paid at paragraph (xxi) of the Pre-Enforcement Revenue Priority of Payments.</p> <p data-bbox="507 1709 785 2016">Unless the Issuer and the Servicer (each acting reasonably) otherwise agree in writing, on each anniversary of the date of the Servicing Agreement (each, a "Review Date") the Servicing Fee will increase annually in</p>		

<u>Type of Fee</u>	<u>Amount of Fee</u>	<u>Priority in Cashflow</u>	<u>Frequency</u>
	proportion to the increase in the Retail Price Index (RPI) for the United Kingdom, as published by the official statistical agency or other authoritative source, for the 12-month period ending on the last day of the month preceding the Review Date and subject to a maximum annual increase of 5 per cent. For the avoidance of doubt if the Retail Price Index falls, then the fees shall not decrease and shall remain at the current rate.		
Costs and expenses of the Legal Title Holder in relation to the performance of its duties under the Servicing Agreement	Any costs and expenses incurred by the Legal Title Holder in accordance with the Servicing Agreement.	Ahead of all outstanding Notes.	Quarterly in arrear on each Payment Date.
Other fees and expenses of the Issuer	Estimated at £115,000 per annum (exclusive of any VAT).	Ahead of all outstanding Notes in accordance with the Pre-Enforcement Revenue Priority of Payments.	Quarterly in arrear on each Payment Date.
Expenses related to the admission to trading of the Notes	Estimated at £20,550 (exclusive of any VAT).	Not Applicable	On or about the Closing Date.

The corporate expenses of the Issuer, the servicing fee and the expenses related to the admission to trading of the Notes are exclusive of any value added tax ("VAT"), which is currently chargeable at 20 per cent. in the United Kingdom, so that an amount equal to any VAT may be added to such expenses and such fee.

CERTAIN REGULATORY REQUIREMENTS

1. THE SECURITISATION REGULATION

UK and EU risk retention requirements

Barclays Bank PLC will retain, as sponsor (the "**Retention Holder**"), on an ongoing basis, a material net economic interest of not less than 5 per cent. in the securitisation in accordance with Article 6(1) of the UK Securitisation Regulation.

In addition, although the EU Securitisation Regulation is not applicable to it, the Retention Holder will retain (on a contractual basis), as sponsor, on an ongoing basis, a material net economic interest of not less than 5 per cent. in the securitisation in accordance with Article 6(1) of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation (not taking into account any relevant national measures)), as if it were applicable to it, but solely as such articles are interpreted and applied on the Closing Date and until such time when the Retention Holder is able to certify to the Issuer and the Note Trustee that a competent EU authority has confirmed that the satisfaction of the UK Retention Requirements will also satisfy the EU Retention Requirements due to the application of an equivalence regime or similar analogous concept. Prospective investors should note that the obligation of the Retention Holder to comply with the EU Retention Requirements is strictly contractual and the Retention Holder has elected to comply with such requirements in its discretion and it will be under no obligation to comply with any amendments to the EU Securitisation Regulation, applicable EU technical standards, guidance or policy statements introduced in relation thereto after the Closing Date (for the avoidance of doubt, the Retention Holder could elect (in its sole discretion) to comply with any such amendments).

As at the Closing Date, such interest will be comprised of the Retention Holder holding no less than 5 per cent. of the nominal value of each Class of Notes and a 5 per cent. interest in the Senior Deferred Consideration in accordance with Article 6(3)(a) of the UK Securitisation Regulation and Article 6(3)(a) of the EU Securitisation Regulation (as if it were applicable to the Retention Holder and solely as it applies on the Closing Date) (the "**Retained Interest**").

Any change to the manner in which the Retained Interest is held will be notified to Noteholders in accordance with the Conditions and the requirements of the UK Securitisation Regulation. The Retention Holder's Retained Interest will be confirmed through disclosure in the Monthly Investor Report.

Pursuant to the Risk Retention Letter, the Retention Holder has covenanted that it will, while any of the Notes remain outstanding:

- (a) retain the Retained Interest in accordance with the applicable Risk Retention Requirements;
- (b) not change the manner in which it retains such material net economic interest, except to the extent permitted or required under the UK Securitisation Regulation or the EU Securitisation Regulation;
- (c) not subject the Retained Interest to any credit risk mitigation or hedging, or sell, transfer or otherwise surrender all or part of the rights, benefits or obligations arising from the Retained Interest, except, in each case, to the extent permitted under the UK Securitisation Regulation or the EU Securitisation Regulation;
- (d) confirm its Retained Interest through disclosure in the Monthly Investor Report; and
- (e) promptly notify the Issuer, the Seller, the Note Trustee, the Security Trustee and the Cash Manager if for any reason it ceases to hold the Retained Interest in accordance with paragraph (a) above or fails to comply with the covenants set out in paragraphs (a) to (d) above in respect of the Retained Interest.

"EU Securitisation Regulation" means Regulation (EU) 2017/2402, as amended by Regulation (EU) No. 2021/557, including: (i) relevant regulatory and/or implementing technical standards or delegated regulation, or other applicable national implementing measures in relation thereto (including any applicable transitional provisions); and/or (ii) any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA, the European Commission and/or the European Central Bank.

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

Transparency and reporting

For the purposes of Article 7(2) of the UK Securitisation Regulation, the Issuer, as SSPE, has been designated as the entity responsible for compliance with the requirements of Article 7 of the UK Securitisation Regulation (the **"Reporting Entity"**). The Reporting Entity will either fulfil such requirements itself or shall procure that such requirements are fulfilled on its behalf. In relation to any Notes which are awarded UK STS status, Kensington Mortgage Company Limited, as originator, and Barclays Bank PLC, as sponsor are responsible for compliance with Article 7 of the UK Securitisation Regulation.

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

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

Prospective investors should note that the obligation of the Retention Holder to comply with the provisions of the EU Securitisation Regulation referred to in the paragraph above is strictly contractual and the Retention Holder has elected to comply with such requirements in its discretion and it will be under no obligation to comply with any amendments to applicable provisions of the EU Securitisation Regulation, EU technical standards, guidance or policy statements introduced in relation thereto after the Closing Date (for the avoidance of doubt, the Retention Holder could elect (in its sole discretion) to comply with any such amendments).

Other than as outlined above, the Issuer does not intend to provide post-issuance transaction information regarding the Notes or the Mortgage Loans.

As to the information made available to prospective investors, reference is made to the information set out herein and forming part of this Prospectus and to the other documents and information which will be made available to prospective investors upon request in accordance with the UK Securitisation Regulation. See the sections entitled *"The Servicer and the Servicing Agreement – Servicer Reports and transparency requirements"* and *"General Information"*.

Kensington Mortgage Company Limited, as originator and Barclays Bank PLC, as sponsor, confirms that the required definitions, remedies and actions in accordance with Article 21(9) of the UK Securitisation Regulation, including, where relevant, where comprised in the Seller's Policy, has been made available to investors.

Simple, Transparent and Standardised (STS) Securitisation

On the Closing Date, it is intended that a notification will be submitted to the FCA by, or on behalf of Kensington Mortgage Company Limited, as originator, and Barclays Bank PLC, as sponsor, in accordance with Article 27 of the UK Securitisation Regulation, confirming that the requirements of Articles 19 to 22 of the UK Securitisation Regulation (the "**UK STS Requirements**") have been satisfied with respect to the Notes (such notification, the "**UK STS Notification**").

The UK STS Notification, once notified to the FCA, will be available for download on the FCA Register of Securitisation STS Notifications at <https://data.fca.org.uk/#/sts/stssecuritisations> (or its successor website) (the "**FCA STS Register website**"). For the avoidance of doubt, the FCA STS Register website and the contents thereof do not form part of this Prospectus. The UK STS status of the Notes is not static and investors should verify the current status on the FCA STS Register website, which will be updated where the Notes are no longer considered to be UK STS following a decision of the FCA, another relevant UK regulator or a notification by, or on behalf of Kensington Mortgage Company Limited and/or Barclays Bank PLC.

In relation to the UK STS Notification, Kensington Mortgage Company Limited has been designated as the first contact point for investors and the FCA.

Kensington Mortgage Company Limited, Barclays Bank PLC and the Issuer have used the services of Prime Collateralised Securities (PCS) UK Limited ("**PCS**"), a third party authorised under Article 28 of the UK Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements of Articles 19 to 22 of the UK Securitisation Regulation (the "**UK STS Verification**"). It is expected that the UK STS Verification prepared by PCS will be available on its website at <https://www.pcsmarket.org/sts-verification-transactions/> together with detailed explanations of its scope at <https://pcsmarket.org/disclaimer/> on and from the Closing Date. For the avoidance of doubt, the website of PCS and the contents thereof do not form part of this Prospectus.

Investors to assess compliance

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Article 5 of the UK Securitisation Regulation or Article 5 of the EU Securitisation Regulation. None of the Issuer, the Seller, the Legal Title Holder, the Retention Holder, the Sponsor Administrator, the Arranger or the Lead Manager or any of the other transaction parties makes any representation that the information described above or elsewhere in this Prospectus is sufficient in all circumstances for such purposes.

See further "*Risk Factors – Legal and Regulatory Risks relating to the Structure and the Notes – Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes and/or decrease liquidity in respect of the Notes*" above for further information on the implications of the EU Securitisation Regulation and the UK Securitisation Regulation.

Information regarding the policies and procedures of the Seller

The Seller has applied the same sound and well-defined credit-granting criteria for the Mortgage Loans as it has applied to equivalent Mortgage Loans that are not part of the Mortgage Portfolio. In particular:

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

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

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

Verification of data

The Provisional Portfolio has been subjected to (i) an agreed upon procedures review of a representative sample of Mortgage Loans selected from the Provisional Portfolio; and (ii) a verification of the conformity of the Mortgage Loans in the Provisional Portfolio with the Mortgage Loan Warranties that were able to be tested, by a third party which was completed on or about 11 December 2023 with respect of the Provisional Portfolio in existence as of the Cut-Off Date (the "**AUP Report**") and no significant adverse findings have been found. This independent third party has also performed agreed upon procedures in order to verify that the stratification tables disclosed above 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.

Liability cashflow model

The Seller will make available a liability cashflow model, either directly or indirectly through one or more entities which provide such liability cashflow models to investors generally, which precisely represents the contractual relationship between the loans and the payments flowing between the Seller, investors in the Notes, other third parties and the Issuer (i) prior to pricing of the Notes, to potential investors and (ii) on an ongoing basis to investors and to potential investors in the Notes upon request.

2. UK STS SECURITISATION AND UK EMIR

For UK EMIR-related risk factor considerations, please refer to the section entitled "*Risk Factors – Legal and Regulatory Risks relating to the Structure and the Notes – European Market Infrastructure Regulation*" and also note that the EU Securitisation Regulation makes provisions for the development of technical standards in connection with the UK EMIR regime specifying (i) an exemption from the clearing obligation; and (ii) a partial exemption from the collateral exchange obligation for uncleared OTC derivatives, in each case for STS securitisation swaps (subject to the satisfaction of the relevant conditions). Article 4(5) of UK EMIR, Commission Delegated Regulation (EU) 2020/447 as it forms part of domestic law by virtue of the EUWA relating to an exemption from the clearing obligation, and Commission Delegated Regulation (EU) 2020/448 as it forms part of domestic law by virtue of the EUWA relating to the partial exemption from the collateral exchange obligation set out the relevant conditions. The applicable conditions require that:

- (a) the Issuer shall solely issue securitisations that meet the requirements of Article 18, and of Articles 19 to 22 or 23 to 26 of the UK Securitisation Regulation;
- (b) the Interest Rate Swaps are used only to hedge interest rate or currency mismatches under the securitisation;
- (c) the arrangements under the securitisation adequately mitigate counterparty credit risk with respect to the Interest Rate Swaps concluded by the Issuer in connection with the securitisation;
- (d) the Interest Rate Swap Counterparty ranks at least *pari passu* with the holders of the most senior Note, provided that the Swap Counterparty is neither the defaulting nor the affected party, as to which please refer to "*Credit Structure and Cashflows*";

- (e) the level of credit enhancement of the most senior Note is at least 2% of the outstanding Notes on an ongoing basis, as to which please refer to the section entitled "*Credit Structure and Cashflows*"; and
- (f) (in the case of the partial exemption from the collateral exchange obligation) the netting set does not include OTC derivative contracts unrelated to the transactions described herein, as to which please refer to "*The Interest Rate Swap Agreement*".

The conditions described above are met as at the date of this Prospectus. However, notwithstanding the UK STS designation and the ability, as a result, to rely on the exemptions from the clearing obligation and the partial exemption from the collateral exchange obligation under the UK EMIR regime, the expectation is that the Issuer should not be required to comply with the UK EMIR collateral exchange obligation and the clearing obligation for the reasons outlined above in "*Risk Factors – Legal and Regulatory Risks relating to the Structure and the Notes – European Market Infrastructure Regulation*" in any event. The UK STS designation and the related exemptions from the clearing obligation and the partial exemption from the collateral exchange obligation are only likely to become relevant should the status under UK EMIR of the Issuer change from NFC- to NFC+ or FC and, if clearing is applicable, should the Interest Rate Swaps be regarded as a type that is subject to the UK EMIR clearing obligation.

3. U.S. CREDIT RISK RETENTION REQUIREMENTS

No party to the transaction intends to retain at least 5 per cent. of the credit risk of the securitised assets for the purposes of compliance with the U.S. Risk Retention Rules.

For further information on the requirements referred to above and the corresponding risks, please refer to the section entitled "*Risk Factors – Legal and Regulatory Risks relating to the Structure and the Notes – U.S. Risk Retention Requirements*".

4. OTHER U.S. REQUIREMENTS

The Volcker Rule

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

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

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

ESTIMATED WEIGHTED AVERAGE LIVES OF THE NOTES

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

- (a) either the Portfolio Option Holder exercises the Portfolio Purchase Option or the Refinancing Option Holder exercises the Refinancing Option on the First Optional Redemption Date in the first scenario (as set out in the table headed "*Assuming the Portfolio Purchase Option is exercised on the First Optional Redemption Date*" below), or, in the second scenario, the Seller exercises the Clean-up Purchase Option (as set out in the table headed "*Assuming the Clean-up Purchase Option is exercised*" below);
- (b) the Mortgage Loans are subject to a constant annual rate of prepayment (excluding scheduled principal redemptions) of between 0 and 20 per cent. per annum. For the "Pricing" scenario, the assumed constant annual rate of prepayment vector (excluding scheduled principal redemptions) is the following:

Collection Date	Annualised CPR
November 2023	15.89%
December 2023	36.08%
January 2024	39.70%
February 2024	37.06%
March 2024	40.67%
April 2024	36.39%
May 2024	26.31%
June 2024	15.76%
July 2024	16.63%
August 2024	24.16%
September 2024	19.54%
October 2024	22.91%
November 2024	29.93%
December 2024	30.82%
January 2025	48.10%
February 2025	44.62%
March 2025	44.14%
April 2025	30.00%
May 2025	23.91%
June 2025	25.16%
July 2025	25.31%
August 2025	21.47%
September 2025	27.36%
October 2025	30.72%
November 2025	25.66%
December 2025	22.75%
January 2026	22.47%
February 2026	22.80%
March 2026	28.68%
April 2026	26.12%
May 2026	21.88%
June 2026	22.36%
July 2026	25.42%
August 2026	24.95%
September 2026	22.58%
October 2026	25.84%
November 2026	25.94%
December 2026	26.75%

Collection Date	Annualised CPR
January 2027	28.22%
February 2027	27.19%
March 2027	32.56%
April 2027	31.88%
May 2027	33.79%
June 2027	35.28%
July 2027	36.82%
August 2027	42.79%
September 2027	42.61%
October 2027	48.93%
November 2027	51.66%
December 2027	50.48%
January 2028	47.62%
February 2028	43.59%
March 2028	50.31%
April 2028	43.18%
May 2028	43.87%
June 2028	40.14%
July 2028	41.35%
August 2028	38.79%
September 2028	34.48%
October 2028	37.43%
November 2028	35.46%
December 2028	33.09%
January 2029	30.87%
February 2029	27.53%
March 2029	34.10%
April 2029	31.61%
May 2029	32.82%
June 2029	31.69%
July 2029	34.32%
August 2029	33.64%
September 2029	34.15%
October 2029	36.96%
November 2029	34.86%
December 2029	32.76%
January 2030	30.48%
February 2030	31.27%
March 2030	33.60%
April 2030	31.43%
May 2030	33.04%
June 2030	32.82%
July 2030	35.67%
August 2030	34.50%
September 2030	31.86%
October 2030	35.62%
November 2030	34.35%
December 2030	32.86%
January 2031	30.60%
February 2031	31.68%
March 2031	33.81%
April 2031	32.22%
May 2031	33.84%
June 2031	33.76%
July 2031	37.11%

Collection Date	Annualised CPR
August 2031	35.97%
September 2031	33.42%
October 2031	37.76%
November 2031	36.56%
December 2031	34.89%
January 2032	31.96%
February 2032	33.42%
March 2032	35.66%
April 2032	34.15%
May 2032	35.84%
June 2032	35.48%
July 2032	38.68%
August 2032	37.91%
September 2032	34.59%
October 2032	38.79%
November 2032	37.61%
December 2032	35.82%
January 2033	31.60%
February 2033	33.99%
March 2033	36.26%
April 2033	34.57%
May 2033	36.36%
June 2033	35.73%
July 2033	38.71%
August 2033	37.96%
September 2033	34.43%
October 2033	38.55%
November 2033	37.50%
December 2033	35.56%
January 2034	31.37%
February 2034	34.35%
March 2034	35.90%
April 2034	34.79%
May 2034	35.94%
June 2034	35.61%
July 2034	38.34%
August 2034	37.36%
September 2034	34.33%
October 2034	38.35%
November 2034	37.34%
December 2034	34.70%
January 2035	31.18%
February 2035	34.43%
March 2035	35.88%
April 2035	33.56%
May 2035	35.87%
June 2035	35.66%
July 2035	38.26%
August 2035	36.91%
September 2035	34.57%
October 2035	38.06%
November 2035	37.00%
December 2035	33.90%
January 2036	30.60%
February 2036	34.03%

Collection Date	Annualised CPR
March 2036	35.18%
April 2036	32.63%
May 2036	35.22%
June 2036	34.59%
July 2036	36.91%
August 2036	35.48%
September 2036	33.27%
October 2036	36.60%
November 2036	35.47%
December 2036	32.01%
January 2037	29.15%
February 2037	33.56%
March 2037	34.82%
April 2037	31.95%
May 2037	33.96%
June 2037	33.52%
July 2037	36.25%
August 2037	34.84%
September 2037	32.68%
October 2037	36.48%
November 2037	35.06%
December 2037	31.78%
January 2038	29.69%
February 2038	33.91%
March 2038	35.84%
April 2038	31.30%
May 2038	34.48%
June 2038	34.32%
July 2038	37.03%
August 2038	35.69%
September 2038	33.65%
October 2038	37.78%
November 2038	36.13%
December 2038	32.37%
January 2039	31.12%
February 2039	35.68%
March 2039	39.45%
April 2039	33.44%
May 2039	38.14%
June 2039	38.29%
July 2039	41.09%
August 2039	39.19%
September 2039	37.77%
October 2039	41.90%
November 2039	39.42%
December 2039	35.01%
January 2040	33.90%
February 2040	41.22%
March 2040	44.03%
April 2040	35.37%
May 2040	39.31%
June 2040	38.26%
July 2040	40.39%
August 2040	37.28%
September 2040	35.60%

Collection Date	Annualised CPR
October 2040	38.45%
November 2040	35.81%
December 2040	30.87%
January 2041	30.38%
February 2041	36.61%
March 2041	38.16%
April 2041	31.13%
May 2041	34.51%
June 2041	33.19%
July 2041	34.20%
August 2041	31.74%
September 2041	32.10%
October 2041	33.74%
November 2041	32.08%
December 2041	28.57%
January 2042	29.57%
February 2042	36.21%
March 2042	37.61%
April 2042	31.41%
May 2042	35.28%
June 2042	32.94%
July 2042	34.77%
August 2042	32.41%
September 2042	34.20%
October 2042	36.20%
November 2042	33.54%
December 2042	29.16%
January 2043	31.16%
February 2043	36.47%
March 2043	37.10%
April 2043	31.10%
May 2043	34.51%
June 2043	31.45%
July 2043	33.02%
August 2043	30.86%
September 2043	32.07%
October 2043	34.78%
November 2043	32.80%
December 2043	27.86%
January 2044	29.51%
February 2044	34.44%
March 2044	34.56%
April 2044	28.93%
May 2044	31.38%
June 2044	30.27%
July 2044	30.21%
August 2044	27.83%
September 2044	27.63%
October 2044	29.79%
November 2044	27.79%
December 2044	23.75%
January 2045	24.56%
February 2045	29.33%
March 2045	28.09%
April 2045	24.42%

Collection Date	Annualised CPR
May 2045	26.80%
June 2045	26.60%
July 2045	27.37%
August 2045	25.29%
September 2045	25.10%
October 2045	28.04%
November 2045	26.11%
December 2045	23.07%
January 2046	24.23%
February 2046	30.07%
March 2046	28.10%
April 2046	24.92%
May 2046	27.00%
June 2046	26.89%
July 2046	27.73%
August 2046	26.01%
September 2046	25.80%
October 2046	28.86%
November 2046	26.83%
December 2046	24.31%
January 2047	25.60%
February 2047	32.03%
March 2047	29.63%
April 2047	26.89%
May 2047	28.38%
June 2047	29.09%
July 2047	30.50%
August 2047	29.20%
September 2047	28.42%
October 2047	31.63%
November 2047	30.55%
December 2047	27.37%
January 2048	29.75%
February 2048	36.11%
March 2048	32.67%
April 2048	30.89%
May 2048	32.39%
June 2048	33.32%
July 2048	33.81%
August 2048	31.84%
September 2048	29.97%
October 2048	34.48%
November 2048	33.41%
December 2048	29.83%
January 2049	31.53%
February 2049	38.43%
March 2049	34.57%
April 2049	32.70%
May 2049	34.47%
June 2049	34.97%
July 2049	35.33%
August 2049	33.42%
September 2049	31.33%
October 2049	35.68%
November 2049	34.37%

Collection Date	Annualised CPR
December 2049	31.07%
January 2050	32.95%
February 2050	40.19%
March 2050	35.22%
April 2050	33.19%
May 2050	33.99%
June 2050	34.62%
July 2050	35.38%
August 2050	33.14%
September 2050	30.79%
October 2050	34.93%
November 2050	33.38%
December 2050	31.04%
January 2051	32.78%
February 2051	40.41%
March 2051	36.05%
April 2051	34.64%
May 2051	36.21%
June 2051	37.42%
July 2051	37.89%
August 2051	35.42%
September 2051	33.24%
October 2051	38.10%
November 2051	36.68%
December 2051	34.39%
January 2052	35.52%
February 2052	44.59%
March 2052	39.35%
April 2052	37.41%
May 2052	38.37%
June 2052	39.14%
July 2052	39.33%
August 2052	36.24%
September 2052	34.14%
October 2052	39.47%
November 2052	37.80%
December 2052	35.72%
January 2053	37.22%
February 2053	46.29%
March 2053	40.17%
April 2053	38.28%
May 2053	39.16%
June 2053	40.01%
July 2053	39.97%
August 2053	36.75%
September 2053	34.44%
October 2053	40.10%
November 2053	38.66%
December 2053	35.75%
January 2054	37.22%
February 2054	46.24%
March 2054	41.16%
April 2054	38.99%
May 2054	39.76%
June 2054	42.72%

Collection Date	Annualised CPR
July 2054	43.69%
August 2054	40.34%
September 2054	38.10%
October 2054	44.22%
November 2054	42.17%
December 2054	40.05%
January 2055	41.79%
February 2055	48.66%
March 2055	43.17%
April 2055	40.88%
May 2055	41.15%
June 2055	43.12%
July 2055	43.50%
August 2055	39.51%
September 2055	35.85%
October 2055	41.60%
November 2055	40.61%
December 2055	37.99%
January 2056	39.77%
February 2056	49.65%
March 2056	44.24%
April 2056	42.68%
May 2056	43.29%
June 2056	47.09%
July 2056	49.30%
August 2056	44.95%
September 2056	42.08%
October 2056	47.65%
November 2056	45.40%
December 2056	42.17%
January 2057	44.75%
February 2057	51.77%
March 2057	45.33%
April 2057	42.75%
May 2057	41.34%
June 2057	43.36%
July 2057	44.90%
August 2057	39.07%
September 2057	36.61%
October 2057	41.80%
November 2057	40.11%
December 2057	37.47%
January 2058	38.87%
February 2058	49.41%
March 2058	43.58%
April 2058	42.76%
May 2058	43.07%
June 2058	47.17%
July 2058	48.36%
August 2058	44.63%
September 2058	40.95%
October 2058	49.90%
November 2058	47.90%
December 2058	42.71%
January 2059	45.80%

Collection Date	Annualised CPR
February 2059	55.25%
March 2059	49.23%
April 2059	46.92%
May 2059	46.21%
June 2059	50.03%
July 2059	51.48%
August 2059	47.41%
September 2059	43.39%
October 2059	50.10%
November 2059	49.83%
December 2059	45.61%
January 2060	47.68%
February 2060	58.14%
March 2060	54.42%
April 2060	52.73%
May 2060	52.95%
June 2060	55.25%
July 2060	60.65%
August 2060	55.05%
September 2060	58.98%
October 2060	63.13%
November 2060	60.21%
December 2060	53.61%
January 2061	53.88%
February 2061	65.24%
March 2061	56.57%
April 2061	54.34%
May 2061	60.05%
June 2061	66.08%
July 2061	72.51%
August 2061	65.94%
September 2061	62.27%
October 2061	72.13%
November 2061	74.30%
December 2061	72.50%
January 2062	79.99%
February 2062	83.19%
March 2062	79.93%
April 2062	89.72%
May 2062	87.25%
June 2062	90.10%
July 2062	92.14%
August 2062	92.53%
September 2062	93.07%
October 2062	90.49%
November 2062	93.90%
December 2062	86.46%
January 2063	92.13%
From February 2063	0.00%

- (c) 100 per cent. of the Mortgage Loans in the Provisional Portfolio are owned by the Issuer on the Closing Date;
- (d) the assets of the Issuer are not sold except as may be necessary to enable the Issuer to realise sufficient funds to redeem the Notes in accordance with Condition 7.4 (*Mandatory Redemption in full or in part*)

pursuant to the exercise of the Portfolio Purchase Option), Condition 7.5 (Mandatory Redemption in full pursuant to the exercise of the Refinancing Option), Condition 7.6 (Mandatory Redemption in full pursuant to the exercise of the Clean-up Purchase Option), Condition 7.7 (Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option), Condition 7.8 (Mandatory Redemption of the Notes following the exercise of a Regulatory Change Event Option) or Condition 7.9 (Optional redemption for tax and other reasons);

- (e) the characteristics of the Mortgage Loans in the Mortgage Portfolio will be identical to those of the Mortgage Loans in the Provisional Portfolio;
- (f) no Enforcement Notice has been served on the Issuer and no Event of Default has occurred;
- (g) the Security is not enforced;
- (h) all Mortgage Loans are and continue to be fully performing;
- (i) the payment frequency of the Mortgage Loans is on a monthly basis;
- (j) the size of the:
 - (i) the Class A Notes as at the Closing Date is 87.00%;
 - (ii) the Class B Notes as at the Closing Date is 7.00%;
 - (iii) the Class C Notes as at the Closing Date is 2.00%;
 - (iv) the Class D Notes as at the Closing Date is 2.00%;
 - (v) the Class E Notes as at the Closing Date is 1.00%;
 - (vi) the Class F Notes as at the Closing Date is 0.50%;
 - (vii) the Class G Notes as at the Closing Date is 0.50%;
 - (viii) the Class Z Notes as at the Closing Date is 1.00%;
- (k) the interest and principal collections of the Mortgage Portfolio are calculated on a Loan-by-Loan basis;
- (l) the amortisation of any repayment Mortgage Loan is calculated as an annuity loan on an ACT/ACT basis;
- (m) the Notes are issued on the Closing Date of on or about 30th November 2023;
- (n) the first Payment Date occurs on or about 16th March 2024;
- (o) the first interest period includes four months of collections;
- (p) each Payment Date occurs on and payments on the Notes are made on the 16th day of March, June, September and December in each year throughout the life of the Notes (subject to adjustment in accordance with the modified following business day convention, disregarding bank holidays);
- (q) there are no flexible drawings;
- (r) no variation is made in respect of any Mortgage in the Mortgage Portfolio;
- (s) the weighted average lives of the Notes are calculated on an ACT/365 basis;

- (t) there is no debit balance on the Principal Deficiency Ledger on any Payment Date;
- (u) no interest or expense shortfalls occur that would result in the use of the Liquidity Reserve Fund, the General Reserve Fund or application of any Principal Addition Amounts; and
- (v) Base Rate equals 5.250%, Sonia equals 5.187%, and reversion rate equals 5.250% per cent.

WEIGHTED AVERAGE LIFE TABLES

Assuming the Portfolio Purchase Option is exercised on the First Optional Redemption Date

Weighted Average Life (years)	0.0% CPR	5.0% CPR	10.0% CPR	15.0% CPR	20.0% CPR	Pricing CPR
A Notes	3.22	2.94	2.68	2.43	2.20	1.78
B Notes	3.29	3.29	3.29	3.29	3.29	3.29
C Notes	3.29	3.29	3.29	3.29	3.29	3.29
D Notes	3.29	3.29	3.29	3.29	3.29	3.29
E Notes	3.29	3.29	3.29	3.29	3.29	3.29
F Notes	3.29	3.29	3.29	3.29	3.29	3.29
G Notes	3.29	3.29	3.29	3.29	3.29	3.29

Assuming the Clean-up Purchase Option is exercised

Weighted Average Life (years)	0.0% CPR	5.0% CPR	10.0% CPR	15.0% CPR	20.0% CPR	Pricing CPR
A Notes	19.63	9.89	5.91	4.07	3.05	1.97
B Notes	32.41	25.22	17.69	12.71	9.57	5.60
C Notes	32.57	25.56	18.06	13.05	9.80	5.80
D Notes	32.57	25.56	18.06	13.05	9.80	5.80
E Notes	32.57	25.56	18.06	13.05	9.80	5.80
F Notes	32.57	25.56	18.06	13.05	9.80	5.80
G Notes	32.57	25.56	18.06	13.05	9.80	5.80

**EARLY REDEMPTION OF THE NOTES PURSUANT TO THE PORTFOLIO PURCHASE OPTION,
CLEAN-UP PURCHASE OPTION, REFINANCING OPTION, RISK RETENTION REGULATORY
CHANGE OPTION, REGULATORY CHANGE EVENT OPTION OR OPTIONAL REDEMPTION
FOR TAX AND OTHER REASONS**

New Issue Conditions Precedent

Each of the following conditions (the "**New Issue Conditions Precedent**") must be satisfied in order for (i) the Refinancing Option Holder to execute the Refinancing pursuant to the Refinancing Option; or (ii) the Portfolio Option Holder to purchase the Mortgage Portfolio following the exercise of the Portfolio Purchase Option, in each case being the "**New Issue**", subject to such variations as the relevant Option Holder and KMC in its capacity as Servicer and Legal Title Holder agree:

- (a) save where KMC in its capacity as Servicer and Legal Title Holder has been terminated in accordance with the Transaction Documents:
 - (i) the Servicer must be appointed to service the Mortgage Loans in accordance with the then applicable servicing policies of Kensington Mortgage Company Limited's in its capacity as Servicer on substantially similar terms to those set out in the Servicing Agreement and the servicing fees payable to Kensington Mortgage Company Limited as Servicer are paid in arrear on either a monthly or quarterly basis in accordance with the payment date frequency in any new securitisation or other financing arrangement;
 - (ii) legal title to the Mortgage loans must be retained by the Legal Title Holder on substantially similar terms to those set out in the Transaction Documents;
 - (iii) the terms of the sale of the Mortgage Loans and their Related Security incorporate appropriate provisions in respect of Further Advances and Product Switches which are not in arrears so that the Legal Title Holder has the right to re-acquire, either directly or indirectly, the Mortgage Loans and their Related Security from the relevant entity holding the beneficial title and interest to such Mortgage Loans and their Related Security; and
 - (iv) the Collection Accounts Provider must be appointed to act as collection account bank relating to the transfer of collections to the Issuer (in a Refinancing) or the new issuer's transaction account (as applicable) subject to completion of any necessary know-your-customer checks;
- (b) the New Issue Documents:
 - (i) include a provision not to split the Mortgage Portfolio such that the entire Mortgage Portfolio is sold pursuant to the New Issue Documents and with regard to the Refinancing Option only, include a provision that no new mortgage loans will be sold to the Issuer;
 - (ii) include a substantially similar:
 - (A) Tax/Illegality Option; and
 - (B) Regulatory Change Event Option,permitting the original Legal Title Holder to elect to purchase the beneficial interest in the Mortgage Loans originated by it upon the occurrence of a Tax/Illegality Option and/or Regulatory Change Event Option and, in each case, where references therein to (x) "Closing Date", "Transaction" and "Transaction Documents" shall be read as references to the closing date, transaction and relevant transaction documents, in respect of that new securitisation or

other financing arrangement; and (y) the "Seller" shall be read to reference to Kensington Mortgage Company Limited;

- (iii) include:
 - (A) the right for the original Legal Title Holder to elect to purchase the beneficial interest in the Mortgage Loans originated by Kensington Mortgage Company Limited from the New Issue on any payment date falling six years after the Closing Date subject to the aggregate Current Balance of such Mortgage Loans as of such date being less than or equal to 10 per cent. of the aggregate Current Balance of such Mortgage Loans as at the Cut-Off Date; and
 - (B) the repurchase price in connection with such option shall be the fair market value of such Mortgage Loans originated by Kensington Mortgage Company Limited as at the end of the relevant immediately preceding calculation period, provided that the option in paragraph (A) above may only be exercised if the fair market value is an amount equal to or higher than the Current Balance of the Mortgage Loans plus the accrued interest on such Current Balance; and
 - (iv) include an undertaking from the Issuer (in the context of a Refinancing) or the new issuer (as applicable) in favour of Kensington Mortgage Company Limited, in its capacity as Legal Title Holder, that it will only sell the beneficial interest in the Mortgage Portfolio on the terms set out in such New Issue Documents;
- (c) KMC in its capacity as Servicer and Legal Title Holder is of the opinion that:
- (i) exercise of the relevant Option, and the terms of any subsequent servicing of, arrangements relating to financing or securitisation in respect of, the Mortgage Loans, including the entry by KMC into the documents outlined above, do not adversely affect the prudential derecognition of the Mortgage Loans originated by KMC under the significant transfer rules contained in Article 244 of the UK CRR (and related regulation and guidance) or otherwise contravene the prohibition on implicit support contained in Article 250 of the UK CRR (and related regulation and guidance);
 - (ii) exercise of the relevant Option and the terms of any subsequent servicing of, arrangements relating to financing or securitisation in respect of, the Mortgage Loans, including the entry by KMC into the documents outlined above, do not adversely affect the position of KMC or its accounting consolidation group in relation to past or future derecognition of the Mortgage Portfolio under IFRS 9 or deconsolidation and derecognition of the Issuer (in a Refinancing) or the relevant new issuer (as applicable) under IFRS 10 (or any other rules which KMC relies on to achieve deconsolidation and derecognition), such determination to be based on an opinion of a reputable accountancy or law firm chosen by KMC;
 - (iii) the exercise of the relevant Option and the terms of any subsequent servicing of, arrangements relating to financing or securitisation in respect of, the Mortgage Loans, including the entry into any agreements or arrangements in connection with such Option would not cause it (in such respective capacities) or Barclays Bank UK PLC to be in breach of any Ring-Fencing Rules (as determined in its sole opinion); and
 - (iv) if the New Issue is a Rule 144A transaction, the foreign transactions safe harbor under the U.S. Risk Retention Rules will be satisfied; and
- (d) the New Issue Documents impose substantially similar requirements set out in paragraphs (a) to (c) above for any subsequent refinancing or other transaction involving the Mortgage Loans.

Following the receipt by KMC in its capacity as Servicer and Legal Title Holder of the relevant Exercise Notice (which, in the case of the Refinancing Option, shall be delivered by the Refinancing Option Holder 80 calendar days prior to the proposed Refinancing Date), it shall use reasonable efforts within 30-calendar days of such receipt to notify the Issuer, the relevant Option Holder and the Retention Holder if it determines that the New Issue Conditions Precedent are satisfied. For the avoidance of doubt, KMC will not be in breach of such 30 day requirement if there are ongoing discussions between it and the UK Regulators relating to certain of the New Issue Conditions Precedent where the outcome of such discussions are pending. If the New Issue Conditions Precedent are satisfied, KMC will agree to act as Servicer and Legal Title Holder and Barclays Bank PLC will agree to act as Collection Accounts Provider in accordance with paragraph (a) of the New Issue Conditions Precedent.

"New Issue Documents" means (i) the Refinancing Documents where the option being exercised is the Refinancing Option; and (ii) the relevant transaction documents entered into in connection with any new securitisation or other financing arrangement where the option being exercised is the Portfolio Purchase Option, the Risk Retention Regulatory Change Option, the Regulatory Change Event Option or the Tax/Illegality Option.

"Option" means the Refinancing Option, the Portfolio Purchase Option, the Risk Retention Regulatory Change Option, the Regulatory Change Event Option, the Clean-up Purchase Option or the Tax/Illegality Option, as the context permits.

"Option Deed Poll" means the Refinancing Option Deed Poll, the Portfolio Option Deed Poll and the Risk Retention Regulatory Change Option, as the context permits.

"Option Holder" means (i) the Refinancing Option Holder; (ii) the Portfolio Option Holder; (iii) in respect of the exercise of the Clean-up Purchase Option, Regulatory Change Event Option, Risk Retention Regulatory Change Option or Tax/Illegality Option by the Seller or the Retention Holder (as applicable), the party exercising the option, as the context permits.

1. Portfolio Purchase Option

Exercise

The Mortgage Portfolio may be sold by the Issuer pursuant to the Portfolio Purchase Option.

Pursuant to and subject to the terms of the Portfolio Option Deed Poll, the Portfolio Option Holder has an option (the **"Portfolio Purchase Option"**) to require the Issuer to: (a) sell and transfer to the Portfolio Option Holder (or its nominee) the beneficial title to all Mortgage Loans and Related Security in the Mortgage Portfolio (other than the Mortgage Loans which have been repurchased or redeemed in full) (the **"Portfolio Purchase Option Loans"**); and (b) following the occurrence of a Perfection Trigger Event, transfer to the Portfolio Option Holder or its nominee the right to legal title to the Portfolio Purchase Option Loans and their Related Security.

Pursuant to Condition 7.4 (*Mandatory Redemption in full or in part pursuant to the exercise of the Portfolio Purchase Option*), the Portfolio Option Holder may exercise the Portfolio Purchase Option to effect an early redemption of the Notes on or after the Optional Redemption Date.

The Portfolio Purchase Option may be exercised by notice to the Issuer with a copy to the Cash Manager, the Note Trustee, the Security Trustee, the Seller, the Legal Title Holder, the Retention Holder and each of the Rating Agencies with such purchase to take effect on the Calculation Date immediately preceding the Optional Redemption Date specified in the exercise notice (such purchase date, the **"Portfolio Sale Completion Date"**). The Notes shall be redeemed in full (or in respect of the Retention Holder Notes, which will not be redeemed and will be left outstanding in limited specified circumstances) on the Optional Redemption Date or any Payment Date thereafter subject to the satisfaction of the New Issue Conditions Precedent in the reasonable opinion of KMC in its capacity as Servicer and Legal Title Holder being satisfied prior to the Portfolio Sale Completion Date.

The Portfolio Option Holder may, up to ten Business Days following the service of an Enforcement Notice on the Issuer and the Portfolio Option Holder (the "**Option Holder Purchase Period**"), offer to purchase the Mortgage Loans comprising the Mortgage Portfolio at the New Issue Proceeds Amount and the Security Trustee shall not be entitled to dispose of any Mortgage Loans comprising the Charged Property or any part thereof during the Option Holder Purchase Period or following the receipt of an offer from the Portfolio Option Holder to the Security Trustee's satisfaction. This is without prejudice to the Portfolio Option Holder's ability to exercise the option at any time after the service of an Enforcement Notice.

Purchase Price

The purchase price for the Mortgage Portfolio under the Portfolio Purchase Option shall be an amount equal to the New Issue Proceeds Amount.

The Portfolio Option Holder or its nominee will be required to provide irrevocable payment instructions for an amount to be transferred equal to the New Issue Proceeds Amount to the Transaction Account, provided that such deposit shall be made on or before the Portfolio Sale Completion Date or such later date as agreed with the Note Trustee or (after the service of an Enforcement Notice) take such other action as agreed with the Security Trustee.

Redemption of Notes and the cancellation of any Certificates (then in issue)

Following exercise of the Portfolio Purchase Option, on the Optional Redemption Date the New Issue Proceeds Amount will be applied in accordance with the Post-Enforcement Priority of Payments in order to redeem the Notes in full. Any funds remaining after the payment in full of all items ranking in priority to the Class Y Certificates (then in issue) will be paid to the Class Y Certificateholders before the Class Y Certificates are cancelled.

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

Provided that there is no shortfall to pay items ranking higher in the applicable Priorities of Payments, to the extent that the purchaser of the Mortgage Loans holds any of the Notes or is entitled to Senior Deferred Consideration or Residual Deferred Consideration, it may set off from the New Issue Proceeds Amount an amount equal to the amounts due to it as Noteholder or as the person entitled to Senior Deferred Consideration or Residual Deferred Consideration on the Optional Redemption Date.

"Exercise Notice" means:

- (a) a notice delivered by the Portfolio Option Holder in accordance with the Portfolio Option Deed Poll to exercise the Portfolio Purchase Option;
- (b) a notice delivered by the Refinancing Option Holder in accordance with the Refinancing Option Deed Poll to exercise the Refinancing Option;
- (c) a notice delivered by the Retention Holder in accordance with the Retention Holder Deed Poll to exercise the Risk Retention Regulatory Change Option (if the Portfolio Option Holder has not elected to exercise the Portfolio Purchase Option); and
- (d) a notice delivered by the Seller to exercise either the: (i) Clean-up Purchase Option; (ii) Regulatory Change Event Option (if the Portfolio Option Holder has not elected to exercise the Portfolio Purchase Option); (iii) Risk Retention Regulatory Change Option (if the Portfolio Option Holder has elected not to exercise the Portfolio Purchase Option and if the Retention Holder has elected not to exercise the Risk Retention Regulatory Change Option); or (iv) Tax/Illegality Option (if the Portfolio Option Holder has elected not to exercise the Portfolio Purchase Option).

"**Portfolio Option Deed Poll**" means the deed poll dated on the Closing Date and executed by the Issuer in favour of the Portfolio Option Holder from time to time.

2. Refinancing Option

The Issuer will, pursuant to the Refinancing Option Deed Poll, grant to the Refinancing Option Holder the option (the "**Refinancing Option**") to require the Issuer to:

- (a) redeem (in whole and not in part) the Notes, on the First Optional Redemption Date or any Payment Date thereafter;
- (b) as agreed between the Issuer, the Refinancing Option Holder and the Class S Certificateholder (where Class S Certificates are in issue), cancel some or all of the Certificates (then in issue) on such date and/or leave some or all of the Certificates (then in issue) outstanding on such date; and
- (c) issue the Refinancing Instruments on the Refinancing Date.

Exercise of the Refinancing Option

The Refinancing Option Holder may give notice of its intention to exercise the Refinancing Option by providing the Issuer (with a copy to the Cash Manager, the Note Trustee, the Security Trustee, the Transaction Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Servicer, the Seller, the Legal Title Holder, the Retention Holder, Interest Rate Swap Counterparty and Collection Accounts Provider) with written notice of the Refinancing Option Holder's intention to exercise the Refinancing Option. Such notice must be sent not less than 80 calendar days prior to the proposed Refinancing Date. Such notice shall include the date that the Refinancing Option Holder designates as the proposed Refinancing Date and the proposed Optional Redemption Date (which shall be the First Optional Redemption Date or any Payment Date thereafter) (such written notice, a "**Refinancing Option Exercise Notice**").

Following delivery of a Refinancing Option Exercise Notice, the Refinancing Option Holder must also provide (or procure the provision) promptly and without delay, and in any case within five Business Days, any other relevant information which the Retention Holder or KMC in its capacity as Servicer and Legal Title Holder may request in connection with the Refinancing, including information required in order for:

- (a) the Retention Holder to determine whether a Retention Holder Veto Scenario would apply; and
- (b) KMC in its capacity as Servicer and Legal Title Holder to determine whether the New Issue Conditions Precedent have been satisfied,

(together, the "**Refinancing Materials**").

For the avoidance of doubt, the Refinancing Materials shall include forms of the transaction documents required to give effect to the Refinancing. The Refinancing Option Holder shall not be in breach of this obligation if, due to events, actions or circumstances beyond its control, it is not able to comply.

Neither the Issuer, the Refinancing Option Holder nor the Class S Certificateholder (where Class S Certificates are in issue) may agree to cancel any Certificates or issue new certificates pursuant to the Refinancing Option unless an opinion of independent legal advisers of recognised standing has been obtained, in a form and substance satisfactory to the Issuer, the Refinancing Option Holder, the Class S Certificateholder and the Note Trustee, confirming that such cancellation and/or reissue (i) should not cause the Issuer to be taxed otherwise than in accordance with regulation 14 of the TSC Regulations and (ii) should not cause the Issuer to be subject to any other materially adverse taxation consequences.

The New Issue Conditions Precedent must in the reasonable opinion of KMC in its capacity as Servicer and Legal Title Holder be satisfied prior to the Refinancing Option Holder or the Portfolio Option Holder purchasing any Mortgage Loans pursuant to the Portfolio Purchase Option or executing a Refinancing pursuant to the Refinancing Option.

Retention Holder Veto Right

Following the receipt by the Retention Holder of the Refinancing Option Exercise Notice, the Retention Holder may (subject to the Retention Holder having received the Refinancing Materials (including any amendments and/or supplements thereto) promptly and without delay and not more than 30 calendar days from and including the date on which such notice is received by the Retention Holder (the "**Retention Holder Veto Period**") decide to veto ("**Retention Holder Veto**") the proposed Refinancing, by way of notice in writing to the Issuer and the Refinancing Option Holder on the basis that if the proposed Refinancing were to occur it would, in the opinion of the Retention Holder, give rise, directly or indirectly, to a Retention Holder Veto Scenario (a "**Retention Holder Veto Notice**"). If the Retention Holder does not exercise the Retention Holder Veto during the Retention Holder Veto Period, the Retention Holder shall be deemed to have confirmed that the proposed Refinancing can occur on the proposed Refinancing Date.

Modification of Transaction Documents

Following delivery of the Refinancing Option Exercise Notice and provided the Retention Holder has not delivered a Retention Holder Veto Notice, the Issuer shall prepare and share all draft Refinancing Documents with the Retention Holder, the Refinancing Option Holder, Kensington Mortgage Company Limited in its capacity as Legal Title Holder, the Cash Manager, the Note Trustee, the Security Trustee, the Servicer, the Collection Accounts Provider, the Interest Rate Swap Counterparty, the Transaction Account Bank, the Principal Paying Agent, the Agent Bank and the Registrar in sufficient time to allow such persons and their professional advisers to review and consider the same.

Provided the Retention Holder has not exercised the Retention Holder Veto within the Retention Holder Veto Period and subject always to the New Issue Conditions Precedent being met to the satisfaction of KMC in its capacity as Servicer and Legal Title Holder, then not later than 35 days prior to the proposed Refinancing Date, the Note Trustee shall agree to the terms of a new or amended trust deed constituting the Refinancing Instruments (the "**Refinancing Trust Deed**"), any further or replacement transaction documents and modifications to the other existing 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 further or replacement transaction documents or 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 one or more deeds of amendment, restatement and supplement (the "**Amendment Deed(s)**"). Subject to the provisions on Basic Terms Modifications, Senior Deferred Consideration Entrenched Rights and Retained Interest Entrenched Rights, the consent of the Portfolio Option Holder and KMC in its capacity as Servicer and Legal Title Holder must be obtained to such modifications, but no further consent for such amendments shall be required from Noteholders or persons entitled to Senior Deferred Consideration and Residual Deferred Consideration.

The Issuer shall ensure that, where required, 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 relevant 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.

If, in the sole determination of each of the Cash Manager, the Note Trustee, the Security Trustee, the Principal Paying Agent, the Agent Bank, the Transaction Account Bank, the Interest Rate Swap Counterparty or the Registrar (as relevant), the Refinancing Documents contain provisions which would be materially and adversely prejudicial to its interests, each of these parties may choose to terminate its agreement with the Issuer, such

decision to be notified in writing to the Issuer, the Retention Holder and the Refinancing Option Holder (a "**Service Provider Veto Notice**"). Any such termination shall only take effect if the Refinancing occurs and shall be effective on and from the Refinancing Date.

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

- (a) both:
 - (i) the Retention Holder has not provided a Retention Holder Veto Notice within the Retention Holder Veto Period to the Issuer and the Refinancing Option Holder; and
 - (ii) none of the Cash Manager, the Note Trustee, the Security Trustee, the Principal Paying Agent, the Agent Bank, the Transaction Account Bank, the Interest Rate Swap Counterparty or the Registrar (as relevant) has provided a Service Provider Veto Notice to the Issuer, the Retention Holder and the Refinancing Option Holder, or if any such party has provided such notice 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 (such party, an "**Acceptable Replacement Service Provider**"); and
- (b) the New Issue Conditions Precedent are met to the satisfaction of KMC in its capacity as Servicer and Legal Title Holder,

then the Issuer shall, not less than 30 calendar days prior to the proposed Refinancing Date, notify the Cash Manager, the Note Trustee, the Security Trustee, the Servicer, the Principal Paying Agent, the Agent Bank, the Registrar, the Transaction Account Bank, the Interest Rate Swap Counterparty and the Rating Agencies that the Refinancing will occur on the proposed Refinancing Date and that the Notes will be redeemed and, where applicable, the Certificates (then in issue) cancelled on the relevant Optional Redemption Date. On the same date that it provides such notice, the Issuer shall notify the Noteholders, the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration, the Retention Holder and the Refinancing Option Holder of the same.

For the avoidance of doubt, 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, the 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 Noteholders, the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration 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 New Issue Proceeds Amount).

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

- (a) either:
 - (i) the Retention Holder has provided a Retention Holder Veto Notice within the Retention Holder Veto Period to the Issuer and the Refinancing Option Holder; or

- (ii) any of the Cash Manager, the Note Trustee, the Security Trustee, the Servicer, the Principal Paying Agent, the Agent Bank, the Transaction Account Bank, the Interest Rate Swap Counterparty or the Registrar has provided a Service Provider Veto Notice to the Issuer and the Issuer has not found an Acceptable Replacement Service Provider; or
- (b) the New Issue Conditions Precedent are not met to the satisfaction of KMC in its capacity as Servicer and Legal Title Holder,

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

The Refinancing Option Holder will, in accordance with the Refinancing Option Deed Poll, be entitled to serve subsequent Refinancing Option Exercise Notices and subject to the satisfaction of the New Issue Conditions Precedent being met to the satisfaction of KMC in its capacity as Servicer and Legal Title Holder, the redemption of the Notes and, where applicable, cancellation of the Certificates (then in issue) can occur on the relevant Optional Redemption Date.

Refinancing proceeds

On the Refinancing Date (i) the Issuer shall procure that the New Issue Proceeds Amount is deposited in the Transaction Account, with first ranking security in respect of such account being provided in favour of the Noteholders and other Secured Creditors (or take such other action as may be agreed with the Note Trustee); and (ii) upon such amounts being credited to the Transaction Account, the other security interests granted in favour of the Noteholders and other Secured Creditors shall be released. On the Optional Redemption Date the New Issue Proceeds Amount will be applied in accordance with the Post-Enforcement Priority of Payments in order to redeem the Notes in full. Any funds remaining after the payment in full of all items ranking in priority to the payment of the Residual Deferred Consideration will be paid to the persons entitled to the Residual Deferred Consideration.

Ninety-five (95) per cent. of all costs and expenses (including but not limited to (A) all legal costs and expenses of the Retention Holder, including those obtained in connection with any determination by the Retention Holder as to whether to exercise the Retention Holder Veto, and (B) any costs and expenses of the Secured Creditors (other than the Noteholders and the Certificateholders (where Certificates are in issue)) 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 Retention Holder of the Retention Holder Veto) or any proposed Refinancing which fails to complete, shall be borne by the Refinancing Option Holder. If the Refinancing Option Holder fails to pay, one hundred (100) per cent. of such costs and expenses shall be borne by the Issuer in accordance with the applicable Priority of Payments (and the Refinancing Option Holder shall be required to deposit such amounts into the Transaction Account to the extent that the Issuer is expected to make these payments).

All Notes and, where applicable, Certificates will, on the relevant Optional Redemption Date, be redeemed (in respect of the Notes) and, where applicable, cancelled (in respect of the Certificates) and may not be reissued or resold. Subject to satisfaction of the New Issue Conditions Precedent, 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 and the Certificates (where Certificates are in issue) which they replace.

In this Prospectus:

"Retention Holder Veto Scenario" means any scenario resulting from the occurrence of a Refinancing which the Retention Holder determines would have the effect of:

- (a) adversely affecting the capital treatment of the Retained Interest (including, without limitation, under the UK CRR (taking into account any regulatory guidance and/or statements issued by UK competent authorities) or any similar regulations or laws which enter into force after the Closing Date and which regulate the capital treatment of the Retained Interest), such determination to be based on an opinion of a reputable accountancy or law firm chosen by the Retention Holder;
- (b) resulting in the Retention Holder being in breach of its obligations under the Risk Retention Requirements, such determination to be based on an opinion of a reputable law firm chosen by the Retention Holder (provided that, for the purposes of this paragraph (b), references in the definition of Risk Retention Requirements to Article 6 of the EU Securitisation Regulation solely as being interpreted and applied on the Closing Date shall be disregarded and it shall be read and construed as reference to the EU Securitisation Regulation and any replacement thereof);
- (c) adversely affecting the position of the Retention Holder or its accounting consolidation group in relation to derecognition of the Mortgage Portfolio under IFRS 9 or deconsolidation and derecognition of the Issuer under IFRS 10 (or any other rules which the Retention Holder relies on to achieve deconsolidation and derecognition), such determination to be based on an opinion of a reputable accountancy or law firm chosen by the Retention Holder;
- (d) changing any other term of the Transaction Documents in a material manner, as determined by the Retention Holder;
- (e) changing the Retained Interest Entrenched Rights;
- (f) changing the person performing the role of the Servicer, Legal Title Holder, person entitled to Senior Deferred Consideration, Retention Holder, Collection Accounts Provider, Arranger and/or Lead Manager or changing the terms on which any such role is performed;
- (g) making the Refinancing transaction UK or EU STS eligible; or
- (h) the Refinancing transaction involving the offer of securities into the U.S. or to a U.S. person for which the foreign transaction safe harbor exempting the transaction from U.S. Credit Risk Retention Requirements is not available.

"Refinancing" means the exercise by the Refinancing Option Holder of the Refinancing Option and the redemption by the Issuer of the Notes and, where applicable, the cancellation of the Certificates and the issuance by the issuer of the Refinancing Instruments.

"Refinancing Date" means any Business Day falling on or no more than two Business Days prior to the relevant Optional Redemption Date.

"Refinancing Documents" means the Refinancing Trust Deed, any new subscription agreement, the Refinancing Instruments, the Amendment Deed(s), any further or replacement transaction documents, the Refinancing Prospectus and any documents or instruments whatsoever ancillary, or necessary to give effect, to the foregoing.

"Refinancing Instruments" means the new notes and, where applicable, new certificates issued by the Issuer pursuant to the exercise of the Refinancing Option.

"Refinancing Option Deed Poll" means the deed poll dated on the Closing Date and executed by the Issuer in favour of the Refinancing Option Holder from time to time.

"Refinancing Option Holder" means the person entitled to more than 50 per cent. of the Residual Deferred Consideration or an entity representing the person (or persons in aggregate) entitled to more than 50 per cent. of the Residual Deferred Consideration (other than any Residual Deferred Consideration entitlement of the Retention Holder).

"Ring-Fencing Rules" means any relevant requirement under Part 9B of the Financial Services and Markets Act 2000, or any secondary legislation made thereunder, in each case as in force from time to time or any applicable UK Regulators' rule introduced under Section 142H of the Financial Services and Markets Act 2000 (as amended) and any related supervisory statement or other guidance issued by the UK Regulators, including any guidance following communications between either KMC or Barclays Bank UK PLC and the UK Regulators.

"UK Regulators" means the Prudential Regulation Authority and the Financial Conduct Authority (or their successor).

3. Clean-up Purchase Option

Exercise

The Mortgage Portfolio may be sold by the Issuer pursuant to the Clean-up Purchase Option.

Pursuant to and subject to the terms of the Mortgage Sale Agreement, the Seller has an option (the "**Clean-up Purchase Option**") to require the Issuer to sell and transfer to the Seller (or its nominee) the beneficial title to all Mortgage Loans and Related Security in the Mortgage Portfolio.

Pursuant to Condition 7.6 (*Mandatory Redemption in full pursuant to the exercise of the Clean-up Purchase Option*), the Seller may exercise the Clean-up Purchase Option to effect an early redemption of the Notes on any Payment Date on which the aggregate Current Balance of the Mortgage Loans in the Mortgage Portfolio (as of the immediately preceding Calculation Date) is less than or equal to 10 per cent. of the aggregate Current Balance of the Mortgage Loans in the Mortgage Portfolio as at the Cut-Off Date, with the result that the Notes are redeemed pursuant to Condition 7.6 (*Mandatory Redemption in full pursuant to the exercise of the Clean-up Purchase Option*).

The Clean-up Purchase Option may be exercised by notice to the Issuer with a copy to the Cash Manager, the Note Trustee, the Security Trustee, the Retention Holder, the Portfolio Option Holder and the Rating Agencies with such purchase to take effect on the Calculation Date immediately preceding the Optional Redemption Date (the "**Clean-up Sale Completion Date**"). The Notes shall be redeemed on the Payment Date falling immediately after the Clean-up Sale Completion Date.

Purchase price

The purchase price payable by the Seller (or its nominee) in respect of the Clean-up Purchase Option shall be the New Issue Proceeds Amount.

Redemption of Notes and the cancellation of any Certificates (then in issue)

Following exercise of the Clean-up Purchase Option, on the Optional Redemption Date the New Issue Proceeds Amount will be applied in accordance with the Post-Enforcement Priority of Payments in order to redeem the Notes in full.

Provided that there is no shortfall to pay items ranking higher in the applicable Priorities of Payments, to the extent that the purchaser of the Mortgage Loans holds any of the Notes, the Seller may set off from the New Issue Proceeds Amount an amount equal to the amounts due to it as Noteholder on the Optional Redemption Date.

4. Optional redemption in the event of a Risk Retention Regulatory Change Event

Exercise

Pursuant to the Retention Holder Deed Poll, and provided the Portfolio Option Holder has not exercised the Portfolio Purchase Option, the Retention Holder (or any of its nominees) shall have the right (but not any obligation) to acquire (or procure the acquisition of) the entire beneficial interest of the Issuer in the Mortgage Portfolio (other than the Mortgage Loans which have been repurchased or redeemed in full) upon the occurrence of a Risk Retention Regulatory Change Event in accordance with the terms of Condition 7.7 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*). In the event that neither the Portfolio Option Holder (or its nominee) nor the Retention Holder (or any of its nominees) elects to purchase the Mortgage Loans, the Seller (or any of its nominees) has the right (but not any obligation) to re-acquire (or procure the re-acquisition of) the entire beneficial interest of the Issuer in the Mortgage Portfolio and thereby effect a redemption of the Notes following the occurrence of a Risk Retention Regulatory Change Event.

The Risk Retention Regulatory Change Event Option Holder shall notify the Portfolio Option Holder of its intention to serve an Exercise Notice on the Issuer as soon as reasonably practicable and at least ten Business Days before such notice is served on the Issuer. If the Portfolio Option Holder notifies the Risk Retention Regulatory Change Event Option Holder within ten Business Days of such notification that it intends to exercise the Portfolio Purchase Option, the Risk Retention Regulatory Change Event Option Holder shall not serve such notice on the Issuer (unless the Portfolio Option Holder has not subsequently exercised the Portfolio Purchase Option) and any notice served in such circumstances shall be invalid.

In the event that the Portfolio Option Holder has not exercised the Portfolio Purchase Option and the Risk Retention Regulatory Change Event Option Holder has not exercised the Risk Retention Regulatory Change Event Option within 20 Business Days of the occurrence of a Risk Retention Regulatory Change Event, the Seller may elect to purchase the entire beneficial interest of the Issuer in the Mortgage Portfolio.

Purchase price

The price payable by or on behalf of the Retention Holder or the Seller (or any of its nominees) (as applicable) to the Issuer to acquire or re-acquire (as applicable) the beneficial interest of the entire Mortgage Portfolio from the Issuer shall be a price equal to the New Issue Proceeds Amount as calculated three Business Days prior to acquisition or re-acquisition (as applicable).

Provided that there is no shortfall to pay items ranking higher in the applicable Priorities of Payments, to the extent that the Retention Holder or the Seller (or any of its nominees) (as applicable) holds any of the Notes, or is entitled to receive Senior Deferred Consideration or Residual Deferred Consideration, it may set off from the New Issue Proceeds Amount an amount equal to the amounts due to it as Noteholder or as the person entitled to Senior Deferred Consideration or Residual Deferred Consideration on the Payment Date on which the Notes are to be redeemed.

Redemption of Notes and the cancellation of any Certificates (then in issue)

Following exercise of the Risk Retention Regulatory Change Option, the Issuer will give not more than 40 or less than five Business Days' notice to the Noteholders and the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration in accordance with Condition 16 (*Notice to Noteholders*) and Certificate Condition 15 (*Notice to Certificateholders*) and the Note Trustee stating that the Notes and any Certificates (then in issue) will be redeemed in accordance with the Post-Enforcement Priority of Payments on the Payment Date immediately following the exercise of such option by the Retention Holder.

"Retention Holder Deed Poll" means the deed poll dated on the Closing Date and executed by the Issuer in favour of the Seller and/or the Retention Holder (or their delegate).

"Risk Retention Regulatory Change Event" means any change in or the adoption of any new law, rule, technical standards or regulations or any determination of a relevant regulator as jointly determined by the Seller and the Retention Holder, which:

- (a) as a matter of law, has a binding effect on the Retention Holder or the Seller after the Closing Date which would impose a positive obligation on either of them to subscribe for Notes over and above those required to be maintained under the Risk Retention Undertaking as at the Closing Date or otherwise imposes additional material obligations on the Retention Holder or the Seller in order to maintain compliance with the Risk Retention Requirements as at the Closing Date;
- (b) as a matter of law, in respect of the Retention Holder, results in the Retention Holder no longer being able to qualify as an eligible retainer of the Retained Interest for the purposes of the Risk Retention Requirements; and the Retention Holder is not able to transfer the Retained Interest to one of its affiliates without violating the Risk Retention Requirements or any other applicable law, or incurring any additional material costs or obligations in connection with any such transfer, in any case, as determined by the Retention Holder, in its sole discretion; or
- (c) by virtue of the Retention Holder's obligation to comply with the Risk Retention Undertaking, would, in respect of the Retention Holder, have an analogous effect or result to those specified in paragraphs (a) and (b) above.

"Risk Retention Regulatory Change Event Option Holder" means the Retention Holder.

"Risk Retention Regulatory Change Option" means the option of the Retention Holder (or its nominee) to acquire all but not some of the Mortgage Portfolio, following a Risk Retention Regulatory Change Event, provided that if the Retention Holder has not exercised the Risk Retention Regulatory Change Option, then the Seller may exercise the option to acquire all but not some of the Mortgage Portfolio.

"Risk Retention Requirements" means: (a) Article 6(1) of the UK Securitisation Regulation and any replacement thereof; and (b) Article 6(1) of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) not taking into account any relevant national measures, as if it were applicable to it, but solely as such articles are interpreted and applied on the Closing Date.

"Risk Retention Undertaking" means the undertakings made by the Retention Holder to the Issuer, the Security Trustee, the Lead Manager and the Arranger as set out in the Risk Retention Letter.

5. Optional redemption in the event of a Regulatory Change Event

Exercise

Pursuant to the Regulatory Change Event Option, provided the Portfolio Option Holder has not exercised the Portfolio Purchase Option upon the occurrence of a Regulatory Change Event, the Seller has the right (but not the obligation) pursuant to the Mortgage Sale Agreement to re-acquire (or procure the re-acquisition of) the entire beneficial interest of the Issuer in the Mortgage Portfolio and thereby effect a redemption of the Notes following the occurrence of a Regulatory Change Event in accordance with the terms of Condition 7.8 (*Mandatory Redemption of the Notes following the exercise of a Regulatory Change Event Option*).

The Seller shall notify the Portfolio Option Holder of its intention to serve an Exercise Notice on the Issuer as soon as reasonably practicable and at least ten Business Days before such notice is served on the Issuer. If the Portfolio Option Holder notifies the Seller within ten Business Days of such notification that it intends to exercise the Portfolio Purchase Option, the Seller shall not serve such notice on the Issuer (unless the Portfolio Option Holder has not subsequently exercised the Portfolio Purchase Option) and any notice served in such circumstances shall be invalid. If the Portfolio Option Holder does not elect to exercise the Portfolio Purchase Option then the Seller shall be entitled to purchase the Mortgage Loans.

Purchase price

The price payable by or on behalf of the Seller to the Issuer to re-acquire the beneficial interest of the entire Mortgage Portfolio from the Issuer shall be an amount equal to the New Issue Proceeds Amount as calculated three Business Days prior to acquisition or re-acquisition (as applicable).

Provided that there is no shortfall to pay items ranking higher in the applicable Priorities of Payments, to the extent that the Seller holds any of the Notes or is entitled to receive Senior Deferred Consideration or Residual Deferred Consideration, it may set off from the New Issue Proceeds Amount an amount equal to the amounts due to it as Noteholder or as the person entitled to receive Senior Deferred Consideration or Residual Deferred Consideration on the Payment Date on which the Notes are to be redeemed.

Redemption of Notes and the cancellation of any Certificates (then in issue)

Following exercise of the Regulatory Change Event Option, the Issuer will give not more than 40 or less than five Business Days' notice to the Noteholders, the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration in accordance with Condition 16 (*Notice to Noteholders*) and Certificate Condition 15 (*Notice to Certificateholders*) and the Note Trustee stating that the Notes and any Certificates (then in issue) will be redeemed in accordance with the Post-Enforcement Priority of Payments on the Payment Date immediately following the exercise of the Portfolio Purchase Option by the Portfolio Option Holder or the Regulatory Change Event Option by the Seller (as applicable).

"Regulatory Change Event" means a determination by the Seller, acting in a commercially reasonable manner, that as a result of either:

- (a) a change, occurring at any time on or after the Closing Date, in any internationally recognised accounting rules and/or any applicable accounting classification and/or regulations, any enactment of, or supplement or amendment to, or a change in law, policy or interpretation by any relevant regulatory authority (either communicated publicly by any relevant regulatory authority or bilaterally following communications between Barclays Bank UK PLC or KMC and the UK Regulators), of any relevant regulations; or
- (b) the outcome of the initial supervisory significant risk transfer assessment for the Transaction, the difference between:
 - (i) the amount of regulatory capital which the Seller or its prudential consolidation group would be required to hold in respect of the Mortgage Loans over the full term of the Transaction but for the transaction contemplated by the Transaction; and
 - (ii) the amount of regulatory capital which the Seller or its prudential consolidation group is required to hold in respect of the tranches comprising the securitisation, or the Mortgage Loans, over the full term of the Transaction,

taking into account the Transaction has materially decreased compared with the capital relief reasonably anticipated by the Seller on the Closing Date.

6. Optional redemption for tax and other reasons

Exercise

The Issuer may, subject to certain conditions, redeem the Notes in full following a determination of the Seller of:

- (a) a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date which would require a deduction or withholding from any payment on any Notes or Senior Deferred Consideration or Residual Deferred Consideration (other than because the

relevant person entitled to such payment has some connection with the United Kingdom other than the holding of such Notes or having the right to Senior Deferred Consideration or Residual Deferred Consideration) of any tax;

- (b) 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 pay the Senior Deferred Consideration and Residual Deferred Consideration; or
- (c) a change in law or a change in guidance and/or interpretation (either communicated publicly by any relevant regulatory authority or bilaterally following communications between Barclays Bank UK PLC or KMC and the UK Regulators) after the Closing Date which would cause KMC in its capacity as Servicer and Legal Title Holder or Barclays Bank UK PLC to breach any Ring-Fencing Rules or prohibit it from performing or otherwise it is unable to perform the services contemplated to be provided by it in such capacities in the Transaction in respect of which the Issuer has appointed it (as more fully set out in Condition 7.9 (*Optional redemption for tax and other reasons*)),

(each a "**Tax/Illegality Event**").

The Seller may, pursuant to the terms of the Mortgage Sale Agreement, purchase the Mortgage Loans in respect of any optional redemption of the Notes pursuant to Condition 7.9 (*Optional redemption for tax and other reasons*) (subject to the Portfolio Option Holder's right to first exercise the Portfolio Purchase Option). The Seller shall notify the Portfolio Option Holder of its intention to serve such a notice on the Issuer as soon as reasonably practicable and by no later than ten Business Days after the occurrence of any Tax/Illegality Event specified in Condition 7.9 (*Optional redemption for tax and other reasons*). If the Portfolio Option Holder notifies the Seller within ten Business Days of the Seller having indicated its intention to serve a notice on the Issuer that the Portfolio Option Holder intends to exercise the Portfolio Purchase Option, the Seller shall not serve a notice on the Issuer (unless the Portfolio Option Holder has not subsequently exercised the Portfolio Purchase Option) and any notice served in such circumstances shall be invalid. If the Portfolio Option Holder does not elect to exercise the Portfolio Purchase Option then the Seller shall be entitled to purchase the Mortgage Loans.

Purchase price

The consideration payable by the Seller shall be an amount equal to the New Issue Proceeds Amount, as at the close of business on the immediately preceding Business Day.

Provided that there is no shortfall to pay items ranking higher in the applicable Priorities of Payments, to the extent that the Seller holds any of the Notes or is entitled to receive Senior Deferred Consideration or Residual Deferred Consideration, it may set off from the New Issue Proceeds Amount an amount equal to the amounts due to it as Noteholder or as the person entitled to receive Senior Deferred Consideration or Residual Deferred Consideration on the Payment Date on which the Notes are to be redeemed.

Redemption of Notes and the cancellation of any Certificates (then in issue)

Following the Seller becoming entitled to purchase the Mortgage Loans (failing exercise of the Portfolio Purchase Option) after occurrence of any Tax/Illegality Event, the Issuer will give not more than 40 or less than five Business Days' notice to the Noteholders, the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration in accordance with Condition 16 (*Notice to Noteholders*) and Certificate Condition 15 (*Notice to Certificateholders*) and the Note Trustee stating that the Notes and any Certificates (then in issue) will be redeemed in accordance with the Post-Enforcement Priority of Payments on the relevant Repurchase Date.

THE ISSUER

Introduction

Gemgarto 2023-1 PLC was incorporated and registered in England and Wales on 16 August 2023 (under company registration number 15075707) as a public limited company under the Companies Act 2006 (as amended).

The registered office of the Issuer is at 10th Floor, 5 Churchill Place, London E14 5HU. The telephone number of the Issuer is +44 (0)203 855 0285.

The issued share capital of the Issuer comprises 50,000 ordinary shares of £1 each, comprising one ordinary share which is fully paid up and 49,999 ordinary shares which are one-quarter paid up, all of which are beneficially owned by Holdings (see the section entitled "*Holdings*" below).

Principal activities

The Issuer has been established as a special purpose company for the purpose of acquiring the Mortgage Loans and issuing the Notes. On the Closing Date, the Issuer will acquire from the Seller a portfolio of residential mortgage loans. All Mortgage Loans acquired by the Issuer on the Closing Date will be financed by the proceeds of the issue of the Notes. The activities of the Issuer will be restricted by the Conditions and the Deed of Charge and will be limited to the issue of the Notes, the ownership of the Mortgage Loans and other assets referred to herein, the exercise of related rights and powers, and other activities referred to herein or reasonably incidental thereto. These activities will include the collection of payments of principal and interest from Borrowers in respect of Mortgage Loans and the operation of arrears procedures.

The Issuer has not commenced operations and has not engaged, since its incorporation, and will not engage in any activities other than those incidental to its incorporation under the Companies Act 2006 (as amended), authorisation and issue of the Notes, the matters referred to or contemplated in this document and the authorisation, execution, delivery and performance of the other documents referred to in this document to which it is a party and matters which are incidental or ancillary to the foregoing. The Issuer has no employees or subsidiaries.

CSC Capital Markets UK Limited, as the Corporate Services Provider, acts as the corporate services provider for the Issuer. The office of the Corporate Services Provider serves as the general business office of the Issuer. The Corporate Services Provider's principal office is at 10th Floor, 5 Churchill Place, London E14 5HU.

Through the office and pursuant to the terms of the Corporate Services Agreement, the Corporate Services Provider performs various management functions on behalf of the Issuer, including the provision of certain clerical, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Corporate Services Provider receives various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses.

The terms of the Corporate Services Agreement provide that either the Corporate Services Provider or the Issuer and Holdings may terminate the Corporate Services Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Corporate Services Agreement that is not cured within 30 days from the date on which it was notified of such breach. In addition, either the Corporate Services Provider or the Issuer and Holdings may terminate the Corporate Services Agreement at any time by giving at least 90 days' written notice to the other party. If the Corporate Services Provider gives notice to the Issuer and Holdings that it wishes to terminate the Corporate Services Agreement, then the Corporate Services Provider will be required to take all reasonably necessary steps in order to appoint a suitable replacement corporate services provider.

Neither the Seller nor any associated body of the Seller owns directly or indirectly any of the share capital of the Share Trustee, Holdings or the Issuer.

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

The accounting reference date of the Issuer is 31 December. As of the date of this Prospectus, the Issuer has not prepared accounts. The first statutory accounts of the Issuer will be prepared for the period from the date of its incorporation to 31 December 2023.

Directors

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

Name	Address	Principal Activities
CSC Directors (No. 1) Limited	10th Floor, 5 Churchill Place, London E14 5HU	Company Director
CSC Directors (No. 2) Limited	10th Floor, 5 Churchill Place, London E14 5HU	Company Director
Debra Amy Parsall	10th Floor, 5 Churchill Place, London E14 5HU	Company Director

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

Name	Address	Principal Activities
J-P Nowacki	10th Floor, 5 Churchill Place, London E14 5HU	Company Director
Jonathan Hanly	10th Floor, 5 Churchill Place, London E14 5HU	Company Director
Debra Parsall	10th Floor, 5 Churchill Place, London E14 5HU	Company Director
Aline Sternberg	10th Floor, 5 Churchill Place, London E14 5HU	Company Director
Catherine McGrath	10th Floor, 5 Churchill Place, London E14 5HU	Company Director
Lara Nasato	10th Floor, 5 Churchill Place, London E14 5HU	Company Director
Dragos Savacenco	10th Floor, 5 Churchill Place, London E14 5HU	Company Director
Sukanthapriya Jeyaseelan	10th Floor, 5 Churchill Place, London E14 5HU	Company Director
Charmaine De Castro	10th Floor, 5 Churchill Place, London E14 5HU	Company Director
Adrianna Pawelec	10th Floor, 5 Churchill Place, London E14 5HU	Company Director
Oreoluwa Salu	10th Floor, 5 Churchill Place, London E14 5HU	Company Director
Kathrine Lagoe	10th Floor, 5 Churchill Place, London E14 5HU	Company Director
Molly Alberts	10th Floor, 5 Churchill Place, London E14 5HU	Company Director

The company secretary of the Issuer is:

Name	Business Address
CSC Corporate Services (UK) Limited	10th Floor, 5 Churchill Place, London E14 5HU

HOLDINGS

Holdings was incorporated as a private limited company in England and Wales on 16 August 2023 (under company registration number 15075661) as a private limited company under the Companies Act 2006 (as amended). The registered office of Holdings is at 10th Floor, 5 Churchill Place, London E14 5HU.

Holdings' authorised share capital on incorporation comprised, and as at the date of this Prospectus comprises, one ordinary share of £1, which is fully paid up. The issued share capital is held by the Share Trustee under the terms of a discretionary trust.

The Seller does not own directly or indirectly any of the share capital of Holdings.

The principal objects of Holdings are, among other things, to acquire and hold, by way of investments or otherwise, and to deal in or exploit in such manner as may from time to time be considered expedient, all or any part of the securities or other interests of or in the Issuer or any other similar vehicle. Holdings is the sole owner of the Issuer. Holdings does not take an active role in the management of any of the participants in the Transaction.

Since its incorporation, Holdings has not engaged in any activities other than those incidental to its registration as a private company under the Companies Act 2006 (as amended) and subscribing or otherwise acquiring the issued share capital of the Issuer, the authorisation and entry into of documentation relating to the Transaction and the other matters contemplated in this Prospectus and other matters which are incidental or ancillary to those activities. Holdings has no employees.

THE SELLER, THE LEGAL TITLE HOLDER AND THE SERVICER

KMC is a company incorporated under the laws of England and Wales (registration number 03049877) on 26 April 1995, having its registered office at Ascot House, Maidenhead Office Park, Maidenhead, SL6 3QQ, United Kingdom. It is a company whose purpose is advancing or acquiring residential loans to borrowers in England and Wales, Northern Ireland and Scotland. KMC is a wholly owned subsidiary of Barclays Bank UK plc ("**BBUKPLC**"). The shares in KMC were acquired by BBUKPLC in March 2023. KMC and BBUKPLC continually evaluate whether the existing corporate structure of the overall group is fit for purpose. There may be changes to the group structure from time to time which may not be notified to investors in the Notes, provided such changes do not constitute information which ought to be made public in line with Article 7(1)(f) of the UK Securitisation Regulation.

KMC will acquire the beneficial interest in the Mortgage Loans pursuant to the KMC/BUK Mortgage Sale Agreement. KMC is an originator pursuant to Article 2(3)(a) of the UK Securitisation Regulation with respect to those Mortgage Loans to which interest it acquires pursuant to the KMC/BUK Mortgage Sale Agreement.

Pursuant to the Mortgage Sale Agreement, KMC undertakes that it will maintain its "centre of main interests" (as defined in the Recast EU Insolvency Regulation as it forms part of domestic law of the United Kingdom as amended by the Insolvency (Amendment) (EU Exit) Regulations 2019 (SI 2019/146)) and Insolvency (Amendment) (EU Exit) Regulations 2020 (SI 2020/647)) in England and Wales and that it has no "establishment" (as that expression is defined in the Recast EU Insolvency Regulation as it forms part of domestic law of the United Kingdom as amended by the Insolvency (Amendment) (EU Exit) Regulations 2019 (SI 2019/146)) and Insolvency (Amendment) (EU Exit) Regulations 2020 (SI 2020/647)) in any jurisdiction other than England and Wales.

KMC is currently the authorised mortgage lender of loans within the Kensington group, on the basis that it is an "authorised person" approved by the FCA to carry out certain regulated activities. KMC holds the relevant authorisations under FSMA and the CCA and any other authorisation or approval necessary to act as lender in its capacity as lender, creditor and mortgage administrator under regulated mortgage contracts. These authorisations have been in place since 31 October 2004. KMC holds and maintains applicable registrations under the Data Protection Act 2018. It is also a member of UK Finance and the Intermediary Mortgage Lenders Association.

KMC is an entity which is subject to prudential, capital and liquidity regulation in the UK and it has regulatory authorisation and permissions which are relevant to the provision of servicing in relation to the Mortgage Loans in the Mortgage Portfolio and other loans originated by KMC which do not form part of the Mortgage Portfolio. KMC has significantly more than five years of experience in the servicing, origination and underwriting of mortgage loans similar to those in the Mortgage Portfolio. KMC has well-documented and adequate policies, procedures and risk-management controls in relation to the administrator of mortgage loans similar to those comprising the Mortgage Portfolio which are not sold to the Issuer.

As at March 2023, KMC had approximately 600 employees.

THE SPONSOR ADMINISTRATOR, RETENTION HOLDER, TRANSACTION ACCOUNT BANK, INTEREST RATE SWAP COUNTERPARTY AND COLLECTION ACCOUNTS PROVIDER

Barclays Bank PLC (the "**Bank**", and together with its subsidiary undertakings, the "**Barclays Bank Group**") is a public limited company registered in England and Wales under number 1026167. The liability of the members of the Bank is limited. It has its registered head office at 1 Churchill Place, London E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). The Bank was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, the Bank was re-registered as a public limited company and its name was changed from 'Barclays Bank International Limited' to 'Barclays Bank PLC'. The whole of the issued ordinary share capital of the Bank is beneficially owned by Barclays PLC. Barclays PLC (together with its subsidiary undertakings, the "**Group**" or "**Barclays**") is the ultimate holding company of the Group. The Bank's principal activity is to offer products and services designed for larger corporate, wholesale and international banking clients.

Barclays is a British universal bank, supporting individuals and small businesses through its consumer banking services, and larger businesses and institutions through its corporate and investment banking services. Barclays is diversified by business, geography and income type. The Group's operations include consumer banking and payment services in the UK, U.S. and Europe, as well as a global corporate and investment bank. The Group operates as two divisions – the Barclays UK ("**Barclays UK**") division and the Barclays International ("**Barclays International**") division – which are supported by Barclays Execution Services Limited, the Group-wide service company providing technology, operations and functional services to businesses across the Group. Barclays UK consists of UK Personal Banking, UK Business Banking and Barclaycard Consumer UK businesses. These businesses are carried on by its UK ring-fenced bank, Barclays Bank UK PLC (BBUKPLC) and certain other entities within the Group. Barclays International consists of Corporate and Investment Bank and Consumer, Cards and Payments businesses. These businesses operate within its non-ring-fenced bank, the Bank and its subsidiaries, and by certain other entities within the Group.

The short term unsecured obligations of the Bank are rated A-1 by S&P Global Ratings UK Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited and the unsecured unsubordinated long term obligations of the Bank are rated A+ by S&P Global Ratings UK Limited, A1 by Moody's Investors Service Ltd. and A+ by Fitch Ratings Limited. The Bank's credit ratings included or referred to in this Prospectus will be treated for the purposes of the UK CRA Regulation as having been issued by S&P Global Ratings UK Limited ("**S&P Global**"), Moody's Investors Service Ltd. ("**Moody's**") and Fitch Ratings Limited ("**Fitch**"), each of which is established in the United Kingdom and has been registered under the UK CRA Regulation. The ratings Fitch, Moody's and S&P have given in relation to the Bank are endorsed by Fitch Ratings Ireland Limited, Moody's Deutschland GmbH and S&P Global Ratings Europe Limited respectively, each of which is established in the EEA and registered under the EU CRA Regulation.

Based on the Barclays Bank Group's audited financial information for the year ended 31 December 2022, the Barclays Bank Group had total assets of £1,203,537m (December 2021: £1,061,778m), loans and advances at amortised cost of £182,507m (December 2021: £145,259m), total deposits at amortised cost of £291,579m (December 2021: £262,828m), and total equity of £58,953m (December 2021: £56,317m). The profit before tax of the Barclays Bank Group for the year ended 31 December 2022 was £4,867m (December 2021: £5,418m) after credit impairment charges of £933m (December 2021: credit impairment releases of £277m). The financial information in this paragraph is extracted from the audited consolidated financial statements of the Bank for the year ended 31 December 2022, as set out in the 2022 20-F.

Based on the Barclays Bank Group's unaudited financial information for the six months ended 30 June 2023, the Barclays Bank Group had total assets of £1,246,636m (December 2022: £1,203,537m), loans and advances at amortised cost of £183,237m (December 2022: £182,507m), total deposits at amortised cost of £307,820m (December 2022: £291,579m), and total equity of £58,348m (December 2022: £58,953m). The profit before tax of the Barclays Bank Group for the six months ended 30 June 2023 was £3,132m (June 2022: £2,605m) after credit impairment charges of £688m (June 2022: credit impairment charges of £293m). The financial information

in this paragraph is extracted from the unaudited condensed consolidated interim financial statements of the Bank for the six months ended 30 June 2023.

Barclays Bank PLC is acting as Sponsor Administrator, Retention Holder, Transaction Account Bank, Interest Rate Swap Counterparty and Collection Accounts Provider. Barclays Bank PLC has been, or will be, as appropriate, involved in the establishment and management of the securitisation transaction described in this Prospectus. Establishment activities included reviewing and analysing due diligence materials in respect of the Mortgage Portfolio, reviewing and negotiating the transaction documents and related offering documents, reviewing and negotiating the Mortgage Loan Warranties provided by the Seller, assessing and advising in respect of the proposed capital structure of the transaction, determining the appropriate retention structure, selecting, appointing and coordinating third party service providers in respect of the transaction and engaging with Rating Agencies. Management activities included the establishment of the management structure of the transaction at the Closing Date through the negotiation of the transaction documents, and will include the performance of those functions allocated to the Sponsor Administrator as set out in the Sponsor Administration Agreement.

THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

U.S. Bank Trustees Limited was incorporated under the laws of England and Wales, with its office at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR, United Kingdom.

U.S. Bank Trustees Limited is a U.S. Bancorp group company that is dedicated to the provision of trustee and other fiduciary services in Europe as part of U.S. Bank Global Corporate Trust. Together with Elavon Financial Services DAC (the legal entity through which U.S. Bank Global Corporate Trust provides regulated banking services in Europe), U.S. Bank Global Corporate Trust Limited (the legal entity through which U.S. Bank Global Corporate Trust primarily provides agency services in Europe) and U.S. Bank National Association (the legal entity through which the U.S. Bank Global Corporate Trust primarily conducts business in the United States), U.S. Bank Global Corporate Trust is one of the world's largest providers of trustee services with more than \$4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds; providing 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) is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. Visit U.S. Bancorp on the web at www.usbank.com.

THE CASH MANAGER

U.S. Bank Global Corporate Trust Limited is a limited liability company incorporated under the laws of England and Wales with its office at 125 Old Broad Street, Fifth Floor, London EC2N 1AR.

USE OF PROCEEDS

The Issuer will use the gross proceeds of the Notes on the Closing Date to: (a) pay the Initial Purchase Price payable by the Issuer for the Mortgage Portfolio to be acquired from the Seller on the Closing Date; (b) pay the Upfront Swap Payment to the Interest Rate Swap Counterparty; (c) pay certain fees and expenses of the Issuer incurred in connection with the issue of the Notes on the Closing Date; and (d) establish the General Reserve Fund.

THE MORTGAGE LOANS AND THE MORTGAGE PORTFOLIO

The Mortgage Portfolio will consist of Mortgage Loans and their Related Security sold by the Seller to the Issuer, in accordance with the terms of the Mortgage Sale Agreement.

A random selection process will be utilised to select mortgage loans from the Provisional Portfolio to be sold by the Seller to the Issuer. The process will take into consideration the Eligibility Criteria, the required size of the Mortgage Portfolio and whether a mortgage loan is already being utilised as collateral in another of the Seller's funding programmes.

Mortgage products offered by the Seller

The Seller offers a variety of fixed rate, variable rate and hybrid mortgage products to Borrowers. The Seller may sell to the Issuer any of the following of its mortgage products, which in each case may comprise one, or a combination, of the following:

- (a) Repayment Mortgage Loans. Borrowers typically make payments of interest and repay principal on their Mortgage Loans on a monthly basis so that, when the Mortgage Loan is scheduled to mature, the Borrower will have repaid the full amount of the principal of the Mortgage Loan ("**Repayment Mortgage Loans**").
- (b) Interest Only Mortgage Loans. Borrowers typically make monthly payments of interest but not of principal (ignoring, for these purposes, any temporary waiver or deferral of the payment of principal that may be granted to a Borrower from time to time) and when the Mortgage Loan matures, the entire principal amount of the Mortgage Loan is still outstanding and Borrowers must repay that amount in one lump sum; and
- (c) Part and Part Mortgage Loans. Monthly payments in respect of Part and Part Mortgage Loans are comprised of the interest due on both portions of the Mortgage Loan and the principal repayable on the portion in respect of which the Borrower is required to pay both interest and principal. The principal amount relating to the portion in respect of which the Borrower is required to pay interest only is repayable at maturity.

Each Mortgage Loan to be included in the Mortgage Portfolio will be:

- (a) Mortgage Loans subject to a fixed interest rate for a specified period of time and which at the expiration of that period reverts to being a Floating Rate Mortgage Loan ("**Fixed Rate Mortgage Loans**"); and
- (b) Mortgage Loans subject to a variable rate of interest that is linked to the Kensington Standard Rate ("**Floating Rate Mortgage Loans**").

Key features of the Mortgage Loans

The Mortgage Loans have the following key features:

- (a) a Mortgage Loan may be for the purposes of purchase and remortgage and home improvement;
- (b) they are originated as owner-occupiers only. No Mortgage Loan in the Mortgage Portfolio will be secured over a property used solely as a commercial property, guarantor or right to buy, or secured only by a second charge or that will have been originated as a Buy-to-Let Mortgage Loan. A small proportion of Shared Ownership Mortgage Loans are included in the Mortgage Portfolio. Where a Borrower has requested, and the Legal Title Holder has agreed, to convert from an owner-occupied Mortgage Loan to a Buy-to-Let Mortgage Loan, or to convert to an offset mortgage, or in circumstances where there is a

transfer of equity (other than in the context of a deceased Borrower), such Mortgage Loans will be redeemed in full by the Legal Title Holder;

- (c) interest rates on the Mortgage Loan will be subject to a fixed interest rate for a specified period of time and which at the expiration of that period reverts to being a Floating Rate Mortgage;
- (d) when any fixed rate finishes, the rate on the Mortgage Loan will revert to a variable rate of interest that is linked to the Kensington Standard Rate;
- (e) for certain types of Mortgage Loan, early repayment charges may be applicable;
- (f) most products contain an option under which the Borrower may repay a fixed amount of the outstanding balance of the Mortgage Loan in any year without incurring an early repayment charge;
- (g) either regularly or as a lump sum, overpayments may be made on any portion of a Mortgage Loan (subject, in certain cases, to the requirement on the Borrower to pay an early repayment charge and an administration fee);
- (h) interest on a Mortgage Loan is accrued on a daily basis; and
- (i) the Legal Title Holder reserves the right to amend the Mortgage Conditions from time to time.

Interest payments and setting of interest rates

Interest on each Mortgage Loan accrues on the Current Balance of that Mortgage Loan from time to time. Interest is payable by the Borrower monthly in arrears. Interest on the Mortgage Loans in the Mortgage Portfolio is computed on a daily basis. Each Mortgage Loan in the Mortgage Portfolio accrues interest at any time at either a fixed or a variable rate.

Fixed Rate Mortgage Loans provide that the Borrower pays interest on such Mortgage Loan at a fixed rate of interest for the period specified in the offer of advance. At the end of that period, such Mortgage Loans are subject to a variable rate.

Interest accrues on Mortgage Loans other than Fixed Rate Mortgage Loans at a rate (subject, in certain cases, to the requirement on the Borrower to pay an early repayment charge) as set forth in the offer of advance.

Repayment terms of the Mortgage Loans

Borrowers do not have the flexibility to switch from a Repayment Mortgage Loan to an Interest Only Mortgage Loan or a Part and Part Mortgage Loan. Any request from the Borrower to switch from a Repayment Mortgage Loan to an Interest Only Mortgage Loan or a Part and Part Mortgage Loan is subject to underwriting and affordability assessment.

The required Monthly Payment due in connection with Repayment Mortgage Loans on the Floating Rate Mortgage Loans may vary from month to month for various reasons, including changes in interest rates.

All Borrowers in respect of the Mortgage Loans in the Mortgage Portfolio may make monthly payments to the Legal Title Holder by direct debit, standing order, card, cash or cheque.

Early repayment charges

If a Fixed Rate Mortgage Loan or a Floating Rate Mortgage Loan is partially or fully redeemed during the early repayment charge period as set out in the applicable Mortgage Conditions, the relevant Borrower may be subject to an early repayment charge (subject to the below paragraph).

Flexible features

The Mortgage Loans are subject to a range of options that may be selected by Borrowers and that give such Borrowers greater flexibility in the timing and amount of payments made under the Mortgage Loans as well as access to additional advances under the Mortgage Loans. A Mortgage Loan that has one or more of these features is called a "**Flexible Mortgage Loan**".

The following options currently are available to a Borrower under a Flexible Mortgage Loan:

- (a) **Overpayments.** Where permitted by the Borrower's Mortgage Loan Agreement, the Borrower may make overpayments at any time (subject, in certain cases, to the requirement on the Borrower to pay an early repayment charge and an administration fee). If any overpayments made by the Borrower amount to less than £5,000, unless the Legal Title Holder agrees otherwise, the overpayment will not reduce that Borrower's Mortgage Loan balance, but it will reduce the amount of interest payable by the Borrower on the Mortgage Loan. If the Legal Title Holder does agree to reduce the Borrower's Mortgage Loan balance, the Borrower may have to pay an early repayment charge and an administration fee and the Legal Title Holder will adjust the Borrower's Monthly Payments. Any overpayments made by the Borrower amounting to £5,000 or more will reduce that Borrower's Mortgage Loan balance and reduce the amount of interest payable by the Borrower on the Mortgage Loan (subject, in certain cases, to the requirement on the Borrower to pay an early repayment charge and an administration fee), whereupon that Borrower's Monthly Payments are adjusted (unless otherwise agreed by the Legal Title Holder).

If a Borrower makes an overpayment, the Legal Title Holder will not refund the overpayment to the Borrower unless it is greater than the Mortgage Loan balance (in which case the difference will be refunded to the Borrower).

- (b) **Product Switches.** From time to time Borrowers may request or the Legal Title Holder may offer, in limited circumstances, a variation in the Mortgage Conditions applicable to the Borrower's Mortgage Loan. Such a variation may constitute a Product Switch, which shall result in the repurchase of the Mortgage Loan by the Legal Title Holder provided such Mortgage Loan is not in arrears on the first Business Day after the Product Switch Effective Date. See "*The Servicer and the Servicing Agreement – Further Advances*" and the risk factor "*Risks relating to the availability of funds to pay the Notes – Mortgage Loans subject to Product Switches and Further Advances may be repurchased by the Legal Title Holder, which will affect the prepayment rate of the Mortgage Loans, and this may affect the yield to maturity of the Notes*".
- (c) **Further Advances.** From time to time Borrowers may request and the Legal Title Holder may agree, in limited circumstances, to advance a further amount to the Borrower under the Borrower's Mortgage Loan. Such an advance will constitute a Further Advance, which shall result in the repurchase of the Mortgage Loan by the Legal Title Holder provided such Mortgage Loan is not in arrears on the first Business Day after the Further Advance was made. See "*The Servicer and the Servicing Agreement – Further Advances*" and the risk factor "*Risks relating to the availability of funds to pay the Notes – Mortgage Loans subject to Product Switches and Further Advances may be repurchased by the Legal Title Holder, which will affect the prepayment rate of the Mortgage Loans, and this may affect the yield to maturity of the Notes*".

Security in respect of the Mortgage Loans

Each Mortgage Loan is secured by a charge by way of a first ranking legal mortgage over a residential property in England or Wales, or a first ranking standard security over a residential property in Scotland. Each Mortgage Loan secured over a property located in England or Wales is subject to English law and each Mortgage Loan secured over a property located in Scotland is subject to Scots law.

A proportion of the Mortgage Loans in the Mortgage Portfolio is or will be secured over properties in Scotland. Under Scots law, the only means of creating a fixed charge or a fixed security interest over heritable property is the statutorily prescribed standard security. In relation to the Scottish Mortgage Loans, references in this Prospectus to a "**mortgage**" are to be read as references to such standard security and references to a "**mortgagee**" are to be read as references to the security holder (under Scots law, termed the "heritable creditor").

In practice, the Seller has advanced and intends to advance Mortgage Loans on a similar basis in England and Wales and Scotland. While there are certain differences in law and procedure in connection with the enforcement and realisation of Scottish Mortgages, the Seller does not consider that these differences make Scottish Mortgages significantly different or less effective than the English Mortgages.

Underwriting

The underwriting approach of the Seller has changed over time. The Mortgage Loans in the Mortgage Portfolio may have been or may be originated in accordance with different lending criteria from those set out below, depending on their date of origination.

The lending assessment undertaken by the Seller is made with reference to a number of components including:

- (a) credit score: calculation of propensity to default based on a combination of customer supplied, internal performance and credit bureau data; and
- (b) affordability: calculation of an individualised lending amount that reflects the applicant's income net of tax, credit commitments and assumed living expenses, which vary according to income, number of applicants and dependants.

All mortgage applications are currently manually underwritten by an underwriter that has an appropriate mandate. The level of mandate that an underwriter has is dependent upon their experience and performance, and is monitored on an ongoing basis. Some underwriters have a mandate to approve applications outside of the Lending Criteria providing that the application meets the Seller's exception criteria and the underwriter provides a supporting rationale. No underwriter has a mandate to agree exceptions outside of the Seller's exception criteria. All underwriters retain the right to decline applications and ask for additional supporting verification, regardless of the minimum standards set out in the Lending Criteria.

Quality control checks are performed on a sample of Mortgage Loans agreed by all underwriters from time to time. The number of checks that are performed on each underwriter depends on the respective underwriter's experience and performance.

Lending Criteria

Subject to limited exceptions, the following criteria (the "**Lending Criteria**") are a summary consolidating certain of the lending criteria applied in relation to the Mortgage Loans originated by KMC between September 2019 and March 2023. Capitalised terms used in this section are used in respect of the Lending Criteria only, unless the context otherwise requires.

Security

- (a) Each Mortgage Loan must be secured by a first ranking legal mortgage over an English Property or a first ranking standard security over a Scottish Property (a "**Mortgage**") over a freehold, heritable or long leasehold residential Mortgaged Property (usually at least (i) 35 years longer than the mortgage term or (ii) 85 years at commencement of the mortgage term) in England, Wales or Scotland (the "**Mortgaged Property**").

- (b) Mortgage Loans will be granted on residential Mortgaged Property offered as acceptable security in England, Wales or Scotland subject to acceptable valuation. Use of all properties will be for owner occupation for residential use only.
- (c) Acceptable tenure comprises: freehold or heritable houses; leasehold houses, flats and maisonettes with not less than (i) 35 years remaining on the lease after the term of the Mortgage or (ii) 85 years at commencement of the term of the Mortgage; or commonhold.
- (d) Unacceptable tenure includes: freehold flats and maisonettes (other than in Scotland); leasehold houses, flats and maisonettes with less than (i) 35 years remaining on the lease after the term of the Mortgage or (ii) 85 years at commencement of the term of the Mortgage; flats or maisonettes where ground rent is currently at a level, or may reach a level referred to within the Housing Act 1988 (hence allowing a long lease to be treated as an assured shorthold tenancy); and freehold flats in Scotland under the Feudal Reform Act (Scotland) 2004.
- (e) Only Mortgaged Property of standard construction, including self-build houses that are determined as adequate security by a suitably qualified member of the panel of valuers, are acceptable **provided that**, Wimpey No Fines and Laing Easiform houses are unacceptable for Mortgage Loans with an LTV Ratio higher than 80 per cent.

In addition, the following non-standard construction types will not be acceptable security for Mortgage Loans with an LTV Ratio of greater than 75 per cent., provided they are determined as adequate security by a suitably qualified member of the panel of valuers with no negative comments and no negative effect on the resale value of the Mortgaged Property:

- (i) Mortgaged Properties built using pre-fabricated reinforced concrete; poured concrete or concrete blocks.
- (ii) Steel-framed/steel clad Mortgaged Properties.
- (iii) 100% timber framed Mortgaged Properties (post 1980).
- (iv) Mortgaged Properties built using cob construction; or colt construction methods.
- (v) Mortgaged Properties built using stone and part rendered breeze block with pebble dashed outer walls.

Subject to the exceptions above, Mortgaged Properties of non-standard construction are not considered.

- (f) The following are examples of types of Mortgaged Property which are deemed unacceptable as security unless otherwise noted above or the Legal Title Holder agrees otherwise:
 - (i) Mortgaged Properties of 100 per cent. timber construction.
 - (ii) Mortgaged Properties designated as defective under the Housing Defects Act 1984, the Housing Act 1985 or the Housing (Scotland) Act 1987.
 - (iii) Mortgaged Properties containing mundic block materials.
 - (iv) Ex-local authority or ex-ministry of defence flats and maisonettes.
 - (v) Studio flats.
 - (vi) Basement flats.

- (vii) Steel framed houses, **provided that** steel framed houses built later than in 2000 are acceptable subject to Property team approval. Steel framed flats are acceptable security provided construction occurred in 2001 or later.
 - (viii) Blocks of flats where the Borrower or Borrower-owned business owns more than 25 per cent. of the freehold of the block insofar as can be ascertained at the time of underwriting. A Borrower or Borrower-owned business owning up to 50 per cent. of freehold of the block will be acceptable where the security comprises a building with only two flats or a Borrower or Borrower-owned business owning up to 33 per cent. of freehold of the block will be acceptable where the security comprises a building with three flats.
 - (ix) Flats above and adjacent to commercial premises that would affect saleability such as those properties that potentially would provide any unwanted heat, noise or smell or may present safety concerns.
 - (x) Flats that have access from a balcony or open decking area.
 - (xi) High rise flats over ten storeys (must have a lift if KMC's security is above the fourth floor).
 - (xii) Blocks of flats (over 6 floors) that contain external cladding unless the block meets building regulations and testing requirements outlined by the Department for Communities and Local Government and meets the acceptable criteria set out in BR135 – Fire insulation for walls of multi-storey buildings and **provided that** a special condition will be applied to the Mortgage which requires the Borrower's solicitor to confirm prior to completion that these requirements have been met.
 - (xiii) Grade One Listed Properties in England and Wales or Category A listed properties in Scotland.
- (g) The following are examples of types of Mortgaged Property which are never acceptable:
- (i) Mortgaged Properties with agricultural restrictions.
 - (ii) Mortgaged Properties determined as unacceptable by the valuer.
 - (iii) Mortgaged Properties less than 10 years old without either a NHBC certificate, architects certificate or professional consultant's certificate or a new build warranty from any one of Premier Guarantee, BLP Limited Guarantee, Zurich Municipal Warranty, Checkmate Castle 10 New Home Warranty, LABC New Home Warranty, Build Zone Warranty, CRL Warranty, Advantage HCI, Aedis Warranties Limited, Build Zone Capital Warranties, Global Home Warranties, International Construction Warranties, Protek or Q Assure.
 - (iv) Mortgaged Properties not wholly owned by the Borrower.
 - (v) Mortgaged Properties with Japanese knotweed on site.
 - (vi) Live/work units.
- (h) Mortgaged Properties offered as security are professionally valued by a nominated panel valuer having one of the following qualifications and whose compensation is not affected by the approval or non-approval of the relevant mortgage; FRICS, MRICS, RICS and AssocRICS (collectively referred to as "**RICS qualified valuers**"), or in extenuating circumstances where it is not possible for a property to be professionally valued by a nominated panel valuer, an automated valuation model provided by a third party entity for the automated valuation of properties securing mortgage loans (including, but not limited to, the Realtime Valuation System provided by Hometrack Data Systems Limited) is used. Where a

RICS qualified valuer carries out the valuation, properties are valued at origination in accordance with the standards and practices of the RICS Valuation Standards (including those relating to competency and required documentation). In certain cases the property will be subject to two RICS panel valuation reports and lending will be based on the lower of the two valuation figures obtained. Each valuation report includes three comparable properties providing evidence for the valuation of the property offered as security. The panel of valuers is maintained (including the appointment of valuer firms to the panel) by the Service and Performance department of KMC with no involvement of sales or product staff. Likewise, sales and product staff are not involved in the selection of the valuer firm from the panel of valuers engaged to carry out the valuation of the Mortgaged Properties.

- (i) Prior to the release of advance monies to a Borrower, the Legal Title Holder requires the Mortgaged Property offered as security to be comprehensively insured for not less than the full reinstatement figure specified in the valuation of the Mortgaged Property. The policy must, inter alia: (i) be a comprehensive index linked insurance policy issued by a reputable insurer; (ii) be on standard commercial terms; (iii) contain a mortgagee's protection clause; and (iv) contain a note of the Legal Title Holder's interest. The Legal Title Holder does not currently offer buildings insurance at point of sale. Borrowers must arrange their own insurance prior to completion. In all cases prior to completion, a valid buildings insurance policy must be checked by the Legal Title Holder's solicitors/title insurers prior to completion to ensure suitable cover is in place.

Mortgage Loan Amount

For Mortgage Loans (i) to first-time buyers, the maximum loan amount (excluding any applicable fees) is £1,000,000; and(ii) in respect of any other purchase and/or remortgage, the maximum loan amount (excluding any applicable fees) is £1,000,000 for Mortgage Loans up to 90 per cent. LTV Ratio.

On all Mortgage Loans to a single Borrower, there is a cap on the maximum loan amount of £2,000,000.

Loan to Value

- (a) The LTV Ratio is calculated by dividing the gross principal amount committed at completion of the Mortgage Loan (exclusive of any arrangement fee which may be added to the Mortgage Loan) by the valuation of the Mortgaged Property at origination of the Mortgage Loan or, in some cases, the lower of such valuation and the sale price.
- (b) The LTV Ratio of each Mortgage Loan at the date of the advance must be no more than 95 per cent. (inclusive of any fees added to the Mortgage Loan).

Term

A loan term of between either (i) five and 40 years; or (ii) two and 35 years can be considered subject to scheme rules.

Borrowers

- (a) A minimum of one and a maximum of four Borrowers are allowed to be parties to the Mortgage Loan. Only the two highest incomes will be used for calculating the lending available.
- (b) Minimum age requirements vary with product and the time at which the Mortgage Loan was originated. Borrowers must generally have been at least 18 years of age or older prior to completion of the Mortgage Loan.
- (c) For most products, the maximum age of any Borrower at the end of mortgage term must not exceed 75 years of age (age of 76 on their following birthday) or earlier based on the Borrower's declared retirement

age. Some products allow for the end of the mortgage term to fall after the Borrower's declared retirement age subject to scheme rules and **provided that** the Borrower's (i) minimum age at the date of application must be at least 55 years of age; and (ii) maximum age at the end of the mortgage term must not exceed 90 years of age.

- (d) A Borrower's credit and employment history will have been assessed with the aid of the following:
- (i) a search covering a period of up to 36 months (as applicable depending on scheme rules) prior to the date of application supplied by a credit reference agency;
 - (ii) confirmation of voters roll entries;
 - (iii) either full 12 months or full 3 years employment history (if applicable and depending on scheme rules);
 - (iv) references from former lenders (if not shown on the credit reference agency report or satisfactory payment evidence not received via mortgage/bank statements);
 - (v) bank statements in certain circumstances; and
 - (vi) references from current and/or previous commercial landlords.
- (e) Some schemes may allow County Court Judgments ("**CCJs**") (or their Scottish equivalent) **provided that** no CCJ has been issued against the Borrower in the three years prior to origination subject to scheme rules.
- (f) A comprehensive explanation for any arrears from a Borrower must accompany any application with arrears history and the relevant underwriters must have been satisfied that the problems that caused the arrears situation are unlikely to reoccur following completion of the Mortgage Loan.

Income and Affordability

Income

- (a) On residential applications, there is no minimum income requirement and the underwriter will assess the application on affordability taking into consideration the overall application is of sufficient high quality taking into account length and type of current employment, split between basic and variable income levels and credit history. In assessing minimum income no Working Family Tax Credits can be taken into account and income must be from a single source. Ideally, a three year net profit history is required to verify income of self-employed applicants; however, a minimum of one year's trading supported by financial accounts is acceptable and the underwriter will be satisfied that the self-employed business is in existence. For residential applications for Mortgage Loans above 85 per cent LTV, a minimum of two years proof of income is required.
- (b) Having established the level of income attributable to each applicant, regular and ongoing financial commitments over and above normal household expenditure will be annualised and deducted from this figure to determine the net disposable income and used in the affordability calculation.
- (c) Where income calculations allow, loans excluding existing mortgages will not need to be redeemed as a condition of the mortgage offer.

Affordability

- (a) All residential applications are subject to a full affordability assessment. For self-employed applicants, income is classed as 100 per cent. of the applicant's share of the net profit figure, their salary and dividends. For employed applicants, income is classed as their basic salary and up to 100 per cent. of all bonuses, overtime, dividends shares of profits, guaranteed salary allowances, private pensions, investment income and other declarable income for tax purposes. Income is only acceptable if it is regular, sustainable and evidenced.
- (b) As a secondary stream of income which may not be used as part of the minimum income criteria, the following are acceptable: Maintenance payments supported by Court Order/Child Support Agency documentation, Working Family/Child Tax Credits verified by the most recent HMRC letter of confirmation and latest bank statement to verify receipts (provided not more than 100 per cent. of applicant total income and details regarding income and circumstances must reflect other documentation on file).
- (c) Central to the affordability assessment is the calculation of the applicant's disposable income, which is determined by reference to the gross declared income of the applicant less amounts to be applied towards payment of (i) tax, national insurance and council tax, (ii) a loading amount determined by the number of dependants of the applicant and (iii) contractual commitments and regular expenditure.
- (d) Once the applicant's disposable income has been calculated, a debt-to-income ratio ("**DTIR**") affordability calculation is carried out in order to determine the maximum amount an applicant can borrow on a repayment or interest only basis (and, if interest only, the DTIR calculation should include the cost, as appropriate, of any repayment vehicle). The DTIR calculation uses a 'loaded' reversionary rate in its calculations to stress the borrower's affordability both now and if rates increase. The applicable loading will vary from time to time and depend on the type of product.
- (e) The amount an applicant can borrow is limited to the maximum loan size allowed as calculated by the loan-to-income ratio ("**LTIR**") calculation (capped at a maximum of either (i) 4.5 times, or (ii) 6 times the gross income of the applicant, subject to scheme rules).
- (f) Where the affordability assessment does not support the level of borrowing requested the case will have been declined or the loan amount reduced.

Solicitors

Any firm of solicitors acting on behalf of the lender on the making of each Mortgage Loan must be registered with the Law Society of England, Wales or Scotland. The firm of solicitors acting on behalf of the lender has to have at least three partners.

Further Advance

Borrowers may request further advances.

For more information on Further Advances please see "*The Servicer and the Servicing Agreement – Further Advances*".

Porting

The Mortgage Loans are not portable.

Changes to Lending Criteria, Administration and Servicing

Subject to obtaining any relevant consents, the Legal Title Holder as lender of record in respect of the Mortgage Loans and Mortgages and the Servicer may vary the relevant Lending Criteria or the basis on which consents or approvals are given to Borrowers from time to time and the Legal Title Holder may vary the service specification and collection policies and, in each case, in doing so they must act as a reasonably prudent mortgage lender acting in a manner consistent with that of an experienced lender, servicer or administrator of residential mortgage loans lending to borrowers in England, Wales or Scotland (as applicable) who include the recently self employed, independent contractors, temporary employees and people who may have experienced previous credit problems being, in each case, people who generally do not satisfy the lending criteria of traditional sources of residential mortgage capital (a "**Prudent Mortgage Lender**").

Title Insurance

In respect of Mortgage Loans in the Mortgage Portfolio, either (a) solicitors will have carried out usual investigations, searches and other actions and enquiries which a Prudent Mortgage Lender or its solicitors or conveyancers normally make when lending to an individual on the security of residential property in England, Wales or Scotland (as applicable) and in each case received a certificate of title or report on title relating to such property, or (b) title insurance will have been obtained. If title insurance was obtained, this will have been provided by a suitable provider of such insurance policies, which may include First Title Limited or XL Catlin Insurance Company UK Limited ("**Title Insurance Provider**") and the Issuer will have the benefit of the title policy in respect of the relevant Mortgage Loans sold to the Issuer pursuant to the Mortgage Sale Agreement.

Valuation

Other than the valuation of properties undertaken as at origination (as described in the Mortgage Loan Warranties in the section entitled "*Assignment of the Mortgage Loans and Related Security*"), no revaluation of any Mortgaged Property has been undertaken by the Arranger, the Lead Manager, the Seller, the Legal Title Holder, the Issuer, the Servicer, the Note Trustee or any other person in respect of the issue of the Notes and the valuations quoted are at the date of the original Mortgage Loan origination.

Payments

The Mortgage Loans require monthly payments.

Insurance Contracts

Borrowers are required to arrange for insurance on their Mortgaged Property for an amount equal to the full rebuilding cost of the Mortgaged Property. The Seller does not arrange insurance for Borrowers, nor does it have the benefit of any mortgage indemnity guarantee on its mortgage loan portfolio. Borrowers (or, in the case of a leasehold property, the relevant Borrower's landlord) must therefore arrange for insurance independently. It is possible that a Borrower will fail to arrange insurance, and therefore the Seller and the Issuer may not have the benefit of such insurance.

Other characteristics

The Mortgage Loans in the Mortgage Portfolio are homogeneous for purposes of Article 20(8) of the UK Securitisation Regulation, on the basis that all Mortgage Loans in the Mortgage Portfolio: (i) have been underwritten by Kensington Mortgage Company Limited, in accordance with similar underwriting standards applying similar approaches with respect to the assessment of a potential borrower's credit risk; (ii) are Repayment Mortgage Loans, Interest Only Mortgage Loans or Part and Part Mortgage 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 the Mortgage Loans; and (iv) form one asset

category, namely residential loans secured with one or several mortgages on residential immovable property in England, Wales or Scotland.

The Mortgage Loans in the Mortgage Portfolio, as at the relevant Cut-Off Date, do not include: (i) any transferable securities for purposes of Article 20(8) of the UK Securitisation Regulation; (ii) any securitisation positions for purposes of Article 20(9) of the UK Securitisation Regulation; or (iii) any derivatives for purposes of Article 21(2) of the UK Securitisation Regulation, in each case on the basis that the Mortgage Loans in the Mortgage Portfolio have been entered into substantially on the terms of similar standard documentation for residential mortgages loans. For the purposes of Article 20(8) of the UK Securitisation Regulation, the Mortgage Loans in the Mortgage Portfolio contain obligations that are in all material respects contractually binding and enforceable, with full recourse to the relevant Borrowers and, where applicable, the relevant guarantors, subject to any laws from time to time in effect relating to bankruptcy, insolvency or other similar laws of general applicability affecting the enforcement of creditors' rights generally and the court's discretion in relation to equitable remedies. The Mortgage Loans in the Mortgage Portfolio do not include: (A) at the time of origination any loans that were marketed and underwritten on the premise that the loan applicant or, where applicable, intermediaries were made aware that the information provided by the loan applicant might not be verified by the Seller for purposes of Article 20(10) of the UK Securitisation Regulation or (B) at the time of selection for inclusion in the portfolio any exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 for purposes of Article 20(11) of the UK Securitisation Regulation. The Mortgage Loans in the Mortgage Portfolio have been transferred to the Issuer after selection for inclusion in the Mortgage Portfolio without undue delay for purposes of Article 20(11) of the UK Securitisation Regulation.

Environmental performance of the Mortgage Loans

As at the Cut-Off Date, for purposes of Article 22(4) of the UK Securitisation Regulation the administrative records of the Legal Title Holder do not contain complete and accurate available information relating to the environmental performance of the Mortgaged Properties securing the Mortgage Loans in the Provisional Portfolio. The Legal Title Holder may from time to time obtain environmental performance certificate (EPC) ratings of the properties financed by loans originated by the Legal Title Holder from time to time, including Mortgage Loans in the Provisional Portfolio, from an external third party service provider. The Legal Title Holder will make such third party information available to potential investors prior to pricing of the Notes. Such third party information may be incomplete, inaccurate or condensed, and by making such third party information available from time to time the Legal Title Holder does not imply that it has endorsed or accepted responsibility for such third party information. In addition, the Legal Title Holder does not consider such third party information to constitute available information relating to the environmental performance of the Mortgage Loans in the Provisional Portfolio for purposes of Article 22(4) of the UK Securitisation Regulation. To the extent that information relating to the environmental performance of the Mortgage Loans in the Mortgage Portfolio is available to the Legal Title Holder, such information will be made available as required under Articles 7(1)(a) and 22(4) of the UK Securitisation Regulation, however as of the date of this prospectus there is no expectation that such information relating to environmental performance will become available.

Data on static and dynamic historical default and loss performance of loans similar to the Mortgage Loans

Static and dynamic historical performance data in relation to loans originated by the Seller was made available prior to pricing of the Notes on the website of SecRep Limited at <https://www.secrep.co.uk/>, the website of SecRep BV at <https://www.secrep.eu> and the website of EuroABS at www.euroabs.com and covers the Historical Data Extract Period (as defined below). The loans which are included in such data are originated under and serviced in accordance with the same policies and procedures as the loans comprising the Provisional Portfolio and, as such, it is expected that the performance of such loans, over a period of five years, would not be significantly different to the performance of the loans in the Provisional Portfolio.

CHARACTERISTICS OF THE PROVISIONAL PORTFOLIO

Table 1: Summary

Summary Characteristics Total	Total
Current Balance (£)	573,430,921
Number of Mortgage Loans	3,059
Weighted Average Original LTV (%)	85.71
Average Current Balance (£)	187,457
Weighted Average Interest Rate (%)	5.26
Weighted Average Stabilised Margin (%)	4.49
Weighted Average Term To Maturity (Years)	29.93
Weighted Average Current LTV (%)	84.33
Self-Certified (%)	0.00
Self-Employed (%)	25.98
Buy-to-Let (%)	0.00
Shared Ownership Mortgage Loan (%)	8.16
Right to Buy Mortgage Loan (%)	0.00
Help to Buy Mortgage Loan (%)	0.00
Weighted Average Seasoning (months)	14.92
Bankruptcy/IVA (%)	0.00
Largest Current Balance (£)	970,639

Table 2: Distribution of Mortgage Loans by Loan to Value Ratio (Original Loan to Value %)

Original Loan to Value %	No. of Mortgage Loans	% of Mortgage Loans	Balance (£)	% of Balance
(0.00 to 10.00]	0	0.00	0	0.00
(10.00 to 20.00]	0	0.00	0	0.00
(20.00 to 30.00]	142	4.64	10,628,270	1.85
(30.00 to 40.00]	134	4.38	12,467,746	2.17
(40.00 to 50.00]	135	4.41	15,294,565	2.67
(50.00 to 60.00]	30	0.98	3,670,426	0.64
(60.00 to 70.00]	20	0.65	2,704,461	0.47
(70.00 to 80.00]	16	0.52	2,253,658	0.39
(80.00 to 90.00]	2,141	69.99	447,174,316	77.98
(90.00 to 100.00]	441	14.42	79,237,478	13.82
Total	3,059	100.00	573,430,921	100.00
Weighted average	85.71			
Maximum	95.00			
Minimum	21.14			

Table 3: Distribution of Mortgage Loans by Loan to Value Ratio (Current Indexed Loan to Value %)

Current Indexed Loan to Value %	No. of Mortgage Loans	% of Mortgage Loans	Balance (£)	% of Balance
(0.00 to 10.00]	0	0.00	0	0.00
(10.00 to 20.00]	0	0.00	0	0.00
(20.00 to 30.00]	145	4.74	10,816,584	1.89
(30.00 to 40.00]	132	4.32	12,379,397	2.16
(40.00 to 50.00]	141	4.61	15,977,049	2.79
(50.00 to 60.00]	27	0.88	3,696,686	0.64
(60.00 to 70.00]	29	0.95	3,907,385	0.68
(70.00 to 80.00]	153	5.00	33,189,379	5.79
(80.00 to 90.00]	1,354	44.26	280,439,266	48.91
(90.00 to 100.00]	1,078	35.24	213,025,174	37.15
Total	3,059	100.00	573,430,921	100.00
Weighted average	84.33			
Maximum	99.14			
Minimum	20.43			

Table 4: Distribution of Mortgage Loans by Current Balance

Current Balance (£)	No. of Mortgage Loans	% of Mortgage Loans	Balance (£)	% of Balance
25,000]	0	0.00	0	0.00
(25,000 to 50,000]	40	1.31	1,617,142	0.28
(50,000 to 100,000]	500	16.35	40,499,851	7.06
(100,000 to 150,000]	823	26.90	102,435,720	17.86
(150,000 to 200,000]	661	21.61	114,182,640	19.91
(200,000 to 250,000]	424	13.86	95,140,312	16.59
(250,000 to 500,000]	537	17.55	172,891,896	30.15
(500,000 to 750,000]	63	2.06	37,403,394	6.52
(750,000 to 1,000,000]	11	0.36	9,259,965	1.61
(100,0000	0	0.00	0	0.00
Total	3,059	100.00	573,430,921	100.00
Average	187,457			
Maximum	970,639			
Minimum	27,976			

Table 5: Distribution of Mortgage Loans with Primary Borrower's CCJ History as at Mortgage Loan Origination (by Original LTV%)

CCJs by Original LTV	No. of Mortgage Loans	% of Mortgage Loans	No. of Mortgage Loans CCJ=0	% of Mortgage Loans CCJ=0% of Total	No. of Mortgage Loans CCJ=1	% of Mortgage Loans CCJ=1% of Total	No. of Mortgage Loans CCJ>1	% of Mortgage Loans CCJ>1% of Total
(0.00 to 10.00]	0	0.00	0	0.00	0	0.00	0	0.00
(10.00 to 20.00]	0	0.00	0	0.00	0	0.00	0	0.00
(20.00 to 30.00]	142	4.64	136	4.45	5	0.16	1	0.03
(30.00 to 40.00]	134	4.38	117	3.82	14	0.46	3	0.10
(40.00 to 50.00]	135	4.41	123	4.02	12	0.39	0	0.00
(50.00 to 60.00]	30	0.98	28	0.92	1	0.03	1	0.03
(60.00 to 70.00]	20	0.65	14	0.46	3	0.10	3	0.10
(70.00 to 80.00]	16	0.52	14	0.46	2	0.07	0	0.00
(80.00 to 90.00]	2,141	69.99	1722	56.29	314	10.26	105	3.43
(90.00 to 100.00]	441	14.42	439	14.35	1	0.03	1	0.03
Total	3,059	100.00	2,593	84.77	352	11.51	114	3.73
Weighted average	85.71							
Maximum	95.00							
Minimum	21.14							

Table 6: Distribution of Mortgage Loans by Remaining Term to Maturity

Remaining Term to Maturity (Years)	No. of Mortgage Loans	% of Mortgage Loans	Balance (£)	% of Balance
(0.00 to 5.00]	0	0.00	0	0.00
(5.00 to 10.00]	10	0.33	1,167,848	0.20
(10.00 to 15.00]	46	1.50	7,391,279	1.29
(15.00 to 20.00]	178	5.82	32,008,829	5.58
(20.00 to 25.00]	443	14.48	85,722,114	14.95
(25.00 to 30.00]	706	23.08	136,323,942	23.77
(30.00 to 35.00]	1,254	40.99	229,730,342	40.06
(35.00 to 40.00]	422	13.80	81,086,567	14.14
Total	3,059	100.00	573,430,921	100.00
Weighted average	29.93			
Maximum	39.50			
Minimum	7.58			

Table 7: Distribution of Mortgage Loans by Seasoning

Seasoning (Months)	No. of Mortgage Loans	% of Mortgage Loans	Balance (£)	% of Balance
(0.00 to 12.00]	903	29.52	174,522,016	30.43
(12.00 to 24.00]	2,151	70.32	397,851,656	69.38
(24.00 to 36.00]	0	0.00	0	0.00
(36.00 to 48.00]	5	0.16	1,057,248	0.18
(48.00 to 60.00]	0	0.00	0	0.00
(60.00 to 72.00]	0	0.00	0	0.00
(72.00 to 84.00]	0	0.00	0	0.00
Total	3,059	100.00	573,430,921	100.00
Weighted average	14.92			
Maximum	47.80			
Minimum	6.01			

Table 8: Repayment Method

Repayment Method	No. of Mortgage Loans	% of Mortgage Loans	Balance (£)	% of Balance
Repayment	3,044	99.51	564,404,954	98.43
Interest Only	0	0.00	0	0.00
Part & Part	15	0.49	9,025,967	1.57
Total	3,059	100.00	573,430,921	100.00

Table 9: Distribution of Mortgage Loans by Rate Type

Rate Type	No. of Mortgage Loans	% of Mortgage Loans	Balance (£)	% of Balance
Fixed to Floating	3,058	99.97	572,610,142	99.86
Floating	1	0.03	820,779	0.14
Total	3,059	100.00	573,430,921	100.00

Table 10: Distribution of Mortgage Loans by Interest Product Type

Interest Product Type	No. of Mortgage Loans	% of Mortgage Loans	Balance (£)	% of Balance
Kensington Standard Rate	3,059	100.00	573,430,921	100.00
Total	3,059	100.00	573,430,921	100.00

Table 11: Distribution of Mortgage Loans by Fixed Rate Reversion Year

Reversion Year	No. of Mortgage Loans	% of Mortgage Loans	Balance (£)	% of Balance
2023	420	13.73	81,800,846	14.27
2024	1,864	60.93	342,712,349	59.77
2025	95	3.11	16,953,170	2.96
2026	84	2.75	18,153,361	3.17
2027	552	18.05	105,523,049	18.40
2028	44	1.44	8,288,145	1.45
Total	3,059	100.00	573,430,921	100.00

Table 12: Distribution of Mortgage Loans by Interest Rate (%)

Interest Rate (%)	No. of Mortgage Loans	% of Mortgage Loans	Balance (£)	% of Balance
(3.50 to 4.00]	103	3.37	29,513,800	5.15
(4.00 to 4.50]	362	11.83	56,383,939	9.83
(4.50 to 5.00]	521	17.03	112,428,868	19.61
(5.00 to 5.50]	1,123	36.71	206,190,745	35.96
(5.50 to 6.00]	570	18.63	101,804,219	17.75
(6.00 to 6.50]	165	5.39	30,789,177	5.37
(6.50 to 7.00]	137	4.48	22,702,409	3.96
(7.00 to 7.50]	27	0.88	4,698,067	0.82
(7.50 to 8.00]	14	0.46	2,270,683	0.40
(8.00 to 8.50]	5	0.16	693,013	0.12
(8.50 to 9.00]	19	0.62	3,283,025	0.57
(9.00 to 9.50]	12	0.39	2,578,754	0.45
(9.50 to 10.00]	1	0.03	94,221	0.02
Total	3,059	100.00	573,430,921	100.00
Weighted average	5.26			
Maximum	9.89			
Minimum	3.79			

Table 13: Distribution of Mortgage Loans by Stabilised Margin (%)

Stabilised Margin (%)	No. of Mortgage Loans	% of Mortgage Loans	Balance (£)	% of Balance
(2.00 to 2.50]	0	0.00	0	0.00
(2.50 to 3.00]	0	0.00	0	0.00
(3.00 to 3.50]	0	0.00	0	0.00
(3.50 to 4.00]	6	0.20	1,710,167	0.30
(4.00 to 4.50]	2,300	75.19	428,093,063	74.65
(4.50 to 5.00]	753	24.62	143,627,690	25.05
(5.00 to 5.50]	0	0.00	0	0.00
Total	3,059	100.00	573,430,921	100.00
Weighted average	4.49			
Maximum	4.90			
Minimum	4.00			

Table 14: Distribution of Mortgage Loans by Arrears (Months)

Arrears	No. of Mortgage Loans	% of Mortgage Loans	Balance (£)	% of Balance
0.00]	3,033	99.15	568,723,565	99.18
(0.00 to 1.00]	10	0.33	1,903,854	0.33
(1.00 to 3.00]	16	0.52	2,803,502	0.49
(3.00 to 10.00]	0	0.00	0	0.00
(10.00	0	0.00	0	0.00
Total	3,059	100.00	573,430,921	100.00
Weighted average	0.01			
Maximum	3.00			
Minimum	0.00			

Table 15: Distribution of Mortgage Loans by Original Tenure of Loan to Value

Tenure by Original LTV %	No. of Mortgage Loans	% of Mortgage Loans	No. of Mortgage Loans Freehold	No. of Mortgage Loans (Freehold) % of Total	No. of Mortgage Loans Leasehold	No. of Mortgage Loans (Leasehold) % of Total	No. of Mortgage Loans Heritable	No. of Heritable Mortgage Loans % of Total
0.01 to 10.00	0	0.00	0	0.00	0	0.00	0	0.00
10.01 to 20.00	0	0.00	0	0.00	0	0.00	0	0.00
20.01 to 30.00	142	4.64	0	0.00	142	4.64	0	0.00
30.01 to 40.00	134	4.38	1	0.03	133	4.35	0	0.00
40.01 to 50.00	135	4.41	0	0.00	135	4.41	0	0.00
50.01 to 60.00	30	0.98	0	0.00	30	0.98	0	0.00
60.01 to 70.00	20	0.65	1	0.03	19	0.62	0	0.00
70.01 to 80.00	16	0.52	1	0.03	15	0.49	0	0.00
80.01 to 90.00	2,141	69.99	1,637	53.51	292	9.55	212	6.93
90.01 to 100.00	441	14.42	325	10.62	59	1.93	57	1.86
Total	3,059	100.00	1,965	64.24	825	26.97	269	8.79
Weighted average	85.71							
Maximum	95.00							
Minimum	21.14							

Table 16: Distribution of Mortgage Loans by Loan Purpose

Mortgage Loan Purpose	No. of Mortgage Loans	% of Mortgage Loans	Balance (£)	% of Balance
Purchase	2,893	94.57	540,095,721	94.19
Re-mortgage	55	1.80	12,730,148	2.22
Debt Consolidation	111	3.63	20,605,052	3.59
Total	3,059	100.00	573,430,921	100.00

Table 17: Distribution of Mortgage Loans by Mortgaged Property Type

Mortgaged Property Type	No. of Mortgage Loans	% of Mortgage Loans	Balance (£)	% of Balance
House, Detached or Semi-detached	1,517	49.59	319,859,239	55.78
Terraced House	1,106	36.16	177,182,164	30.90
Flat/Apartment	364	11.90	59,682,547	10.41
Bungalow	72	2.35	16,706,971	2.91
Total	3,059	100.00	573,430,921	100.00

Table 18: Distribution of Mortgage Loans by Region

Regions	No. of Mortgage Loans	% of Mortgage Loans	Balance (£)	% of Balance
London	153	5.00	43,981,125	7.67
South East	314	10.26	82,826,224	14.44
East of England	232	7.58	55,958,182	9.76
North West	545	17.82	82,167,516	14.33
West Midlands	287	9.38	55,886,951	9.75
East Midlands	253	8.27	48,330,625	8.43
Yorkshire and the Humber	383	12.52	56,615,164	9.87
South West	198	6.47	41,103,309	7.17
Wales	199	6.51	31,486,654	5.49
North East	224	7.32	31,270,861	5.45
Scotland	271	8.86	43,804,311	7.64
Northern Ireland	0	0.00	0	0.00
Total	3,059	100.00	573,430,921	100.00

Table 19: Distribution of Mortgage Loans by Occupancy Type

Ownership Type	No. of Mortgage Loans	% of Mortgage Loans	Balance (£)	% of Balance
Owner-occupied	3,059	100.00	573,430,921	100.00
Non-owner-occupied/buy-to-let	0	0.00	0	0.00
Total	3,059	100.00	573,430,921	100.00

Table 20: Shared Ownership

Shared Ownership	No. of Mortgage Loans	% of Mortgage Loans	Balance (£)	% of Balance
Shared Ownership	476	15.56	46,790,983	8.16
Not Shared Ownership	2,583	84.44	526,639,938	91.84
Total	3,059	100.00	573,430,921	100.00

HISTORICAL PERFORMANCE

Wider Portfolio

Kensington Mortgage Company Limited, as originator has provided the following information regarding the historical performance of approximately 37,378 first charge owner-occupied mortgage loans, originated by the originator (the "**Wider Portfolio**") between 30 September 2018 and 31 August 2023 (the "**Historical Data Extract Period**").

The information consists of CPR, Loss Severity and Months in Arrears and no assurance can be made as to the performance of a particular pool of loans, whether similar to the information shown below for loans originated during any particular period or otherwise.

CPR

The table below sets out on a monthly basis the annualised constant prepayment rate ("**CPR**") for the Wider Portfolio during the relevant Historical Data Extract Period. This calculation excludes any redemptions in the year of origination. CPR means the annualised ratio of the balance of loans that fully redeem in the relevant month or relative to the opening balance of all loans in the relevant month. For the avoidance of doubt CPR includes only voluntary or term redemptions and excludes redemptions related to sales of repossessed properties and partial repayments.

Date	Outstanding Balance	Total Prepayments	Total Prepayments (%)	Annualised Prepayments (%)
30/09/2018	1,868,093,894	42,457,352	2.27%	24.11%
31/10/2018	1,918,275,798	40,346,407	2.10%	22.51%
30/11/2018	1,962,634,823	46,247,670	2.36%	24.89%
31/12/2018	2,009,534,662	33,034,337	1.64%	18.04%
31/01/2019	2,044,740,776	34,150,316	1.67%	18.30%
28/02/2019	2,081,479,575	33,481,073	1.61%	17.68%
31/03/2019	2,101,468,073	36,813,289	1.75%	19.11%
30/04/2019	2,125,857,044	36,613,440	1.72%	18.82%
31/05/2019	2,155,052,504	31,793,056	1.48%	16.34%
30/06/2019	2,185,524,794	31,259,587	1.43%	15.88%
31/07/2019	2,211,175,984	46,169,438	2.09%	22.37%
31/08/2019	2,247,524,346	39,934,617	1.78%	19.36%
30/09/2019	2,280,020,851	46,752,621	2.05%	22.01%
31/10/2019	2,334,797,285	43,105,199	1.85%	20.04%
30/11/2019	2,377,232,820	47,418,883	1.99%	21.48%
31/12/2019	2,423,771,984	49,872,106	2.06%	22.08%
31/01/2020	2,452,786,466	45,390,896	1.85%	20.08%
29/02/2020	2,489,397,083	44,229,349	1.78%	19.36%
31/03/2020	2,522,158,125	48,658,905	1.93%	20.85%
30/04/2020	2,537,494,362	31,982,048	1.26%	14.12%
31/05/2020	2,540,648,021	36,044,285	1.42%	15.76%
30/06/2020	2,533,034,076	42,515,740	1.68%	18.38%
31/07/2020	2,523,618,398	46,407,559	1.84%	19.97%
31/08/2020	2,511,340,519	42,497,420	1.69%	18.52%
30/09/2020	2,504,350,642	44,834,483	1.79%	19.49%
31/10/2020	2,490,984,332	53,467,350	2.15%	22.92%
30/11/2020	2,479,717,481	45,362,442	1.83%	19.87%
31/12/2020	2,489,122,925	48,400,166	1.94%	20.99%
31/01/2021	2,501,250,275	40,479,040	1.62%	17.78%
28/02/2021	2,532,704,731	43,544,841	1.72%	18.79%
31/03/2021	2,577,491,153	60,871,921	2.36%	24.93%
30/04/2021	2,603,528,940	49,556,272	1.90%	20.60%

Date	Outstanding Balance	Total Prepayments	Total Prepayments (%)	Annualised Prepayments (%)
31/05/2021	2,613,480,260	42,351,649	1.62%	17.80%
30/06/2021	2,689,889,132	55,741,782	2.07%	22.22%
31/07/2021	2,699,139,784	44,636,717	1.65%	18.14%
31/08/2021	2,724,956,647	48,969,554	1.80%	19.56%
30/09/2021	2,806,093,951	56,425,780	2.01%	21.63%
31/10/2021	2,843,745,145	50,341,840	1.77%	19.29%
30/11/2021	2,876,227,105	65,258,919	2.27%	24.07%
31/12/2021	2,932,531,545	54,814,370	1.87%	20.26%
31/01/2022	2,959,480,878	57,336,115	1.94%	20.92%
28/02/2022	2,991,215,270	65,093,615	2.18%	23.20%
31/03/2022	3,041,495,550	70,247,911	2.31%	24.45%
30/04/2022	3,078,668,332	54,995,688	1.79%	19.45%
31/05/2022	3,125,368,720	56,061,385	1.79%	19.52%
30/06/2022	3,175,429,506	46,972,518	1.48%	16.38%
31/07/2022	3,214,002,837	56,371,298	1.75%	19.13%
31/08/2022	3,260,697,076	50,692,382	1.55%	17.14%
30/09/2022	3,321,182,866	38,651,814	1.16%	13.11%
31/10/2022	3,376,353,471	46,935,118	1.39%	15.46%
30/11/2022	3,428,464,287	45,925,232	1.34%	14.94%
31/12/2022	3,460,375,545	43,584,263	1.26%	14.11%
31/01/2023	3,460,614,459	41,067,308	1.19%	13.35%
28/02/2023	3,454,186,140	39,865,619	1.15%	13.00%
31/03/2023	3,432,357,234	58,943,015	1.72%	18.77%
30/04/2023	3,391,096,599	62,614,444	1.85%	20.04%
31/05/2023	3,376,321,983	56,843,463	1.68%	18.43%
30/06/2023	3,389,114,990	46,636,848	1.38%	15.32%
31/07/2023	3,372,459,328	78,304,051	2.32%	24.57%
31/08/2023	3,388,365,438	48,095,849	1.42%	15.76%

Loss Severity

The table below sets out the monthly annualised loss severity ("**Loss Severity**") for the Wider Portfolio during the relevant Historical Data Extract Period. Loss severity is calculated, for any mortgage loan relating to a repossessed property, as the ratio of losses (including losses of accrued interest, principal and other amounts) in the relevant month to the balance of the loan after repossession and prior to sale.

Date	Weighted Average Loss Severity (%)	Number of Sales
30/09/2018	-	-
31/10/2018	-	-
30/11/2018	-	-
31/12/2018	-	-
31/01/2019	-	-
28/02/2019	-	-
31/03/2019	-	-
30/04/2019	-	-
31/05/2019	-	-
30/06/2019	-	-
31/07/2019	23.17%	1
31/08/2019	-	-
30/09/2019	-	-
31/10/2019	-	-
30/11/2019	-	-
31/12/2019	-	-
31/01/2020	-	-
29/02/2020	0.00%	1

Date	Weighted Average Loss Severity (%)	Number of Sales
31/03/2020	-	-
30/04/2020	-	-
31/05/2020	-	-
30/06/2020	-	-
31/07/2020	-	-
31/08/2020	-	-
30/09/2020	23.06%	1
31/10/2020	-	-
30/11/2020	0.00%	1
31/12/2020	-	-
31/01/2021	-	-
28/02/2021	-	-
31/03/2021	-	-
30/04/2021	-	-
31/05/2021	-	-
30/06/2021	-	-
31/07/2021	-	-
31/08/2021	-	-
30/09/2021	-	-
31/10/2021	-	-
30/11/2021	-	-
31/12/2021	-	-
31/01/2022	-	-
28/02/2022	-	-
31/03/2022	-	-
30/04/2022	-	-
31/05/2022	0.00%	1
30/06/2022	-	-
31/07/2022	-	-
31/08/2022	-	-
30/09/2022	-	-
31/10/2022	-	-
30/11/2022	5.63%	1
31/12/2022	0.00%	2
31/01/2023	-	-
28/02/2023	-	-
31/03/2023	-	-
30/04/2023	-	-
31/05/2023	-	-
30/06/2023	0.00%	1
31/07/2023	-	-
31/08/2023	-	-

Months in Arrears

The table below sets out, on a monthly basis, the ratio of the balance of all loans in the Wider Portfolio with an arrears multiple greater than one, over the total balance of all loans in the given month. Arrears multiple means, in respect of a mortgage loan, the ratio calculated by dividing the balance in arrears in respect of such mortgage loan by the contractual monthly instalment in respect of such mortgage loan in the relevant month. Data for the arrears bucket should be read as greater than or equal to the lower end of the range and less than the upper end of the range.

Date	Outstanding balance in arrears					Percentage of total outstanding balance in arrears							
	Outstanding balance	<1.00 MIA	1.00 to <2.00 MIA	2.00 to <3.00 MIA	3.00 to <4.00 MIA	4.00+ MIA	TOTAL 1.00+ MIA	<1.00 MIA	1.00 to <2.00 MIA	2.00 to <3.00 MIA	3.00 to <4.00 MIA	4.00+ MIA	TOTAL 1.00+ MIA
30/09/2018	1,868,093,894	1,838,948,700	9,292,542	4,375,831	4,435,786	11,041,035	29,145,194	98.44%	0.50%	0.23%	0.24%	0.59%	1.56%
31/10/2018	1,918,275,798	1,890,679,301	7,328,010	4,360,658	3,495,171	12,412,660	27,596,498	98.56%	0.38%	0.23%	0.18%	0.65%	1.44%
30/11/2018	1,962,634,823	1,933,612,601	10,195,907	3,722,572	3,078,746	12,024,997	29,022,222	98.52%	0.52%	0.19%	0.16%	0.61%	1.48%
31/12/2018	2,009,534,662	1,978,250,352	10,796,355	5,072,516	3,884,049	11,531,389	31,284,310	98.44%	0.54%	0.25%	0.19%	0.57%	1.56%
31/01/2019	2,044,740,776	2,012,143,667	9,696,616	5,778,846	5,391,641	11,730,005	32,597,109	98.41%	0.47%	0.28%	0.26%	0.57%	1.59%
28/02/2019	2,081,479,575	2,047,275,848	8,427,656	6,750,689	5,895,643	13,129,738	34,203,727	98.36%	0.40%	0.32%	0.28%	0.63%	1.64%
31/03/2019	2,101,468,073	2,066,436,605	8,943,301	5,779,573	5,746,472	14,562,123	35,031,468	98.33%	0.43%	0.28%	0.27%	0.69%	1.67%
30/04/2019	2,125,857,044	2,092,354,419	6,640,558	5,896,881	5,178,407	15,786,779	33,502,625	98.42%	0.31%	0.28%	0.24%	0.74%	1.58%
31/05/2019	2,155,052,504	2,118,628,573	10,292,407	5,390,719	5,080,641	15,660,164	36,423,931	98.31%	0.48%	0.25%	0.24%	0.73%	1.69%
30/06/2019	2,185,524,794	2,145,795,649	11,185,041	7,504,592	4,555,424	16,484,089	39,729,145	98.18%	0.51%	0.34%	0.21%	0.75%	1.82%
31/07/2019	2,211,175,984	2,172,068,844	8,894,025	8,299,993	6,415,832	15,497,290	39,107,140	98.23%	0.40%	0.38%	0.29%	0.70%	1.77%
31/08/2019	2,247,524,346	2,206,960,162	9,843,894	6,935,900	6,935,284	16,849,107	40,564,184	98.20%	0.44%	0.31%	0.31%	0.75%	1.80%
30/09/2019	2,280,020,851	2,236,061,318	13,020,949	7,256,116	4,324,778	19,357,691	43,959,533	98.07%	0.57%	0.32%	0.19%	0.85%	1.93%
31/10/2019	2,334,797,285	2,287,981,729	14,909,655	8,308,835	4,797,631	18,799,435	46,815,557	97.99%	0.64%	0.36%	0.21%	0.81%	2.01%
30/11/2019	2,377,232,820	2,331,381,809	13,182,582	9,304,180	4,707,045	18,657,204	45,851,011	98.07%	0.55%	0.39%	0.20%	0.78%	1.93%
31/12/2019	2,423,771,984	2,374,195,206	15,340,463	10,062,654	5,783,593	18,390,068	49,576,778	97.95%	0.63%	0.42%	0.24%	0.76%	2.05%
31/01/2020	2,452,786,466	2,400,069,959	15,083,163	11,241,669	5,891,640	20,500,035	52,716,507	97.85%	0.61%	0.46%	0.24%	0.84%	2.15%
29/02/2020	2,489,397,083	2,434,113,718	14,737,160	13,018,267	6,287,341	21,240,597	55,283,365	97.78%	0.59%	0.52%	0.25%	0.85%	2.22%
31/03/2020	2,522,158,125	2,462,348,711	16,675,925	13,767,537	7,128,282	22,237,671	59,809,415	97.63%	0.66%	0.55%	0.28%	0.88%	2.37%
30/04/2020	2,537,494,362	2,466,133,762	23,782,276	11,435,702	10,375,696	25,766,925	71,360,600	97.19%	0.94%	0.45%	0.41%	1.02%	2.81%
31/05/2020	2,540,648,021	2,465,515,662	28,465,776	9,769,511	9,825,625	27,071,447	75,132,359	97.04%	1.12%	0.38%	0.39%	1.07%	2.96%
30/06/2020	2,533,034,076	2,461,381,063	20,813,422	13,002,534	10,334,830	27,502,227	71,653,013	97.17%	0.82%	0.51%	0.41%	1.09%	2.83%
31/07/2020	2,523,618,398	2,457,311,003	17,255,681	10,974,167	9,660,112	28,417,435	66,307,395	97.37%	0.68%	0.43%	0.38%	1.13%	2.63%
31/08/2020	2,511,340,519	2,447,234,760	16,698,921	9,764,083	9,359,363	28,283,392	64,105,759	97.45%	0.66%	0.39%	0.37%	1.13%	2.55%
30/09/2020	2,504,350,642	2,443,695,268	13,148,399	10,507,230	8,206,391	28,793,355	60,655,374	97.58%	0.53%	0.42%	0.33%	1.15%	2.42%
31/10/2020	2,490,984,332	2,426,861,120	17,661,149	8,988,975	7,837,775	29,635,313	64,123,212	97.43%	0.71%	0.36%	0.31%	1.19%	2.57%
30/11/2020	2,479,717,481	2,407,675,738	23,812,820	11,452,800	6,418,797	30,357,327	72,041,743	97.09%	0.96%	0.46%	0.26%	1.22%	2.91%
31/12/2020	2,489,122,925	2,413,448,527	20,481,390	15,740,845	8,732,689	30,719,474	75,674,398	96.96%	0.82%	0.63%	0.35%	1.23%	3.04%
31/01/2021	2,501,250,275	2,417,691,086	20,004,679	16,450,601	12,905,720	34,198,188	83,559,189	96.66%	0.80%	0.66%	0.52%	1.37%	3.34%
28/02/2021	2,532,704,731	2,443,553,229	20,402,762	16,977,826	11,671,043	40,099,871	89,151,502	96.48%	0.81%	0.67%	0.46%	1.58%	3.52%
31/03/2021	2,577,491,153	2,487,763,631	21,402,440	13,059,504	10,804,128	44,461,450	89,727,522	96.52%	0.83%	0.51%	0.42%	1.72%	3.48%
30/04/2021	2,603,528,940	2,509,927,269	19,915,938	14,412,029	11,967,920	47,305,784	93,601,671	96.40%	0.76%	0.55%	0.46%	1.82%	3.60%
31/05/2021	2,613,480,260	2,519,486,915	18,992,534	14,056,991	12,416,511	48,527,310	93,993,346	96.40%	0.73%	0.54%	0.48%	1.86%	3.60%
30/06/2021	2,689,889,132	2,597,379,932	18,587,286	14,240,496	10,551,229	49,130,189	92,509,200	96.56%	0.69%	0.53%	0.39%	1.83%	3.44%

Date	Outstanding balance in arrears					Percentage of total outstanding balance in arrears							
	Outstanding balance	<1.00 MIA	1.00 to <2.00 MIA	2.00 to <3.00 MIA	3.00 to <4.00 MIA	4.00+ MIA	TOTAL 1.00+ MIA	<1.00 MIA	1.00 to <2.00 MIA	2.00 to <3.00 MIA	3.00 to <4.00 MIA	4.00+ MIA	TOTAL 1.00+ MIA
31/07/2021	2,699,139,784	2,607,842,699	13,634,567	14,120,030	12,659,890	50,882,598	91,297,085	96.62%	0.51%	0.52%	0.47%	1.89%	3.38%
31/08/2021	2,724,956,647	2,629,398,531	15,815,835	13,650,209	13,056,694	53,035,378	95,558,116	96.49%	0.58%	0.50%	0.48%	1.95%	3.51%
30/09/2021	2,806,093,951	2,709,286,375	16,496,967	14,064,877	10,537,018	55,708,714	96,807,576	96.55%	0.59%	0.50%	0.38%	1.99%	3.45%
31/10/2021	2,843,745,145	2,743,596,578	17,818,382	13,097,923	12,562,042	56,670,220	100,148,567	96.48%	0.63%	0.46%	0.44%	1.99%	3.52%
30/11/2021	2,876,227,105	2,776,890,463	16,495,178	13,004,414	10,324,060	59,512,990	99,336,642	96.55%	0.57%	0.45%	0.36%	2.07%	3.45%
31/12/2021	2,932,531,545	2,829,295,793	16,914,894	13,614,489	10,219,034	62,487,335	103,235,751	96.48%	0.58%	0.46%	0.35%	2.13%	3.52%
31/01/2022	2,959,480,878	2,852,578,034	19,282,117	11,839,656	11,447,331	64,333,742	106,902,844	96.39%	0.65%	0.40%	0.39%	2.17%	3.61%
28/02/2022	2,991,215,270	2,883,515,621	19,074,797	12,526,848	10,226,909	65,871,095	107,699,649	96.40%	0.64%	0.42%	0.34%	2.20%	3.60%
31/03/2022	3,041,495,550	2,934,346,037	18,167,902	12,571,796	8,661,925	67,747,890	107,149,513	96.48%	0.60%	0.41%	0.28%	2.23%	3.52%
30/04/2022	3,078,668,332	2,972,171,371	17,443,758	11,288,785	9,795,730	67,968,687	106,496,960	96.54%	0.57%	0.37%	0.32%	2.21%	3.46%
31/05/2022	3,125,368,720	3,019,343,910	15,991,932	12,481,934	9,171,842	68,379,102	106,024,810	96.61%	0.51%	0.40%	0.29%	2.19%	3.39%
30/06/2022	3,175,429,506	3,066,262,260	17,827,400	11,806,486	10,630,734	68,902,625	109,167,246	96.56%	0.56%	0.37%	0.33%	2.17%	3.44%
31/07/2022	3,214,002,837	3,101,681,766	18,796,558	14,101,770	8,654,713	70,768,029	112,321,070	96.51%	0.58%	0.44%	0.27%	2.20%	3.49%
31/08/2022	3,260,697,076	3,145,160,666	18,491,368	14,729,813	10,894,038	71,421,191	115,536,411	96.46%	0.57%	0.45%	0.33%	2.19%	3.54%
30/09/2022	3,321,182,866	3,201,522,041	22,555,437	14,994,398	10,407,337	71,703,652	119,660,825	96.40%	0.68%	0.45%	0.31%	2.16%	3.60%
31/10/2022	3,376,353,471	3,252,198,491	24,746,798	14,862,202	11,965,157	72,580,822	124,154,980	96.32%	0.73%	0.44%	0.35%	2.15%	3.68%
30/11/2022	3,428,464,287	3,299,286,017	25,584,155	20,786,403	9,522,407	73,285,305	129,178,271	96.23%	0.75%	0.61%	0.28%	2.14%	3.77%
31/12/2022	3,460,375,545	3,327,580,129	21,793,033	20,878,791	14,948,809	75,174,782	132,795,415	96.16%	0.63%	0.60%	0.43%	2.17%	3.84%
31/01/2023	3,460,614,459	3,323,606,212	22,570,600	21,596,291	12,533,633	80,307,723	137,008,247	96.04%	0.65%	0.62%	0.36%	2.32%	3.96%
28/02/2023	3,454,186,140	3,315,525,696	27,118,077	16,083,768	15,800,656	79,657,942	138,660,443	95.99%	0.79%	0.47%	0.46%	2.31%	4.01%
31/03/2023	3,432,357,234	3,294,013,015	22,127,849	18,231,900	15,474,568	82,509,901	138,344,218	95.97%	0.64%	0.53%	0.45%	2.40%	4.03%
30/04/2023	3,391,096,599	3,245,774,593	25,924,146	18,373,461	15,616,014	85,408,386	145,322,007	95.71%	0.76%	0.54%	0.46%	2.52%	4.29%
31/05/2023	3,376,321,983	3,224,801,452	29,324,380	19,563,111	15,566,909	87,066,132	151,520,531	95.51%	0.87%	0.58%	0.46%	2.58%	4.49%
30/06/2023	3,389,114,990	3,233,331,517	28,835,289	21,666,374	14,168,533	91,113,277	155,783,473	95.40%	0.85%	0.64%	0.42%	2.69%	4.60%
31/07/2023	3,372,459,328	3,211,221,265	28,857,832	22,148,035	15,942,911	94,289,285	161,238,063	95.22%	0.86%	0.66%	0.47%	2.80%	4.78%
31/08/2023	3,388,365,438	3,217,833,557	31,457,974	20,057,260	19,402,468	99,614,180	170,531,881	94.97%	0.93%	0.59%	0.57%	2.94%	5.03%

High LTV Wider Portfolio

Kensington Mortgage Company Limited, as originator has provided the following information regarding the historical performance of approximately 9,845 first charge owner-occupied mortgage loans having a loan-to-value ratio of higher than 85 per cent., originated by the originator and subsequently securitised (the "High LTV Wider Portfolio") for the Historical Data Extract Period.

The information consists of CPR, Loss Severity and Months in Arrears and no assurance can be made as to the performance of a particular pool of loans, whether similar to the information shown below for loans originated during any particular period or otherwise.

CPR

The table below sets out on a monthly basis the CPR for the High LTV Wider Portfolio during the relevant Historical Data Extract Period. This calculation excludes any redemptions in the year of origination. CPR means the annualised ratio of the balance of loans that fully redeem in the relevant month or relative to the opening balance of all

loans in the relevant month. For the avoidance of doubt CPR includes only voluntary or term redemptions and excludes redemptions related to sales of repossessed properties and partial repayments.

Date	Outstanding Balance	Total Prepayments	Total Prepayments (%)	Annualised Prepayments (%)
30/09/2018	469,795,500	6,363,177.32	1.35%	15.10%
31/10/2018	487,203,695	8,427,306.09	1.73%	18.89%
30/11/2018	511,190,379	8,045,099.99	1.57%	17.33%
31/12/2018	536,840,427	6,560,688.76	1.22%	13.72%
31/01/2019	555,822,858	8,439,885.26	1.52%	16.77%
28/02/2019	578,901,795	4,004,793.22	0.69%	7.99%
31/03/2019	592,646,819	7,049,456.66	1.19%	13.38%
30/04/2019	604,752,733	9,147,609.21	1.51%	16.71%
31/05/2019	620,459,631	7,407,765.89	1.19%	13.42%
30/06/2019	631,573,905	7,102,530.93	1.12%	12.69%
31/07/2019	640,837,286	14,395,587.91	2.25%	23.86%
31/08/2019	650,562,723	12,927,635.04	1.99%	21.40%
30/09/2019	658,821,857	12,969,905.33	1.97%	21.23%
31/10/2019	675,811,214	11,848,364.36	1.75%	19.12%
30/11/2019	693,652,933	14,949,660.79	2.16%	23.01%
31/12/2019	707,113,929	15,382,176.45	2.18%	23.20%
31/01/2020	719,972,741	14,249,053.25	1.98%	21.33%
29/02/2020	733,304,370	13,927,874.72	1.90%	20.56%
31/03/2020	745,397,812	13,566,270.75	1.82%	19.78%
30/04/2020	753,027,715	9,829,037.75	1.31%	14.59%
31/05/2020	757,770,495	10,598,766.53	1.40%	15.55%
30/06/2020	760,901,655	13,772,941.12	1.81%	19.68%
31/07/2020	753,204,141	15,799,292.53	2.10%	22.46%
31/08/2020	740,036,864	15,029,871.95	2.03%	21.83%
30/09/2020	725,504,065	14,368,382.46	1.98%	21.34%
31/10/2020	709,731,882	15,410,206.81	2.17%	23.16%
30/11/2020	696,319,553	13,648,011.49	1.96%	21.14%
31/12/2020	683,927,181	17,363,984.54	2.54%	26.55%
31/01/2021	674,224,953	13,709,831.90	2.03%	21.85%
28/02/2021	666,779,371	14,620,014.85	2.19%	23.36%
31/03/2021	654,983,953	20,977,087.88	3.20%	32.34%
30/04/2021	648,119,917	13,018,677.13	2.01%	21.61%
31/05/2021	638,951,514	14,269,203.94	2.23%	23.74%
30/06/2021	658,954,380	21,152,400.99	3.21%	32.40%

Date	Outstanding Balance	Total Prepayments	Total Prepayments (%)	Annualised Prepayments (%)
31/07/2021	660,142,410	16,576,748.15	2.51%	26.30%
31/08/2021	672,009,209	14,901,133.88	2.22%	23.59%
30/09/2021	711,827,737	17,513,338.91	2.46%	25.84%
31/10/2021	728,026,758	15,457,985.07	2.12%	22.70%
30/11/2021	749,974,466	19,942,689.95	2.66%	27.63%
31/12/2021	771,009,538	20,652,180.14	2.68%	27.81%
31/01/2022	785,380,821	17,748,149.52	2.26%	23.99%
28/02/2022	793,851,340	23,198,018.55	2.92%	29.95%
31/03/2022	807,117,347	25,486,500.75	3.16%	31.96%
30/04/2022	819,553,246	17,291,326.68	2.11%	22.58%
31/05/2022	839,214,848	16,486,609.87	1.96%	21.19%
30/06/2022	856,848,320	12,875,826.99	1.50%	16.61%
31/07/2022	880,057,066	17,964,283.97	2.04%	21.92%
31/08/2022	906,223,871	13,176,500.04	1.45%	16.12%
30/09/2022	932,063,970	11,274,986.41	1.21%	13.59%
31/10/2022	957,245,336	14,760,680.96	1.54%	17.01%
30/11/2022	980,472,242	8,718,820.63	0.89%	10.16%
31/12/2022	1,000,661,272	5,003,639.76	0.50%	5.84%
31/01/2023	1,004,807,376	7,875,706.78	0.78%	9.01%
28/02/2023	1,007,099,687	5,268,718.53	0.52%	6.10%
31/03/2023	1,006,346,096	11,068,852.16	1.10%	12.43%
30/04/2023	1,001,671,452	10,278,109.47	1.03%	11.64%
31/05/2023	1,003,900,066	8,875,684.36	0.88%	10.11%
30/06/2023	1,016,165,623	7,978,282.74	0.79%	9.03%
31/07/2023	1,016,871,065	22,341,427.36	2.20%	23.40%
31/08/2023	1,031,338,420	16,093,259.47	1.56%	17.20%

Loss Severity

The table below sets out the Loss Severity for the High LTV Wider Portfolio during the relevant Historical Data Extract Period. Loss severity is calculated, for any mortgage loan relating to a repossessed property, as the ratio of losses (including losses of accrued interest, principal and other amounts) in the relevant month to the balance of the loan after repossession and prior to sale.

Date	Weighted Average Loss Severity (%)	Number of Sales
30/09/2018	-	-

Date	Weighted Average Loss Severity (%)	Number of Sales
31/10/2018	-	-
30/11/2018	-	-
31/12/2018	-	-
31/01/2019	-	-
28/02/2019	-	-
31/03/2019	-	-
30/04/2019	-	-
31/05/2019	-	-
30/06/2019	-	-
31/07/2019	-	-
31/08/2019	-	-
30/09/2019	-	-
31/10/2019	-	-
30/11/2019	-	-
31/12/2019	-	-
31/01/2020	-	-
29/02/2020	-	-
31/03/2020	-	-
30/04/2020	-	-
31/05/2020	-	-
30/06/2020	-	-
31/07/2020	-	-
31/08/2020	-	-
30/09/2020	-	-
31/10/2020	-	-
30/11/2020	-	-
31/12/2020	-	-
31/01/2021	-	-
28/02/2021	-	-
31/03/2021	-	-
30/04/2021	-	-
31/05/2021	-	-
30/06/2021	-	-
31/07/2021	-	-
31/08/2021	-	-
30/09/2021	-	-
31/10/2021	-	-

Date	Weighted Average Loss Severity (%)	Number of Sales
30/11/2021	-	-
31/12/2021	-	-
31/01/2022	-	-
28/02/2022	-	-
31/03/2022	-	-
30/04/2022	-	-
31/05/2022	-	-
30/06/2022	-	-
31/07/2022	-	-
31/08/2022	-	-
30/09/2022	-	-
31/10/2022	-	-
30/11/2022	5.63%	1
31/12/2022	-	-
31/01/2023	-	-
28/02/2023	-	-
31/03/2023	-	-
30/04/2023	-	-
31/05/2023	-	-
30/06/2023	-	-
31/07/2023	-	-
31/08/2023	-	-

Months in Arrears

The table below sets out, on a monthly basis, the ratio of the balance of all loans in the High LTV Wider Portfolio with an arrears multiple greater than one, over the total balance of all loans in the given month. Arrears multiple means, in respect of a mortgage loan, the ratio calculated by dividing the balance in arrears in respect of such mortgage loan by the contractual monthly instalment in respect of such mortgage loan in the relevant month. Data for the arrears bucket should be read as greater than or equal to the lower end of the range and less than the upper end of the range.

	Outstanding balance in arrears					Percentage of total outstanding balance in arrears							
	Outstanding balance	<1.00 MIA	1.00 to <2.00 MIA	2.00 to <3.00 MIA	3.00 to <4.00 MIA	4.00+ MIA	TOTAL 1.00+ MIA	<1.00 MIA	1.00 to <2.00 MIA	2.00 to <3.00 MIA	3.00 to <4.00 MIA	4.00+ MIA	TOTAL 1.00+ MIA
30/09/2018	469,795,500	462,184,286	2,559,497	1,104,721	276,293	3,670,701	7,611,214	98.38%	0.54%	0.24%	0.06%	0.78%	1.62%
31/10/2018	487,203,695	480,104,092	1,493,776	1,705,063	290,329	3,610,436	7,099,603	98.54%	0.31%	0.35%	0.06%	0.74%	1.46%
30/11/2018	511,190,379	503,853,936	2,553,958	1,126,506	332,718	3,323,262	7,336,443	98.56%	0.50%	0.22%	0.07%	0.65%	1.44%
31/12/2018	536,840,427	529,328,900	1,856,099	1,658,520	806,887	3,190,021	7,511,527	98.60%	0.35%	0.31%	0.15%	0.59%	1.40%

	Outstanding balance in arrears					Percentage of total outstanding balance in arrears							
	Outstanding balance	<1.00 MIA	1.00 to <2.00 MIA	2.00 to <3.00 MIA	3.00 to <4.00 MIA	4.00+ MIA	TOTAL 1.00+ MIA	<1.00 MIA	1.00 to <2.00 MIA	2.00 to <3.00 MIA	3.00 to <4.00 MIA	4.00+ MIA	TOTAL 1.00+ MIA
31/01/2019	555,822,858	548,355,369	2,533,771	957,298	934,397	3,042,022	7,467,488	98.66%	0.46%	0.17%	0.17%	0.55%	1.34%
28/02/2019	578,901,795	570,643,075	2,391,093	1,333,237	1,454,230	3,080,161	8,258,720	98.57%	0.41%	0.23%	0.25%	0.53%	1.43%
31/03/2019	592,646,819	584,534,968	2,239,814	1,334,893	1,211,958	3,325,186	8,111,851	98.63%	0.38%	0.23%	0.20%	0.56%	1.37%
30/04/2019	604,752,733	597,780,200	1,746,082	987,689	1,055,649	3,183,114	6,972,533	98.85%	0.29%	0.16%	0.17%	0.53%	1.15%
31/05/2019	620,459,631	611,734,444	3,769,757	862,363	860,237	3,232,829	8,725,186	98.59%	0.61%	0.14%	0.14%	0.52%	1.41%
30/06/2019	631,573,905	623,143,602	2,021,666	2,391,110	771,229	3,246,298	8,430,304	98.67%	0.32%	0.38%	0.12%	0.51%	1.33%
31/07/2019	640,837,286	631,777,777	2,291,769	1,381,394	2,131,491	3,254,854	9,059,508	98.59%	0.36%	0.22%	0.33%	0.51%	1.41%
31/08/2019	650,562,723	641,134,750	2,316,783	1,793,687	955,724	4,361,780	9,427,974	98.55%	0.36%	0.28%	0.15%	0.67%	1.45%
30/09/2019	658,821,857	649,818,868	2,867,260	1,041,470	905,018	4,189,241	9,002,989	98.63%	0.44%	0.16%	0.14%	0.64%	1.37%
31/10/2019	675,811,214	664,854,228	4,868,134	1,504,953	664,886	3,919,014	10,956,986	98.38%	0.72%	0.22%	0.10%	0.58%	1.62%
30/11/2019	693,652,933	683,077,896	3,267,155	2,291,960	1,612,929	3,402,993	10,575,038	98.48%	0.47%	0.33%	0.23%	0.49%	1.52%
31/12/2019	707,113,929	694,978,079	3,350,210	3,286,215	1,673,625	3,825,799	12,135,849	98.28%	0.47%	0.46%	0.24%	0.54%	1.72%
31/01/2020	719,972,741	705,427,282	5,380,903	2,461,516	2,065,160	4,637,880	14,545,459	97.98%	0.75%	0.34%	0.29%	0.64%	2.02%
29/02/2020	733,304,370	719,109,499	4,325,368	2,800,232	1,323,499	5,745,771	14,194,871	98.06%	0.59%	0.38%	0.18%	0.78%	1.94%
31/03/2020	745,397,812	729,471,762	6,061,850	2,650,912	1,465,868	5,747,419	15,926,050	97.86%	0.81%	0.36%	0.20%	0.77%	2.14%
30/04/2020	753,027,715	735,483,000	6,010,852	3,098,051	1,745,372	6,690,441	17,544,716	97.67%	0.80%	0.41%	0.23%	0.89%	2.33%
31/05/2020	757,770,495	739,141,180	8,283,601	1,775,305	1,860,936	6,709,475	18,629,316	97.54%	1.09%	0.23%	0.25%	0.89%	2.46%
30/06/2020	760,901,655	743,272,544	6,856,396	2,578,370	1,832,654	6,361,691	17,629,111	97.68%	0.90%	0.34%	0.24%	0.84%	2.32%
31/07/2020	753,204,141	736,548,623	5,916,275	3,034,210	1,371,263	6,333,769	16,655,518	97.79%	0.79%	0.40%	0.18%	0.84%	2.21%
31/08/2020	740,036,864	725,193,113	4,868,761	2,365,449	1,785,334	5,824,207	14,843,751	97.99%	0.66%	0.32%	0.24%	0.79%	2.01%
30/09/2020	725,504,065	712,364,412	3,395,765	2,750,196	1,099,329	5,894,363	13,139,653	98.19%	0.47%	0.38%	0.15%	0.81%	1.81%
31/10/2020	709,731,882	694,920,723	4,954,236	2,681,515	1,383,447	5,791,961	14,811,159	97.91%	0.70%	0.38%	0.19%	0.82%	2.09%
30/11/2020	696,319,553	678,322,084	7,071,695	3,516,593	1,163,850	6,245,331	17,997,469	97.42%	1.02%	0.51%	0.17%	0.90%	2.58%
31/12/2020	683,927,181	664,821,417	5,661,147	4,734,130	2,444,367	6,266,120	19,105,764	97.21%	0.83%	0.69%	0.36%	0.92%	2.79%
31/01/2021	674,224,953	651,139,757	6,938,354	4,532,229	4,356,349	7,258,265	23,085,197	96.58%	1.03%	0.67%	0.65%	1.08%	3.42%
28/02/2021	666,779,371	641,192,189	6,299,923	6,856,019	2,759,175	9,672,065	25,587,182	96.16%	0.94%	1.03%	0.41%	1.45%	3.84%
31/03/2021	654,983,953	629,111,045	6,826,801	4,460,852	3,577,483	11,007,772	25,872,908	96.05%	1.04%	0.68%	0.55%	1.68%	3.95%
30/04/2021	648,119,917	620,874,471	6,662,906	5,653,592	2,672,091	12,256,857	27,245,447	95.80%	1.03%	0.87%	0.41%	1.89%	4.20%
31/05/2021	638,951,514	612,839,785	5,597,595	5,490,283	2,575,646	12,448,205	26,111,729	95.91%	0.88%	0.86%	0.40%	1.95%	4.09%
30/06/2021	658,954,380	632,544,257	4,940,055	5,779,227	3,550,018	12,140,823	26,410,123	95.99%	0.75%	0.88%	0.54%	1.84%	4.01%
31/07/2021	660,142,410	634,035,588	3,706,912	5,782,964	3,400,398	13,216,547	26,106,822	96.05%	0.56%	0.88%	0.52%	2.00%	3.95%
31/08/2021	672,009,209	645,570,505	3,206,880	5,420,436	3,616,225	14,195,163	26,438,704	96.07%	0.48%	0.81%	0.54%	2.11%	3.93%
30/09/2021	711,827,737	684,810,597	3,838,959	4,486,880	3,185,163	15,506,137	27,017,140	96.20%	0.54%	0.63%	0.45%	2.18%	3.80%
31/10/2021	728,026,758	700,644,353	4,162,326	3,138,986	3,654,890	16,426,202	27,382,404	96.24%	0.57%	0.43%	0.50%	2.26%	3.76%
30/11/2021	749,974,466	723,649,642	4,295,986	2,277,265	2,248,271	17,503,301	26,324,823	96.49%	0.57%	0.30%	0.30%	2.33%	3.51%
31/12/2021	771,009,538	741,390,171	6,850,629	3,106,756	1,819,114	17,842,868	29,619,367	96.16%	0.89%	0.40%	0.24%	2.31%	3.84%
31/01/2022	785,380,821	755,456,312	5,673,861	3,066,507	2,915,916	18,268,225	29,924,509	96.19%	0.72%	0.39%	0.37%	2.33%	3.81%
28/02/2022	793,851,340	762,713,373	5,654,143	4,109,426	2,283,498	19,090,901	31,137,968	96.08%	0.71%	0.52%	0.29%	2.40%	3.92%
31/03/2022	807,117,347	777,864,977	4,274,910	4,841,570	1,630,720	18,505,170	29,252,370	96.38%	0.53%	0.60%	0.20%	2.29%	3.62%
30/04/2022	819,553,246	788,124,761	6,493,683	3,545,491	2,431,259	18,958,052	31,428,485	96.17%	0.79%	0.43%	0.30%	2.31%	3.83%
31/05/2022	839,214,848	808,645,859	4,644,146	3,869,760	2,274,937	19,780,146	30,568,989	96.36%	0.55%	0.46%	0.27%	2.36%	3.64%
30/06/2022	856,848,320	826,181,436	4,367,808	2,943,654	2,922,555	20,432,867	30,666,884	96.42%	0.51%	0.34%	0.34%	2.38%	3.58%
31/07/2022	880,057,066	847,406,430	5,701,317	3,872,851	1,561,990	21,514,479	32,650,636	96.29%	0.65%	0.44%	0.18%	2.44%	3.71%
31/08/2022	906,223,871	873,192,169	5,383,853	3,429,343	2,892,886	21,325,620	33,031,702	96.36%	0.59%	0.38%	0.32%	2.35%	3.64%

	Outstanding balance in arrears					Percentage of total outstanding balance in arrears							
	Outstanding balance	<1.00 MIA	1.00 to <2.00 MIA	2.00 to <3.00 MIA	3.00 to <4.00 MIA	4.00+ MIA	TOTAL 1.00+ MIA	<1.00 MIA	1.00 to <2.00 MIA	2.00 to <3.00 MIA	3.00 to <4.00 MIA	4.00+ MIA	TOTAL 1.00+ MIA
30/09/2022	932,063,970	896,729,016	5,265,876	5,787,716	2,698,688	21,582,674	35,334,954	96.21%	0.56%	0.62%	0.29%	2.32%	3.79%
31/10/2022	957,245,336	921,115,934	5,054,452	5,455,644	4,118,424	21,500,882	36,129,402	96.23%	0.53%	0.57%	0.43%	2.25%	3.77%
30/11/2022	980,472,242	944,054,595	6,668,525	6,036,682	1,944,144	21,768,296	36,417,646	96.29%	0.68%	0.62%	0.20%	2.22%	3.71%
31/12/2022	1,000,661,272	962,390,223	5,936,432	6,893,434	3,177,308	22,263,876	38,271,050	96.18%	0.59%	0.69%	0.32%	2.22%	3.82%
31/01/2023	1,004,807,376	964,460,306	6,985,970	6,468,632	3,394,326	23,498,143	40,347,070	95.98%	0.70%	0.64%	0.34%	2.34%	4.02%
28/02/2023	1,007,099,687	965,770,393	8,182,136	5,597,793	3,240,192	24,309,172	41,329,294	95.90%	0.81%	0.56%	0.32%	2.41%	4.10%
31/03/2023	1,006,346,096	964,575,991	5,261,700	6,951,842	4,103,503	25,453,059	41,770,105	95.85%	0.52%	0.69%	0.41%	2.53%	4.15%
30/04/2023	1,001,671,452	956,496,598	8,861,478	5,723,800	5,962,270	24,627,306	45,174,854	95.49%	0.88%	0.57%	0.60%	2.46%	4.51%
31/05/2023	1,003,900,066	958,079,049	9,165,371	7,003,848	3,886,305	25,765,493	45,821,017	95.44%	0.91%	0.70%	0.39%	2.57%	4.56%
30/06/2023	1,016,165,623	966,734,050	9,923,431	7,411,015	4,827,354	27,269,773	49,431,572	95.14%	0.98%	0.73%	0.48%	2.68%	4.86%
31/07/2023	1,016,871,065	965,813,333	8,831,401	7,450,979	6,434,529	28,340,823	51,057,733	94.98%	0.87%	0.73%	0.63%	2.79%	5.02%
31/08/2023	1,031,338,420	976,893,192	10,680,083	6,920,969	5,370,818	31,473,359	54,445,229	94.72%	1.04%	0.67%	0.52%	3.05%	5.28%

CHARACTERISTICS OF THE UNITED KINGDOM RESIDENTIAL MORTGAGE MARKET

The United Kingdom 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.

Industry PPR Rates

In the following tables, quarterly industry principal payment rate ("**Industry PPR**") 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, building societies and other specialist mortgage lenders in the United Kingdom. These quarterly repayment rates were then annualised using standard methodology.

Year	Quarter	Industry PPR Rate for the Quarter	12-month rolling average
2000	Q1	13.8%	16.2%
	Q2	15.5%	16.0%
	Q3	16.1%	15.6%
	Q4	15.9%	15.3%
2001	Q1	15.6%	15.8%
	Q2	18.4%	16.5%
	Q3	20.2%	17.5%
	Q4	19.9%	18.5%
2002	Q1	18.7%	19.3%
	Q2	21.6%	20.1%
	Q3	23.8%	21.0%
	Q4	23.0%	21.8%
2003	Q1	21.0%	22.3%
	Q2	22.3%	22.5%
	Q3	23.7%	22.5%
	Q4	24.3%	22.8%
2004	Q1	20.7%	22.7%
	Q2	22.3%	22.7%
	Q3	23.1%	22.6%
	Q4	19.8%	21.5%
2005	Q1	17.1%	20.6%
	Q2	19.6%	19.9%
	Q3	22.6%	19.8%
	Q4	22.8%	20.5%
2006	Q1	20.5%	21.4%
	Q2	22.2%	22.0%
	Q3	23.1%	22.2%
	Q4	22.8%	22.2%
2007	Q1	21.4%	22.4%
	Q2	22.5%	22.5%
	Q3	22.7%	22.4%
	Q4	20.6%	21.8%
2008	Q1	18.7%	21.2%
	Q2	19.2%	20.3%
	Q3	17.3%	19.0%
	Q4	13.8%	17.3%
2009	Q1	11.1%	15.4%
	Q2	10.3%	13.1%
	Q3	11.3%	11.6%
	Q4	11.2%	11.0%
2010	Q1	9.7%	10.6%
	Q2	10.7%	10.7%
	Q3	11.2%	10.7%
	Q4	10.9%	10.6%
2011	Q1	9.9%	10.6%
	Q2	10.5%	10.6%
	Q3	11.8%	10.8%

Year	Quarter	Industry PPR Rate for the Quarter	12-month rolling average
2012	Q4	11.3%	10.9%
	Q1	10.4%	11.0%
	Q2	10.7%	11.0%
	Q3	11.0%	10.8%
2013	Q4	11.3%	10.8%
	Q1	10.9%	11.0%
	Q2	12.5%	11.4%
	Q3	14.1%	12.2%
2014	Q4	14.5%	13.0%
	Q1	13.2%	13.6%
	Q2	13.9%	13.9%
	Q3	14.9%	14.1%
2015	Q4	14.5%	14.1%
	Q1	13.2%	14.1%
	Q2	14.3%	14.2%
	Q3	15.5%	14.4%
2016	Q4	15.7%	14.7%
	Q1	15.4%	15.2%
	Q2	15.1%	15.4%
	Q3	15.9%	15.6%
2017	Q4	15.5%	15.5%
	Q1	15.0%	15.4%
	Q2	14.9%	15.3%
	Q3	16.1%	15.4%
2018	Q4	16.4%	15.6%
	Q1	15.2%	15.7%
	Q2	15.4%	15.8%
	Q3	16.9%	16.0%
2019	Q4	16.4%	16.0%
	Q1	14.8%	15.9%
	Q2	14.6%	15.7%
	Q3	15.4%	15.3%
2020	Q4	15.6%	15.1%
	Q1	14.5%	15.0%
	Q2	11.2%	14.1%
	Q3	13.0%	13.5%
2021	Q4	14.6%	13.3%
	Q1	15.5%	13.6%
	Q2	15.6%	14.7%
	Q3	14.4%	15.0%
2022	Q4	14.7%	15.0%
	Q1	14.5%	14.8%
	Q2	15.1%	14.7%
	Q3	15.6%	15.0%
2023	Q4	16.6%	15.4%
	Q1	14.1%	15.3%
	Q2	13.0%	14.8%

Source of repayment and outstanding mortgage information: Bank of England via Haver Analytics, UK Finance

Repossession Rates for UK Total Mortgages

The table below sets out the repossession rates of residential properties in the United Kingdom since 1985.

Year	Number of Mortgages outstanding (at end of period)	Possession Rate (%)
1985	7,717,000	25%
1986	8,138,000	30%
1987	8,283,000	32%
1988	8,564,000	22%
1989	9,125,000	17%
1990	9,415,000	17%
1991	9,815,000	45%
1992	9,922,000	76%
1993	10,137,000	68%
1994	10,410,000	56%
1995	10,521,000	47%

Year	Number of Mortgages outstanding (at end of period)	Possession Rate (%)
1996	10,637,000	46%
1997	10,738,000	40%
1998	10,821,000	30%
1999	10,987,000	27%
2000	11,177,000	20%
2001	11,251,000	16%
2002	11,368,000	11%
2003	11,452,000	7%
2004	11,515,000	7%
2005	11,608,000	12%
2006	11,746,000	18%
2007	11,852,000	22%
2008	11,667,000	34%
2009	11,504,000	43%
2010	11,478,000	34%
2011	11,384,000	33%
2012	11,284,000	30%
2013	11,186,000	26%
2014	11,146,000	19%
2015*	11,111,000	9%
2016	11,064,000	7%
2017	10,990,000	7%
2018	10,931,000	6%
2019	10,957,000	7%
2020	10,963,000	2%
2021	10,982,000	2%
2022	10,933,000	4%

Source: UK Finance

*Historic data back to 2015 have been revised in January 2021, following improved data reporting

House Price Index

The UK housing market has been through various economic cycles in the recent past, with large year-to-year increases in the Housing Indices occurring in the late 1980s and large decreases occurring in the early 1990s and from 2007 to 2013.

Date	House Price Index	House Price Index annual % change
01/01/2006	83.9	6.2
01/02/2006	84.0	6.5
01/03/2006	84.7	6.5
01/04/2006	86.6	7.3
01/05/2006	87.4	7.1
01/06/2006	88.2	7.3
01/07/2006	89.5	7.4
01/08/2006	90.2	7.9
01/09/2006	90.6	8.5
01/10/2006	91.1	9.4
01/11/2006	91.6	9.6
01/12/2006	92.7	10.4
01/01/2007	92.7	10.5
01/02/2007	93.0	10.6
01/03/2007	93.7	10.6
01/04/2007	95.6	10.4
01/05/2007	96.7	10.6
01/06/2007	97.7	10.8
01/07/2007	99.0	10.6
01/08/2007	99.5	10.3
01/09/2007	99.7	10.0
01/10/2007	99.4	9.1
01/11/2007	99.4	8.5
01/12/2007	99.2	7.0
01/01/2008	97.4	5.1
01/02/2008	96.6	3.9
01/03/2008	95.9	2.4
01/04/2008	96.1	0.5
01/05/2008	96.6	0.0
01/06/2008	95.4	-2.4
01/07/2008	94.3	-4.7
01/08/2008	92.4	-7.2
01/09/2008	90.0	-9.7
01/10/2008	88.2	-11.3
01/11/2008	85.7	-13.7
01/12/2008	84.4	-14.9
01/01/2009	82.5	-15.4
01/02/2009	81.5	-15.6
01/03/2009	81.0	-15.5
01/04/2009	81.7	-14.9
01/05/2009	82.9	-14.3
01/06/2009	83.7	-12.2
01/07/2009	85.2	-9.7
01/08/2009	86.0	-6.9
01/09/2009	86.7	-3.7
01/10/2009	87.3	-1.0
01/11/2009	87.6	2.2
01/12/2009	88.2	4.4
01/01/2010	87.8	6.5
01/02/2010	88.1	8.0
01/03/2010	88.0	8.7
01/04/2010	89.2	9.1
01/05/2010	89.6	8.1
01/06/2010	90.0	7.6
01/07/2010	91.0	6.8
01/08/2010	91.0	5.7
01/09/2010	90.7	4.6
01/10/2010	89.7	2.8
01/11/2010	88.6	1.2
01/12/2010	88.5	0.4
01/01/2011	87.7	-0.1
01/02/2011	87.3	-0.9
01/03/2011	86.9	-1.3

Date	House Price Index	House Price Index annual % change
01/04/2011	88.2	-1.1
01/05/2011	87.8	-2.0
01/06/2011	88.0	-2.3
01/07/2011	89.1	-2.1
01/08/2011	89.1	-2.0
01/09/2011	88.9	-2.0
01/10/2011	87.9	-2.0
01/11/2011	88.0	-0.7
01/12/2011	87.6	-1.0
01/01/2012	87.0	-0.8
01/02/2012	86.8	-0.6
01/03/2012	87.0	0.2
01/04/2012	88.0	-0.2
01/05/2012	88.3	0.6
01/06/2012	89.2	1.4
01/07/2012	89.5	0.5
01/08/2012	89.6	0.5
01/09/2012	89.3	0.4
01/10/2012	88.7	0.8
01/11/2012	88.8	0.9
01/12/2012	88.6	1.1
01/01/2013	88.0	1.1
01/02/2013	87.9	1.3
01/03/2013	88.5	1.6
01/04/2013	89.3	1.5
01/05/2013	89.8	1.7
01/06/2013	90.6	1.5
01/07/2013	91.6	2.3
01/08/2013	92.3	3.0
01/09/2013	92.4	3.4
01/10/2013	92.0	3.7
01/11/2013	92.5	4.2
01/12/2013	93.3	5.4
01/01/2014	93.5	6.2
01/02/2014	93.8	6.7
01/03/2014	94.2	6.4
01/04/2014	96.3	7.7
01/05/2014	97.3	8.3
01/06/2014	98.1	8.4
01/07/2014	99.5	8.7
01/08/2014	100.7	9.1
01/09/2014	100.8	9.1
01/10/2014	100.6	9.4
01/11/2014	100.3	8.4
01/12/2014	100.5	7.7
01/01/2015	100.0	7.0
01/02/2015	100.1	6.7
01/03/2015	100.5	6.7
01/04/2015	101.3	5.3
01/05/2015	102.4	5.3
01/06/2015	103.2	5.2
01/07/2015	105.0	5.5
01/08/2015	105.9	5.2
01/09/2015	106.1	5.3
01/10/2015	106.3	5.6
01/11/2015	107.1	6.8
01/12/2015	107.5	6.9
01/01/2016	107.8	7.8
01/02/2016	107.8	7.7
01/03/2016	108.9	8.4
01/04/2016	109.3	7.9
01/05/2016	110.6	8.0
01/06/2016	111.7	8.2
01/07/2016	112.8	7.5
01/08/2016	112.8	6.5
01/09/2016	112.7	6.1
01/10/2016	112.3	5.6
01/11/2016	112.8	5.3
01/12/2016	113.0	5.2
01/01/2017	112.9	4.8
01/02/2017	113.1	4.9

Date	House Price Index	House Price Index annual % change
01/03/2017	112.9	3.6
01/04/2017	114.7	4.9
01/05/2017	115.4	4.3
01/06/2017	116.3	4.2
01/07/2017	117.9	4.5
01/08/2017	118.4	4.9
01/09/2017	118.0	4.7
01/10/2017	118.1	5.1
01/11/2017	117.7	4.3
01/12/2017	118.2	4.6
01/01/2018	117.8	4.3
01/02/2018	118.1	4.4
01/03/2018	117.4	4.0
01/04/2018	118.5	3.3
01/05/2018	119.0	3.1
01/06/2018	119.8	2.9
01/07/2018	121.3	2.9
01/08/2018	121.6	2.7
01/09/2018	121.4	2.9
01/10/2018	121.3	2.7
01/11/2018	120.7	2.6
01/12/2018	120.5	2.0
01/01/2019	119.7	1.7
01/02/2019	119.4	1.2
01/03/2019	119.1	1.5
01/04/2019	120.0	1.3
01/05/2019	120.1	1.0
01/06/2019	120.7	0.7
01/07/2019	122.0	0.6
01/08/2019	122.4	0.6
01/09/2019	122.5	0.9
01/10/2019	122.2	0.7
01/11/2019	121.7	0.8
01/12/2019	121.6	0.9
01/01/2020	121.6	1.6
01/02/2020	120.9	1.3
01/03/2020	122.0	2.5
01/04/2020	120.8	0.7
01/05/2020	121.4	1.1
01/06/2020	123.1	2.0
01/07/2020	124.1	1.7
01/08/2020	125.3	2.4
01/09/2020	126.7	3.4
01/10/2020	127.8	4.6
01/11/2020	129.1	6.0
01/12/2020	130.1	7.0
01/01/2021	131.0	7.7
01/02/2021	130.9	8.2
01/03/2021	133.0	8.9
01/04/2021	131.2	8.6
01/05/2021	131.8	8.5
01/06/2021	139.3	13.2
01/07/2021	132.7	6.9
01/08/2021	136.6	9.0
01/09/2021	141.1	11.4
01/10/2021	138.1	8.1
01/11/2021	140.2	8.7
01/12/2021	140.6	8.1
01/01/2022	143.0	9.2
01/02/2022	142.9	9.2
01/12/2015	107.5	6.9
01/01/2016	107.8	7.8
01/02/2016	107.8	7.7
01/03/2016	108.9	8.4
01/04/2016	109.3	7.9
01/05/2016	110.6	8.0
01/06/2016	111.7	8.2
01/07/2016	112.8	7.5
01/08/2016	112.8	6.5
01/09/2016	112.7	6.1
01/10/2016	112.3	5.6

Date	House Price Index	House Price Index annual % change
01/11/2016	112.8	5.3
01/12/2016	113.0	5.2
01/01/2017	112.9	4.8
01/02/2017	113.1	4.9
01/03/2017	112.9	3.6
01/04/2017	114.7	4.9
01/05/2017	115.4	4.3
01/06/2017	116.3	4.2
01/07/2017	117.9	4.5
01/08/2017	118.4	4.9
01/09/2017	118.0	4.7
01/10/2017	118.1	5.1
01/11/2017	117.7	4.3
01/12/2017	118.2	4.6
01/01/2018	117.8	4.3
01/02/2018	118.1	4.4
01/03/2018	117.4	4.0
01/04/2018	118.5	3.3
01/05/2018	119.0	3.1
01/06/2018	119.8	2.9
01/07/2018	121.3	2.9
01/08/2018	121.6	2.7
01/09/2018	121.4	2.9
01/10/2018	121.3	2.7
01/11/2018	120.7	2.6
01/12/2018	120.5	2.0
01/01/2019	119.7	1.7
01/02/2019	119.4	1.2
01/03/2019	119.1	1.5
01/04/2019	120.0	1.3
01/05/2019	120.1	1.0
01/06/2019	120.7	0.7
01/07/2019	122.0	0.6
01/08/2019	122.4	0.6
01/09/2019	122.5	0.9
01/10/2019	122.2	0.7
01/11/2019	121.7	0.8
01/12/2019	121.6	0.9
01/01/2020	121.6	1.6
01/02/2020	120.9	1.3
01/03/2020	122.0	2.5
01/04/2020	120.8	0.7
01/05/2020	121.4	1.1
01/06/2020	123.1	2.0
01/07/2020	124.1	1.7
01/08/2020	125.3	2.4
01/09/2020	126.7	3.4
01/10/2020	127.8	4.6
01/11/2020	129.1	6.0
01/12/2020	130.1	7.0
01/01/2021	131.0	7.7
01/02/2021	130.9	8.2
01/03/2021	133.0	8.9
01/04/2021	131.2	8.6
01/05/2021	131.8	8.5
01/06/2021	139.3	13.2
01/07/2021	132.7	6.9
01/08/2021	136.6	9.0
01/09/2021	141.1	11.4
01/10/2021	138.1	8.1
01/11/2021	140.2	8.7
01/12/2021	140.6	8.1
01/01/2022	143.0	9.2
01/02/2022	142.9	9.2
01/03/2022	143.6	8.0
01/04/2022	145.2	10.7
01/05/2022	147.1	11.6
01/06/2022	148.3	6.4
01/07/2022	151.1	13.8
01/08/2022	152.4	11.5
01/09/2022	153.2	8.6

Date	House Price Index	House Price Index annual % change
01/10/2022	153.0	10.7
01/11/2022	153.2	9.3
01/12/2022	152.2	8.2
01/01/2023	150.4	5.2
01/02/2023	149.6	4.7
01/03/2023	148.2	3.2
01/04/2023	148.9	2.5
01/05/2023	149.5	1.6
01/06/2023	151.2	1.9
01/07/2023	152.0	0.6

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The percentage change in the table above is calculated in accordance with the following formula:

$(X-Y)/Y$ where X is equal to the reference quarter's index value and Y is equal to the index value of the previous year's corresponding quarter.

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ASSIGNMENT OF THE MORTGAGE LOANS AND RELATED SECURITY

Pursuant to the terms of the Mortgage Sale Agreement entered into on the Closing Date between the Seller and the Issuer, the Seller has agreed to sell Mortgage Loans and their Related Security to the Issuer. The following section describes, in summary, the material terms of the Mortgage Sale Agreement and the KMC/BUK Mortgage Sale Agreement. The description does not purport to be complete and is subject to the provisions of the Mortgage Sale Agreement and the KMC/BUK Mortgage Sale Agreement. KMC has previously sold an equitable interest in the Mortgage Loans and their Related Security to BBUKPLC, and is re-acquiring them pursuant to the KMC/BUK Mortgage Sale Agreement. KMC has remained the legal title holder and servicer of the Mortgage Loans in the Mortgage Portfolio since the origination of such loans.

As at the date of this Prospectus, the collateral to be sold by the Seller to the Issuer to support the Issuer's obligations under the Notes will comprise residential mortgage loans originated by the Seller and secured over Mortgaged Properties situated in England, Wales or Scotland.

Acquisition of Mortgage Loans on the Closing Date

KMC will acquire the beneficial interest to the Mortgage Loans in the Mortgage Portfolio on the Closing Date pursuant to the KMC/BUK Mortgage Sale Agreement. On the Closing Date, KMC will sell its interest in the Mortgage Portfolio to the Issuer.

Sale by the Seller of Mortgage Loans and Related Security

The Mortgage Portfolio will consist of Mortgage Loans and their Related Security sold by the Seller to the Issuer in accordance with the terms of the Mortgage Sale Agreement on the Closing Date.

In exchange for the sale of the Mortgage Loans and their Related Security to the Issuer, the Seller will receive a combination of:

- (a) the Initial Purchase Price (being a cash payment to be made by the Issuer from the proceeds of the issuance of the Notes); and
- (b) the deferred consideration consisting of the Senior Deferred Consideration and the Residual Deferred Consideration.

Any "sale" or "equitable assignment" of mortgage loans referred to in this Prospectus will, in relation to the Scottish Mortgage Loans, be given effect by the Scottish Declaration of Trust.

Eligibility Criteria

The sale of a Mortgage Loan and its Related Security to the Issuer will be subject to that Mortgage Loan satisfying the following "**Eligibility Criteria**" on, and as at, the Cut-Off Date:

- (a) other than in respect of the Exception Loan, the origination of the Mortgage Loan was in accordance with the then applicable Lending Criteria of the Seller;
- (b) the Mortgage Loan was originated at least one calendar month prior to the Cut-Off Date;
- (c) other than in respect of the Mortgage Loans which are subject to a temporary switch to interest only under the Mortgage Charter, the Mortgage Loan is not subject to a payment deferral;
- (d) the Mortgage Loan is secured by a Mortgage over the relevant Mortgaged Property;
- (e) the Mortgage Loan has been made to a Borrower who is a natural legal person over the age of 18;

- (f) the Mortgage Loan is secured over a residential Mortgaged Property situated in England, Wales or Scotland;
- (g) the Mortgage Loan is not a Buy-to-Let Mortgage Loan (nor has a permission to let been granted), a Flexible Mortgage Loan or a Self-Certified Mortgage Loan;
- (h) at origination, the Mortgage Loan had an LTV Ratio of no more than 95 per cent. and, other than in respect of any Shared Ownership Loans at least 85 per cent.;
- (i) the Mortgage Loan was not originated prior to September 2019;
- (j) the Mortgage Loan has a Current Balance of no more than £1,000,000;
- (k) the Mortgage Loan is not a Right to Buy Mortgage Loan or a Help to Buy Mortgage Loan;
- (l) the Mortgage Loan's maturity date is no later than three years prior to the Final Redemption Date;
- (m) the Borrower has made at least one full Monthly Payment in respect of that Mortgage Loan; and
- (n) each Mortgage Loan was originated in pounds Sterling and is denominated in pounds Sterling and is currently repayable in pounds Sterling.

Transfer of title to the Mortgage Loans to the Issuer

English Mortgage Loans will be sold by the Seller to the Issuer by way of equitable assignment. Scottish Mortgage Loans will be sold by the Seller to the Issuer by way of the Scottish Declaration of Trust under which the beneficiary's interest in such trust will be vested in the Issuer. In relation to Scottish Mortgage Loans, references in this document to a sale or an equitable assignment of Mortgage Loans or to Mortgage Loans having been sold are to be read as references to the making of such Scottish Declaration of Trust. Such beneficiary's interest (as opposed to the legal title) cannot be registered or recorded in HM Land Registry or the Registers of Scotland. As a result, legal title to Mortgage Loans and their Related Security will remain with the Legal Title Holder until legal assignments (in relation to English Mortgage Loans) or assignments (in relation to Scottish Mortgage Loans) are delivered by the Legal Title Holder to the Issuer and notice of the sale is given by the Legal Title Holder to the Borrowers pursuant to the terms of the Servicing Agreement.

Legal assignment or assignment (as appropriate) of the Mortgage Loans and their Related Security to the Issuer (including any notification of such legal assignment or assignment (as appropriate) to the Borrower and, where appropriate, their registration or recording in the relevant property register) will be deferred and will be completed after the earliest of the following events (each a "**Perfection Trigger Event**"):

- (a) the occurrence of an Event of Default and delivery of an Enforcement Notice;
- (b) the occurrence of an Insolvency Event in relation to the Seller;
- (c) unless otherwise agreed by the Security Trustee, the termination of the Legal Title Holder's role as Servicer under the Servicing Agreement, unless as at the relevant date of termination any substitute servicer is a member of the Barclays Group;
- (d) the Legal Title Holder and/or the Issuer being required to perfect legal title to the Mortgage Loans and their Related Security by an order of a court of competent jurisdiction, a change in law occurring after the Closing Date, or by a regulatory authority of which the Legal Title Holder is a member or any organisation whose members comprise (but are not necessarily limited to) mortgage lenders with whose instructions it is customary for the Legal Title Holder to comply;

- (e) the Security created under or granted pursuant to the Deed of Charge or any material part of that Security being, in the opinion of the Security Trustee, in jeopardy;
- (f) the Legal Title Holder requesting a transfer by way of assignment or assignation (as appropriate) by giving notice in writing to the Issuer and the Security Trustee;
- (g) a default by the Seller in the performance of its covenants and obligations under the Servicing Agreement and such breach, where capable of remedy, is not remedied to the reasonable satisfaction of the Security Trustee within 90 calendar days;
- (h) all or any part of the property, business, undertakings, assets or revenues of the Seller having an aggregate value in excess of £25,000,000 having been attached as a result of any distress, execution or diligence being levied or any encumbrancer taking possession or similar attachment and such attachment having not been lifted within 30 days.

Pending completion of the legal assignment or assignation (as appropriate), the right of the Issuer to exercise the powers of the legal owner of, or (in Scotland) the heritable creditor under, the Mortgages will be secured by, or (in Scotland) supported by, an irrevocable power of attorney granted by the Legal Title Holder in favour of the Issuer and the Security Trustee.

The Legal Title Holder will undertake that, from the Closing Date until the perfection of the sale, it will hold, or procure that the Servicer holds on its behalf, the Title Deeds and the Mortgage Loan Files relating to the Mortgage Loans and the Related Security comprised in the Mortgage Portfolio, which are in the Legal Title Holder's possession or under the Legal Title Holder's control or held to its order, to the order of the Issuer.

Representations and warranties

Warranties will be given as of the Cut-Off Date by the Seller in respect of the relevant Mortgage Loans and their Related Security sold by the Seller to the Issuer on the Closing Date, pursuant to the Mortgage Sale Agreement ("**Mortgage Loan Warranties**"). None of the Issuer, the Security Trustee or the Note Trustee has made or has caused to be made on its behalf any enquiries, searches or investigations in respect of the Mortgage Loans and their Related Security to be sold to the Issuer. Instead, each is relying entirely on the Mortgage Loan Warranties. The Mortgage Loan Warranties are as follows:

- (a) the particulars of each Mortgage Loan and its related Mortgage in the Mortgage Portfolio set out in the Mortgage Sale Agreement and, in relation to Scottish Mortgage Loans and their Related Security, specified in the Scottish Declaration of Trust, are complete, true and accurate in all material respects;
- (b) subject to completion of any registration which may be pending at HM Land Registry or the Registers of Scotland, the Legal Title Holder is the absolute unencumbered legal owner and beneficial owner of the Mortgage Loan, the Related Security and all property to be sold and assigned by the Seller to the Issuer pursuant to the Mortgage Sale Agreement, and the Seller has not assigned (whether by way of absolute assignment or assignation or by way of security only), transferred, charged, disposed of, created a trust in respect of or dealt with the benefit of any of the Mortgage Loans or their related Mortgages, any of the other rights relating thereto or any of the property, rights, titles, interests or benefits to be sold and assigned pursuant to the Mortgage Sale Agreement other than pursuant to the Mortgage Sale Agreement and the KMC/BUK Mortgage Sale Agreement;
- (c) each Mortgage Loan and the Related Security constitutes a valid and binding obligation of the Borrower enforceable in accordance with its terms and each Related Security secures the repayment of all advances, interest, costs and expenses payable by the relevant Borrower to the Seller in priority to any other charges or security registered against the relevant Mortgaged Property, provided however that this representation and warranty will not be deemed to have been breached if the reason for the invalidity, non-binding nature or enforceability is a failure to comply with the Unfair Terms in Consumer Contracts Regulations

1994 or 1999, the Consumer Rights Act 2015, the Consumer Credit Act 1974 (where such legislation applies to a particular Mortgage Loan) or the FSMA (where such legislation applies to a particular Mortgage Loan) unless there is also a breach of representation and warranty under paragraphs (d), (e) and/or (ii) below;

- (d) to the extent that any Mortgage Loan constitutes a regulated mortgage contract for the purposes of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, at the time it was made, such Mortgage Loan complied with all applicable provisions of MCOB and any other applicable rules and guidance of the FCA and, prior to the sale of such Mortgage Loan to the Issuer pursuant to the terms of the Mortgage Sale Agreement, such Mortgage Loan was administered in accordance with the provisions of MCOB and any other applicable rules and guidance of the FCA;
- (e) the Seller has been authorised by the FCA and has maintained all requisite FCA permissions required pursuant to the FSMA in relation to advising on, the origination of and the administration of each relevant Mortgage Loan;
- (f) at the time that it was made, each Mortgage Loan was originated in all respects with applicable laws and regulations including, without limitation, consumer protection, data protection and contract law;
- (g) subject to completion of any registration or recording which may be pending at HM Land Registry or the Registers of Scotland, each Mortgage either constitutes, or will constitute, following registration or recording at HM Land Registry or the Registers of Scotland, (in England and Wales) a first ranking charge by way of legal mortgage or (in Scotland) a first ranking standard security over the relevant Mortgaged Property;
- (h) subject to completion of any registration or recording which may be pending at HM Land Registry or the Registers of Scotland, the relevant Mortgages are not over land, title to which is not registered or recorded at HM Land Registry or the Registers of Scotland;
- (i) all steps necessary to perfect the Legal Title Holder's title to each Mortgage Loan and its Related Security were duly taken at the appropriate time or are in the process of being taken with all due diligence;
- (j) no lien or right of set-off or counterclaim (including analogous rights under Scots law) has been created or arisen between the Legal Title Holder and any Borrower which would entitle such Borrower to reduce the amount of any payment otherwise due under the relevant Mortgage Loan save in relation to the Unfair Terms in Consumer Contracts Regulations 1994, the Unfair Terms in Consumer Contracts Regulations 1999 or the Consumer Rights Act (as applicable) and save in relation to Section 150 of the FSMA;
- (k) except in any case where the related Mortgaged Property is covered by a Title Insurance Policy issued by a Title Insurance Provider, prior to making a Mortgage Loan (other than the Exception Loan), the Seller instructed or required to be instructed on its behalf solicitors or licensed or (in Scotland) qualified conveyancers to carry out all investigations, searches and other actions in relation to the relevant Mortgaged Property that would have been undertaken by the Seller acting in accordance with standards consistent with those of a Prudent Mortgage Lender, when advancing money in an amount equal to such advance to an individual to be secured on a Mortgaged Property of the kind permitted under the Lending Criteria and a report or certificate on title was received by or on behalf of the Seller from such solicitors which, either internally or after further investigation, revealed no material matter which would cause the Seller, acting reasonably, to decline the Mortgage Loan having regard to the Lending Criteria;
- (l) in relation to each Mortgage Loan which is not the subject of a Title Insurance Policy, the Borrower has a good and marketable title to the relevant Mortgaged Property;
- (m) each Title Insurance Policy referred to in paragraph (l) above is in full force and effect and all premiums thereon due on or before the date this warranty is given have been paid in full, the Legal Title Holder is

not aware of any circumstances giving the Title Insurance Provider the right to avoid or terminate such policy and there is no claim outstanding under such Title Insurance Policy in relation to any Mortgaged Property;

- (n) prior to making a Mortgage Loan, an independent valuation was carried out or instructed by one of the Seller's then current panel managers or, as applicable, an automated valuation was carried out as permitted under the Lending Criteria on the relevant Mortgaged Property, and the results of any such obtained valuation would be acceptable to a Prudent Mortgage Lender;
- (o) prior to making a Mortgage Loan (other than the Exception Loan), the nature and amount of such Mortgage Loan, the circumstances of the relevant Borrower and nature of the relevant Mortgaged Property satisfied the Seller's Lending Criteria in force at that time in all material respects;
- (p) the Lending Criteria are consistent with the lending criteria that would be used by a Prudent Mortgage Lender;
- (q) each Mortgage Loan (i) (other than the Exception Loan) has been originated in accordance with the Lending Criteria and (ii) has been originated by the Seller;
- (r) all of the Mortgage Loans are money debts arising from advances of money to individuals, are owed by individuals and are secured by mortgages or standard securities over property situated in the UK;
- (s) the exercise of any discretion by the Seller in the making of any Mortgage Loan has been consistent with the practice of a Prudent Mortgage Lender;
- (t) each Mortgage Loan and its Related Security has been made on the terms of the Standard Documentation which has not been varied in any material respect;
- (u) no agreement for any Mortgage Loan is or has ever been wholly or partly regulated by the Consumer Credit Act 1974 (other than by Sections 137 to 140 of such Act) or constitutes an extortionate credit bargain under Sections 137 to 140 of such Act or, to the extent it is so regulated or partly regulated, each agreement for each Mortgage Loan is a valid and binding obligation on the Borrower and enforceable upon order of a court;
- (v) interest on each Mortgage Loan:
 - (i) is charged on each Mortgage Loan in accordance with the provisions of that Mortgage Loan and its Related Security;
 - (ii) is payable monthly in arrears; and
 - (iii) is calculated by reference to a fixed rate or the Kensington Standard Rate;
- (w) so far as the Seller is aware, the underwriting, origination and completion of each Mortgage Loan is not the subject of fraud by any person (including, without limitation, the Borrower or any professional or third party employed or engaged on behalf of the Seller);
- (x) the first payment due has been paid by the relevant Borrower in respect of each Mortgage Loan;
- (y) so far as the Seller is aware, at the date of completion of the relevant Mortgage Loan, each Mortgaged Property was:
 - (i) insured under a buildings policy; or

- (ii) with respect to leasehold properties, insured by the relevant landlord with the Seller's approval, and in all cases against risks usually covered by a comprehensive buildings policy and to an amount not less than the full reinstatement cost of such Mortgaged Property;
- (z) so far as the Seller is aware, if a Mortgaged Property (other than in relation to the Exception Loan) is leasehold or long leasehold, (i) written notice has been given to the landlord of the creation of the Mortgage, or (ii) where the landlord is absent or insolvent, an acceptable indemnity policy is in place and the conveyancer is satisfied that the insurance provides an adequate solution;
- (aa) in relation to each English Mortgage, any person who, at the date when the Mortgage Loan was made, has been identified by the Borrower to the Seller as residing or about to reside in the relevant Mortgaged Property is either named as a joint Borrower or has signed a form of consent declaring that he or she agrees that any present or future rights or interests as he or she may have or acquire over or in respect of the relevant Mortgaged Property will be postponed and made subject to the rights, interests and remedies of the Seller under the relevant Mortgage and that he or she will not claim any such rights or interests against the Seller. In relation to each Scottish Mortgage, all necessary MH/CP Documentation has been obtained so as to ensure that neither the relevant Scottish Mortgage nor the relevant Mortgaged Property is subject to or affected by any statutory right of occupancy;
- (bb) the Seller has procured that full and proper accounts, books and records have been kept showing clearly all material transactions, payments, receipts and any enforcement proceedings or any other correspondence relating to each Mortgage Loan and its Mortgage and all such accounts, books and records are up to date and in the possession of the Seller or held to its order;
- (cc) the origination and collection practices employed by the Seller with respect to the Mortgage Loans (other than the Exception Loan) have been, in all respects, consistent with the practice of a Prudent Mortgage Lender;
- (dd) the Seller has not received written notice of any final and non-appealable adversely held litigations or claims which, in the reasonable opinion of the Seller, call into question in any material way the Legal Title Holder's title to any Mortgage Loan and its Mortgage or the value of any Related Security;
- (ee) in respect of any Mortgaged Property which is subject to a second or subsequent mortgage or standard security, the Seller has first priority or first ranking for the full amount of the Mortgage Loan, all arrears of interest and accrued interest thereon and all costs, fees and expenses relative thereto;
- (ff) except where lodged with the relevant registry in relation to which registration may be pending at HM Land Registry or the Registers of Scotland, all Title Deeds and Mortgage Loan Files (such as it exists and whether in physical or dematerialised form) are held by, or to the order of, the Seller;
- (gg) all costs, fees and expenses incurred in making, closing or registering the Mortgage Loan and the Related Security have been paid in full;
- (hh) all formal approvals, consents and other steps necessary to permit an equitable or beneficial transfer of, or a declaration of trust over, and a transfer of servicing away from the Seller of the Mortgage Loan and their related Mortgages to be sold under the Mortgage Sale Agreement and the KMC/BUK Mortgage Sale Agreement whenever required under the Transaction Documents have been obtained or taken and there is no requirement in order for such transfer to be effective to notify the Borrower before, on or after any such equitable or beneficial transfer or declaration of trust. Neither the entry by the Seller into the Mortgage Sale Agreement, the KMC/BUK Mortgage Sale Agreement (in its capacity as purchaser), nor any sale, transfer, assignment, assignation or creation of trust contemplated by the Mortgage Sale Agreement or the KMC/BUK Mortgage Sale Agreement and their related agreements, materially adversely affects or will materially adversely affect any of the Mortgage Loans and their Related Security and the Seller may enter into the Mortgage Sale Agreement, and the KMC/BUK Mortgage Sale

Agreement (in its capacity as purchaser) and, as applicable, freely sell, transfer, assign and enter into trust arrangements in respect of all its respective rights, title, interests and benefits therein as contemplated in the Transaction Documents without breaching any term or condition applying to any of the Mortgage Loans or their Related Security;

- (ii) so far as the Seller is aware, none of the terms in any Mortgage Loan and its related Mortgage are unfair terms within the meaning of the Unfair Terms in Consumer Contracts Regulations 1994, the Unfair Terms in Consumer Contracts Regulations 1999 or the Consumer Rights Act 2015 in any material respect (except that no warranty is given in relation to any obligation of the Borrower to pay Early Repayment Charges or charges payable in the event of Borrower default);
- (jj) each Mortgage Loan is a Floating Rate Mortgage Loan or a Fixed Rate Mortgage Loan;
- (kk) the Seller is not aware of any material claim outstanding under any of the Insurance Contracts relating to a Mortgaged Property;
- (ll) each Mortgaged Property is a residential property and, so far as the Seller is aware:
 - (i) no Mortgage Loan in the Mortgage Portfolio was lent for the purpose of funding the acquisition of a property that was intended to be used by the occupier on a continuous basis for a combined commercial and residential purpose; and
 - (ii) no Mortgage Loan in the Mortgage Portfolio was lent for the purpose of financing the construction of a Mortgaged Property;
- (mm) the Mortgage Loan Agreements comprised in the Mortgage Portfolio may not be avoided or set aside (whether as a result of the incapacity, bankruptcy, insolvency or any other matter affecting any Borrower in any jurisdiction);
- (nn) none of the provisions of the Mortgage Loan Agreements were (at the time any such Mortgage Loan Agreement was entered into) or have since been waived, altered or modified other than by a Product Switch or any arrangement entered into with a Borrower as part of arrears management, debt rehabilitation or the exercise of the rights and remedies against a Borrower or in relation to the security for the Borrower's obligations arising from any default by the Borrower under or in connection with such Borrower's Mortgage Loan or Related Security in accordance with the procedures adopted by the Servicer or in accordance with the procedures that could reasonably be expected of a Prudent Mortgage Lender;
- (oo) no representation or warranty has been made to a Borrower (whether prior to the execution of the relevant Mortgage Loan Agreement or at any time thereafter), which is inconsistent with the terms and provisions set out in the relevant Mortgage Loan Agreement;
- (pp) payments on each Mortgage Loan comprised in the Mortgage Portfolio may be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any other jurisdiction or any authority thereof or therein having the power to tax;
- (qq) to the extent that any of the Mortgage Loans qualifies as a "distance contract" (as defined by the Financial Services (Distance Marketing) Regulations 2004 (the "Distance Marketing Regulations")), the Seller has complied with the provisions of the Distance Marketing Regulations in respect of such Mortgage Loans;
- (rr) no Mortgage Loan, Related Security or Insurance Contract consists of "stock" or "marketable securities" (in either case for the purposes of Section 122 of the Stamp Act 1891), "chargeable securities" (for the

purposes of Section 99 of the Finance Act 1986) or a "chargeable interest" (for the purposes of Section 48 of the Finance Act 2003, Section 4 of the Land and Buildings Transaction Tax (Scotland) Act 2013 or Section 4 of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017);

- (ss) each Mortgage Loan was originated by the Seller in the ordinary course of business pursuant to underwriting standards that were no less stringent than those that the Seller applied at the time of origination to similar loans that are not securitised;
- (tt) the Seller has not, since the date of origination of the relevant Mortgage Loan, done or omitted to do any act or thing which has caused any material non-observance or material non-compliance with, nor any material breach of any obligation, undertaking, covenant or condition on the part of the Seller under, any Mortgage Loan or its Related Security;
- (uu) each Mortgage Loan has a remaining term of less than 40 years;
- (vv) so far as the Seller is aware, other than with respect to monthly payments, no Borrower is or has, since the date of execution of the relevant Mortgage, been in material breach of any obligations owed in respect of the relevant Mortgage Loan or its Related Security and accordingly no steps have been taken by the Seller to enforce any Related Security;
- (ww) no Mortgage Loan, so far as the Seller or the Legal Title Holder is aware, is a Mortgage Loan to a Borrower who is a "credit-impaired debtor" as described in Article 20(11) of the UK Securitisation Regulation and in accordance with any official guidance issued in relation thereto;
- (xx) each Mortgage Loan complies with the Eligibility Criteria; and
- (yy) the Mortgage Conditions for each Mortgage Loan do not require the Legal Title Holder to agree to any Further Advance or Product Switch.

Repurchases and notification of breach of Mortgage Loan Warranty

The Seller will be required to repurchase any Mortgage Loan and its Related Security sold to the Issuer in circumstances where any Mortgage Loan Warranty proves to have been untrue on the Cut-Off Date and such breach has a material adverse effect on such Mortgage Loan and its Related Security and such breach is not capable of remedy or, if capable of remedy, is not remedied within 90 days of (i) notification of such breach by the Seller to the Issuer and Security Trustee, which notification shall be made, in case of a breach which is capable of remedy, no later than 28 Business Days from the date of the Seller becoming aware of such breach or (ii) receipt by the Seller of a notice from the Issuer or, following the delivery of an Enforcement Notice, the Security Trustee.

Repurchase price

The repurchase price payable for each Mortgage Loan repurchased by the Seller in accordance with the Mortgage Sale Agreement is an amount equal to the aggregate of the Current Balance and all Arrears of Interest and Accrued Interest thereof and expenses payable relating thereto (excluding, if applicable, the amount of any Further Advance which has not yet been paid for by the Issuer) as at the date of completion of such repurchase. The repurchase proceeds received by the Issuer in respect of the Current Balance of a Mortgage Loan will be Principal Receipts and will be applied in accordance with the Pre-Enforcement Principal Priority of Payments or, in respect of Accrued Interest and Arrears of Interest of a Mortgage Loan, will be Revenue Receipts and will be applied in accordance with the Pre-Enforcement Revenue Priority of Payments (see "*Credit Structure and Cashflows*").

No active portfolio management

The Seller's rights or obligations to sell the Mortgage Loans and their Related Security to the Issuer and/or the Seller's and/or Legal Title Holder's rights or obligations to repurchase the Mortgage Loans and their Related

Security from the Issuer pursuant to the Mortgage Sale Agreement (including with respect to breach of the Mortgage Loan Warranties or pursuant to a Further Advances Notice or Product Switches Notice (as applicable)), do not constitute active portfolio management for the purposes of Article 20(7) of the UK Securitisation Regulation.

Governing law

The Mortgage Sale Agreement and all non-contractual obligations arising out of or in connection with it are governed by English law. The Mortgage Sale Agreement has been entered into by way of deed. Any terms of the Mortgage Sale Agreement which are particular to the laws of Scotland will be construed in accordance with Scots law. The Scottish Declaration of Trust to be entered into pursuant to the Mortgage Sale Agreement is governed by and will be construed in accordance with Scots law.

THE SERVICER AND THE SERVICING AGREEMENT

The following section describes, in summary, the material terms of the Servicing Agreement. The description does not purport to be complete and is subject to the provisions of the Servicing Agreement.

Servicing Agreement

Pursuant to the terms of the Servicing Agreement to be entered into on the Closing Date between the Issuer, the Seller, the Legal Title Holder, the Servicer and the Security Trustee, the Issuer will appoint the Servicer to administer the Mortgage Loans on its behalf and to provide certain administration and management services and to exercise the Issuer's rights, powers and discretions, and to perform the Issuer's duties under and in relation to the Mortgage Loans and their Related Security.

The Servicer will continue to administer mortgage loans originated by the Seller which have not been sold to the Issuer. The Servicer agrees to administer the Mortgage Loans and their Related Security as if the same had not been sold to the Issuer but had remained on the books of the Seller and in accordance with the Seller's Policy as it applies to the Mortgage Loans from time to time. The Barclays Group's business has included the servicing of mortgage loans similar to the Mortgage Loans in the Mortgage Portfolio for at least five years. The Servicer is regulated by the PRA.

The Servicing Agreement provides that the duty of the Servicer is to provide the services set out in the Servicing Agreement, including to administer the Mortgage Loans in the Mortgage Portfolio, in accordance with the terms of the Servicing Agreement, the Servicing Procedures and the Mortgage Conditions from time to time in force.

The Servicer may sub-contract or delegate the performance of its duties under the Servicing Agreement, **provided that** it meets conditions as set out in the Servicing Agreement.

Undertakings of the Servicer

Pursuant to the terms of the Servicing Agreement, the Servicer undertakes, in relation to those Mortgage Loans and their Related Security that it is servicing, among other things:

- (a) to maintain approvals, authorisations, permissions, consents and licences required in order to service the Mortgage Loans and their Related Security properly and to perform or comply with its obligations under the Servicing Agreement;
- (b) to keep records and accounts on behalf of the Issuer in relation to the Mortgage Loans;
- (c) to ensure safe custody of the Mortgage Loan Files relating to the Mortgage Portfolio which are in its possession;
- (d) to monitor and, where appropriate, pursue arrears and enforcing the Related Security where required (in each case in accordance with the service specification and Enforcement Procedures);
- (e) subject to the provisions of the Servicing Agreement and the Enforcement Procedures, procuring and taking all reasonable steps to recover all sums due to the Issuer, including, without limitation, by the institution of proceedings and/or the enforcement of any Mortgage Loan comprised in the Mortgage Portfolio or any Related Security, actions against valuers/solicitors, claims under Insurance Contracts and against/at the HM Land Registry, as applicab;
- (f) to assist the Cash Manager (through provision of the Servicer Reports) in the preparation of the Monthly Investor Report and Quarterly Report in accordance with the Cash Management Agreement;

- (g) to provide such other information to the Issuer and the Security Trustee as they may reasonably request; and
- (h) to not knowingly fail to comply with any material legal requirements in the performance of its obligations under the Servicing Agreement.

Servicer Reports and transparency requirements

The Issuer will procure that:

- (a) in respect of each Collection Period, the Servicer will prepare and provide to the Issuer, the Reporting Agent, the Cash Manager and the Sponsor Administrator, by no later than each Servicer Reporting Date, a monthly report in relation to the Mortgage Loans in the Mortgage Portfolio (the "**Monthly Servicer Report**");
- (b) the Servicer will prepare an anonymised individual loan-level data tape in respect of the Mortgage Portfolio in the format required by the Reporting Agent in respect of each Collection Period (in accordance with Article 7(1)(a) of the EU Securitisation Regulation and UK Securitisation Regulation and in the form prescribed under the EU Securitisation Regulation and UK Securitisation Regulation, respectively or as otherwise adopted by the Issuer from time to time) and shall deliver such data tape to the Issuer and the Reporting Agent, by no later than each Servicer Reporting Date (the "**Monthly Loan Level Data Tape**");
- (c) the Cash Manager will, provided that it receives the Monthly Servicer Report no later than the Servicer Reporting Date, make available electronically to the Issuer, the Corporate Services Provider, the Note Trustee, the Security Trustee, the Seller, the Sponsor Administrator, the Servicer and the Rating Agencies through its website at <https://pivot.usbank.com>, each Monthly Investor Report by no later than each Monthly Reporting Date;
- (d) subject to the Cash Manager having prepared and made available the Monthly Investor Report at <https://pivot.usbank.com> and the Servicer having made available the Monthly Loan Level Data Tape, the Corporate Services Provider will promptly make available the Monthly Investor Reports and the Monthly Loan Level Data Tape to the Reporting Agent and procure that the Reporting Agent promptly and simultaneously stores such reports on the website of EuroABS at www.euroabs.com;
- (e) in respect of the Calculation Period immediately preceding a Payment Date, the Servicer will prepare and provide to the Issuer, the Reporting Agent, the Cash Manager and the Sponsor Administrator, on or before each Calculation Date, a quarterly report in relation to the Mortgage Loans in the Mortgage Portfolio (the "**Quarterly Servicer Report**");
- (f) the Cash Manager will, provided that it receives the Quarterly Servicer Report no later than the Calculation Date, prepare and make available electronically through its website at <https://pivot.usbank.com>, the Quarterly Report by no later than each Calculation Date;
- (g) subject to the Cash Manager having received the BOE Quarterly Loan Level Data Tape from the Reporting Agent, the Cash Manager will make available the BOE Quarterly Loan Level Data Tapes at <https://pivot.usbank.com>, on a quarterly basis by no later than the last Business Day of the calendar month in which a Payment Date falls;
- (h) the Corporate Services Provider will, provided that it receives the relevant information from the Cash Manager and the Servicer, deliver to the Reporting Agent on a quarterly basis by no later than the last Business Day of the calendar month in which a Payment Date falls and, where required, without delay,
 - (i) any inside information required to be made available pursuant to Article 7(1)(f) of the UK Securitisation Regulation and the UK Article 7 Technical Standards and information on any significant

event required to be made available pursuant to Article 7(1)(g) of the UK Securitisation Regulation and the UK Article 7 Technical Standards, and (ii) any inside information required to be made available pursuant to Article 7(1)(f) of the EU Securitisation Regulation and EU Article 7 Technical Standards, and information on any significant event required to be made available pursuant to Article 7(1)(g) of the EU Securitisation Regulation and EU Article 7 Technical Standards, **provided that** the Issuer's obligations under the Cash Management Agreement to deliver the relevant reports shall be conditional upon the Cash Manager and the Servicer making available such information and **provided further that** the Issuer shall not be required to monitor the price at which Notes are trading at any time. Such reports shall be prepared and made available in accordance with the requirements of the UK Securitisation Regulation and the EU Securitisation Regulation as such regulation is in force as at the Closing Date, including as to the form of such information and the time when such information is required to be made available;

- (i) the Corporate Services Provider will procure that the Reporting Agent will, provided that it receives the relevant reports from the Corporate Services Provider, the Cash Manager and the Servicer, including the Monthly Loan Level Data Tapes for the relevant Calculation Period, (A) prepare by no later than the last Business Day of the calendar month in which a Payment Date falls (i) the BOE Quarterly Loan Level Data Tape and make such data tape available to the Cash Manager, (ii) the SR Quarterly Loan Level Data Tape, (iii) the SR Quarterly Report and (iii) the quarterly report in relation to (x) any inside information required to be made available pursuant to Article 7(1)(f) of the UK Securitisation Regulation and the UK Article 7 Technical Standards and information on any significant event required to be made available pursuant to Article 7(1)(g) of the UK Securitisation Regulation and the UK Article 7 Technical Standards, and (y) any inside information required to be made available pursuant to Article 7(1)(f) of the EU Securitisation Regulation and EU Article 7 Technical Standards, and information on any significant event required to be made available pursuant to Article 7(1)(g) of the EU Securitisation Regulation and EU Article 7 Technical Standards, and (B) make available by means of the relevant Securitisation Repository Website by no later than the last Business Day of the calendar month in which a Payment Date falls, (i) the SR Quarterly Loan Level Data Tape, (ii) the SR Quarterly Report and (iii) the quarterly report in relation to (x) any inside information required to be made available pursuant to Article 7(1)(f) of the UK Securitisation Regulation and the UK Article 7 Technical Standards and information on any significant event required to be made available pursuant to Article 7(1)(g) of the UK Securitisation Regulation and the UK Article 7 Technical Standards, and (y) any inside information required to be made available pursuant to Article 7(1)(f) of the EU Securitisation Regulation and EU Article 7 Technical Standards, and information on any significant event required to be made available pursuant to Article 7(1)(g) of the EU Securitisation Regulation and EU Article 7 Technical Standards. The SR Quarterly Loan Level Data Tape shall be made available simultaneously with the SR Quarterly Report each quarter by no later than the last Business Day of the calendar month in which a Payment Date falls;
- (j) subject to the Cash Manager having prepared and made available the Quarterly Report at <https://pivot.usbank.com>, the Corporate Services Provider will procure that the Reporting Agent will promptly make available the Quarterly Report and the BOE Quarterly Loan Level Data Tape on the relevant Securitisation Repository Website, in accordance with the requirements of the UK Securitisation Regulation and in accordance with the requirements of the EU Securitisation Regulation as such regulation is in force as at the Closing Date;
- (k) the Servicer will (i) prepare and provide to the Issuer and the Reporting Agent prior to pricing of the Notes (where required, upon request to potential investors) and on the Closing Date an anonymised individual loan-level data tape in respect of the Mortgage Portfolio as at the Closing Date in the format required by the Reporting Agent (in accordance with Article 7(1)(a) of the EU Securitisation Regulation and UK Securitisation Regulation and in the form prescribed under the EU Securitisation Regulation and UK Securitisation Regulation, respectively), and (ii) upon 10 Business Days' written request by the Issuer, provide to the Issuer such information as is reasonably within its knowledge and possession or

reasonably ascertainable by the Servicer in relation to the Mortgage Loans, the Mortgages and any matter reasonably incidental thereto;

- (l) the Cash Manager will upload on the Closing Date the final Transaction Documents at <https://pivot.usbank.com>;
- (m) the Corporate Services Provider will procure that the Reporting Agent (i) uploads to the relevant Securitisation Repository Website this Prospectus and the Transaction Documents, the KMC/BUK Mortgage Sale Agreement and the Scottish Deed of Release (in draft form) as required by Article 7(1)(b) of the UK Securitisation Regulation and Article 7(1)(b) of the EU Securitisation Regulation (as if such requirement applied to it) prior to the pricing of the Notes and that the final Prospectus and Transaction Documents are provided no later than 15 days after the Closing Date and (ii) prepares and uploads to the relevant Securitisation Repository Website a cash flow model pursuant to requirements in relation to eligible collateral for the purpose of the Bank of England's Sterling monetary framework and following receipt of the data tape prepared by the Servicer referred to in paragraph (k) above, an anonymised individual loan-level data tape in respect of the Mortgage Portfolio in the format required by the Reporting Agent (in accordance with Article 7(1)(a) of the EU Securitisation Regulation and UK Securitisation Regulation and in the form prescribed under the EU Securitisation Regulation and UK Securitisation Regulation, respectively) prior to pricing of the Notes (where required, upon request to potential investors) and as at the Closing Date;
- (n) on behalf of the Sponsor Administrator and itself, the Seller will prepare the draft and final STS notifications to the relevant Securitisation Repository Website and make (or procure the making of) such notifications to the FCA;
- (o) the Seller will procure that the Reporting Agent (i) prepares and uploads to the relevant Securitisation Repository Website a liability cashflow model for the purpose of complying with the STS requirements under Article 22(3) of the UK Securitisation Regulation, and (ii) uploads to the relevant Securitisation Repository Website the UK STS notification required pursuant to Article 7(1)(d) of the UK Securitisation Regulation (and prepared in accordance with the UK STS Notification Technical Standards) (in draft form) prior to the pricing of the Notes and the final UK STS notification (once available).

Collection of payments

The Servicer has undertaken to take all reasonable steps to collect and recover payments due under or in respect of the Mortgage Loans in the Mortgage Portfolio and the Related Security, including enforcing any Mortgage Loan which is in default in accordance with the Seller's Enforcement Procedures or, to the extent that such Enforcement Procedures are not applicable having regard to the nature of the default in question, with the usual procedures undertaken by a Prudent Mortgage Lender on behalf of the Issuer.

Payments from Borrowers under mortgage loans originated by the Seller which are not intended to be assigned to the Issuer are also paid into and flow through the Collection Accounts. Amounts paid into the Collection Accounts are held on trust by the Collection Accounts Provider for the relevant beneficiaries (which will include the Issuer). The trust in favour of the Issuer is in respect of all amounts credited to the Collection Accounts which represent receipts in respect of Mortgage Loans that have been assigned to the Issuer and included in the Mortgage Portfolio.

In respect of amounts standing to the credit of the Collection Accounts representing amounts identified as Monthly Payments, other interest received under and in respect of the Mortgage Loans and any costs or other amounts received under the Mortgage Loans (including in any such case amounts recovered on enforcement of rights against any Borrower or guarantor of the Borrower, any Mortgaged Property or any of the Borrower's or guarantor's other property or assets to the extent such proceeds are payable on the relevant Mortgage Loans) will be transferred (i) to the extent relating to the collections which relate to Mortgage Loans beneficially owned by the Issuer, from the F Collection Account and/or the R Collection Account, as the case may be, into the Main Collection Account no later than the Business Day following the relevant collections having cleared in the relevant

Collection Account and (ii) from the Main Collection Account into the Transaction Account on the Business Day following the date of receipt, in accordance with the provisions of the Main Collection Account Agreement, (and to the extent relating to the collections which relate to Mortgage Loans beneficially owned by the Issuer) the F Collection Account Agreement, the F Collection Account Accession Agreement, the R Collection Account Agreement and the R Collection Account Accession Agreement.

All amounts received from Borrowers will be credited initially to the Main Collection Account, the F Collection Account or the R Collection Account.

The Collection Accounts Provider will be entitled to make payment out of the relevant Collection Account of any Unpaid Items (as defined in the F Collection Account Agreement or the R Collection Account Agreement and pertaining to amounts paid by the Borrowers in relation to the Mortgage Loans) which have not been paid to the Collection Accounts Provider in accordance with the terms of the F Collection Account Agreement or the R Collection Account Agreement (as applicable). The Collection Accounts Provider may debit any Unpaid Items (as defined in the Main Collection Account Agreement) from amounts standing to the credit of the Main Collection Account notwithstanding that the Main Collection Account may become overdrawn as a result of such debit.

If the Collection Accounts Provider debits an Unpaid Item to any relevant Collection Account and there is a debit balance on such Collection Account which arises by virtue of the Unpaid Item being deducted (a "**Resulting Overdraft**"), then to the extent that such liability is not settled by any funds subsequently paid into the relevant Collection Account, the Issuer shall be liable to the Collection Accounts Provider in respect of such Resulting Overdraft and the Servicer shall on demand from the Collection Accounts Provider debit the Transaction Account and credit the relevant Collection Account immediately in satisfaction of such liability.

Collection Accounts

General

Unless otherwise agreed in writing by the Issuer and the Note Trustee, all payments by Borrowers in respect of amounts due under the Mortgage Loans in the Mortgage Portfolio will be made into the Main Collection Account, the F Collection Account or the R Collection Account.

Main Collection Account

Payments by Borrowers in respect of amounts due under the Mortgage Loans in the Mortgage Portfolio may be made by direct debits, into an account in the name of KMC (the "**Main Collection Account**") at the Collection Accounts Provider pursuant to the Main Collection Account Agreement. Payments by Borrowers by standing orders and Department for Work and Pensions (DWP) payments may also be made by Borrowers direct into the Main Collection Account. No payments from Borrowers with mortgage loans from the Legal Title Holder which are not Mortgage Loans in the Mortgage Portfolio should be paid into the Main Collection Account. The Legal Title Holder will declare a trust over the Main Collection Account (the "**Main Collection Account Declaration of Trust**") in favour of the Issuer.

The Collection Accounts Provider shall be entitled at any time to deduct from the Collection Accounts any amounts to satisfy any of their 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 the Main Collection Account in respect of the Mortgage Portfolio, or to pay amounts due or owing to the Collection Accounts Provider under the terms of the Main Collection Account Agreement.

Additional main collection accounts may be established in accordance with the Transaction Documents from time to time. An account so established will constitute a Main Collection Account **provided that** (i) the Legal Title Holder has declared a trust over such account in favour of the Issuer; (ii) the relevant accounting holding bank has the requisite Collection Accounts Provider Required Ratings; and (iii) such account holding bank enters into an agreement on substantially the same terms as the Main Collection Account Agreement.

F Collection Account

If a Borrower makes a payment in respect of amounts due under the Mortgage Loans in the Mortgage Portfolio by cash or cheque then those amounts may be paid by the Borrower into an account in the name of KMC (the "**F Collection Account**") at the Collection Accounts Provider pursuant to the F Collection Account Agreement, and will be transferred into the Main Collection Account pursuant to the F Collection Account Agreement and the F Collection Account Accession Agreement. Cash or cheque payments from Borrowers with mortgage loans from the Legal Title Holder which are not Mortgage Loans in the Mortgage Portfolio will also be paid into the F Collection Account, which for the avoidance of doubt will not be transferred into the Main Collection Account. On 17 December 2015 the Legal Title Holder declared a trust over the F Collection Account (the "**F Collection Account Declaration of Trust**") in favour of the relevant beneficiaries of the amounts deposited in the F Collection Account. On or about the Closing Date the Issuer will enter into the F Collection Account Supplemental Deed of Declaration of Trust and will be the beneficiary in respect of the Mortgage Loans in the Mortgage Portfolio. The F Collection Account Declaration of Trust is therefore in respect of a number of beneficiaries, being the relevant beneficial owners of the relevant mortgage loans to which the amounts deposited in the F Collection Account relate.

R Collection Account

If a Borrower makes a payment in respect of amounts due under the Mortgage Loans in the Mortgage Portfolio by debit card then those amounts may be paid by the Borrower into an account in the name of KMC (the "**R Collection Account**") at the Collection Accounts Provider pursuant to the R Collection Account Agreement, and will be transferred into the Main Collection Account pursuant to the R Collection Account Agreement and the R Collection Account Accession Agreement. Debit card payments from Borrowers with mortgage loans from the Legal Title Holder which are not Mortgage Loans in the Mortgage Portfolio will also be paid into the R Collection Account, which for the avoidance of doubt will not be transferred into the Main Collection Account. On 17 December 2015 the Legal Title Holder declared a trust over the R Collection Account (the "**R Collection Account Declaration of Trust**") in favour of the relevant beneficiaries of the amounts deposited in the R Collection Account. On or about the Closing Date the Issuer will enter into the R Collection Account Supplemental Deed of Declaration of Trust and will be the beneficiary in respect of the Mortgage Loans in the Mortgage Portfolio. The R Collection Account Declaration of Trust is therefore in respect of a number of beneficiaries, being the relevant beneficial owners of the relevant mortgage loans to which the amounts deposited in the R Collection Account relate.

Replacement of Collection Accounts Provider

If the rating of the Collection Accounts Provider falls below the Collection Accounts Provider Required Rating from at least one of the Rating Agencies (such failure a "**Collection Accounts Provider Downgrade Event**"), the Issuer will use its commercially reasonable endeavours to procure that the Collection Accounts shall be transferred to another institution authorised under FSMA which has the Collection Accounts Provider Required Ratings pursuant to an agreement with such institution in substantially the form of the Main Collection Account Agreement, the F Collection Account Agreement and the R Collection Account Agreement (to the extent applicable to the Collection Accounts) or to procure the opening of replacement Collection Accounts with another institution authorised under FSMA which has the Collection Accounts Provider Required Ratings within a period not exceeding 60 calendar days (or such longer period as the Note Trustee and the Rating Agencies may agree) (but no less than 35 calendar days) from the date on which such downgrade occurs and the Collection Accounts Provider will, at the request and cost of the Issuer, use its commercially reasonable endeavours to assist with the same.

Arrears and default procedures

Set out below is a description of the current arrears and default procedures applied by the Legal Title Holder and the Servicer. The Legal Title Holder and Servicer's servicing procedures set out in clear and consistent terms, remedies and actions relating to delinquency and default of debtors debt restructuring, debt forgiveness,

forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies. These procedures may be changed by the Servicer and the Legal Title Holder in accordance with the Servicing Agreement and the standards of a Prudent Mortgage Lender and/or as required by applicable law and regulation.

The Servicer collects all payments due under or in connection with the Mortgage Loans in accordance with its administration procedures in force from time to time, but having regard to the circumstances of the relevant Borrower in each case and with repossession seen as a last resort.

The Servicer identifies a Mortgage Loan as being "in arrears" when, on any date which is one or more days past the relevant due date, the overdue amount is equal to or greater than one contractual monthly instalment or £100. Where a Mortgage Loan is subject to a Payment Holiday Arrangement, the relevant Payment Holiday Loan will not be considered by the Servicer to be in arrears in respect of the amounts which are subject to the Payment Holiday only.

The arrears are monitored daily and reported at each calendar month end. Contact is made with the Borrower from the point a Mortgage Loan is identified as being in arrears (i.e. the first day past the relevant due date) and the Servicer will continue to contact the Borrower asking for payment of the arrears. The Servicer classifies a Mortgage Loan that is in arrears as a "non-performing mortgage loan" if the relevant Borrower has not made any payment within any period of three consecutive calendar months.

In seeking to control and manage arrears, the Servicer from time to time enters into arrangements with Borrowers regarding the arrears, including:

- arrangements to make each payment as it falls due plus an additional amount to pay the arrears over a period of time; and/or
- arrangements to pay only a portion of each payment as it falls due.

Such arrangements will be based on individual customer circumstances and for varying time limits.

In some instances, based on the customer's individual circumstances, it may be appropriate to consider a contract variation, such as temporary payment type conversion, arrears capitalisation, term extension or interest deferral. Generally, a contract variation will be agreed in conjunction with a payment strategy.

Where an assessment of a customer's circumstances has determined that none of the repayment strategies or contract variations offered to the Servicer are suitable, affordable and/or sustainable for that customer, the Servicer will consider a range of mortgage exit options including assisted voluntary sales.

Legal proceedings do not usually commence until the arrears are overdue for a period of more than 90 days. However, in many cases legal proceedings may commence later than this. Once legal proceedings have commenced, the Servicer may still enter into an arrangement with a Borrower at any time prior to a court hearing, or it may request an adjournment of a court hearing. If the Servicer (on behalf of the Legal Title Holder) applies to the court for an order for possession following a default of the Borrower, the court has discretion as to whether it will grant the order requiring the Borrower to vacate the mortgaged property, and discretion as to the terms upon which the order is granted. If, after the possession order has been granted, the Borrower does not voluntarily vacate the property, then the Servicer may request a warrant for execution by a court officer of the possession order. On average over ten monthly payments may have been missed prior to the Servicer obtaining possession, assuming no prior mortgage or the imposition of defences. Where a court order for possession is deferred to allow time for payment and the Borrower subsequently defaults in making the payment, the Servicer may take any action it considers appropriate, including entering into an arrangement with the Borrower.

In all cases, the Servicer has a duty of care to the Borrower to act reasonably and fairly.

For more information as to procedures which mortgage lenders can take in response to payment difficulties experienced by customers and specific limitations on commencing repossession proceedings in such circumstances, please see "*Further Information relating to the Regulation of Mortgages in the UK – FCA response to the cost of living crisis*".

The Servicer has discretion to deviate from these arrears procedures. In particular, the Servicer may deviate from these procedures where a Borrower suffers from a mental or physical infirmity, is deceased or where the Borrower is otherwise prevented from making payment due to causes beyond the Borrower's control. This is the case for both sole and joint Borrowers.

After the Legal Title Holder has obtained possession, the Servicer (on its behalf) may take any action it considers appropriate, subject to any fiduciary duties which the Legal Title Holder may owe to the Borrower, including but not limited to:

- instructing panel solicitors to complete all conveyancing activities in relation to the sale of the property;
- instructing a panel asset manager and appointing an appropriate local estate agent to market and sell the property by private treaty wherever possible;
- ensuring that the repossessed property is secured;
- obtaining at least two Royal Institution of Chartered Surveyors and estate agent valuations, alongside local area information, such as demographics, unique selling points, previous marketing history and local comparables, which are all used to set the correct marketing price in order to sell the property for the best possible price in the shortest possible time period;
- reviewing marketing and considering price reductions every 30 days. This includes viewings, feedback, online click rates and any other relevant information. Auctions are only considered as a last resort or in the event of severe property defects; and
- carrying out property inspections.

All offers outside of asking price are referred to the Servicer and reviewed on an individual basis, with full justification documented for either acceptance or decline. All properties unsold over 90 days are subject to monthly aged stock reviews, where individual strategies are agreed on for each property. When an offer is accepted a public notice is run online inviting higher offers. Full exchange checks of all costs incurred throughout the sale process are verified against the tariff and approval process before authority is given to exchange. This is replicated at completion to ensure that no further costs have been incurred.

Subject as provided above, the Servicer (on behalf of the mortgagee) has discretion as to the timing of any of these actions, including whether to postpone the action for any period of time. The period between the Servicer (on behalf of the mortgagee) obtaining possession and sale of a mortgaged property is generally between three and six months.

The Servicer subjects all panel solicitors and asset managers to third party oversight. This includes but is not limited to, monthly and quarterly performance scorecards, quarterly review meetings, full annual audits and regular site visits/audits.

However, prospective investors should note that the Servicer's ability to exercise its power of sale in respect of a mortgaged property is dependent upon mandatory legal restrictions as to notice requirements. In addition, there may be factors outside the Servicer's control, such as whether the Borrower contests the sale and the market conditions at the time of sale, that may affect the length of time between the Servicer's decision (on behalf of the mortgagee) to exercise the power of sale and final completion of the sale.

The Servicer will apply the net proceeds of sale of the mortgaged property against the sums owed by the Borrower to the extent necessary to discharge the mortgage including any accumulated fees and interest. Where the funds arising from application of these procedures are insufficient to pay all amounts owing in respect of a Mortgage Loan, the funds are first in paying costs (other than interest), secondly, in paying principal and third in paying interest.

At this point the Servicer will close the Borrower's account. However, the Borrower remains liable for any deficit remaining after the mortgaged property is sold. The Servicer may pursue the Borrower to the extent of any deficiency resulting from the sale, or may write off the balance, if the Servicer deems it appropriate to do so.

These arrears and security enforcement procedures may change over time as a result, amongst other things, of a change in the Servicer's business practices, a change in the identity of the Servicer or a change in any relevant business codes of practice or any legislative or regulatory changes.

Servicer's discretion in exceptional circumstances

On a case-by-case basis, and within approved parameters detailed in the Seller's Policy, the Servicer may determine that, based upon compensating factors, the normal processes to deal with customers in arrears should not be applied to certain Borrowers. The Servicer may take into account compensating factors including, but not limited to, the ill health of one or more of the occupants, elderly residents and sudden change in a Borrower's personal circumstances, for example, accident, bereavement or separation from a partner. In these exceptional circumstances, the account is referred to a forum in which there is senior representation from key areas across the mortgage business (including, but not limited to, credit risk, product and operations). The forum reviews all cases based upon their individual and prevailing factors to assess and agree upon the most appropriate course of action.

Servicer's liability

The Servicer will indemnify the Issuer on demand on an after-tax basis for any loss, liability, claim, expense or damage suffered or incurred by the Issuer in respect of the gross negligence or wilful default of the Servicer in carrying out its functions as Servicer under the Servicing Agreement or the other Transaction Documents or as a result of a breach by the Servicer of the terms and provisions of the Servicing Agreement or the other Transaction Documents to which the Servicer is a party (in its capacity as such), and in relation to such functions.

However, the Servicer will not be liable in respect of any loss, liability, claim, expense or damage suffered or incurred by the Issuer and/or any other person as a result of the proper performance of the services under the Servicing Agreement by the Servicer save where such loss, liability, claim, expense or damage is suffered or incurred as a result of any gross negligence, bad faith or wilful default of the Servicer or as a result of a breach by the Servicer of the terms and provisions of the Servicing Agreement or the other Transaction Documents to which the Servicer is a party (in its capacity as such), and in relation to such functions.

Servicing fee

The Issuer will pay to the Servicer, in arrears, on each Payment Date in consideration of the provision of the services under the Servicing Agreement to the Issuer, a servicing fee, which will be an amount equal to the sum of (exclusive of VAT, if any) in respect of each Determination Period, an amount (exclusive of VAT, if any) equal to 0.25 per cent. multiplied by the aggregate Current Balance of the Mortgage Loans in the Mortgage Portfolio as at the first day of the applicable Determination Period multiplied by the number of days in such Determination Period divided by 365 (the "**Servicing Fee**"), provided that for the purposes of calculation and payment of the Servicing Fee only, the first Determination Period shall commence on the Closing Date and end on 29 February 2024 (inclusive).

Other than costs, expenses and/or liabilities of the Servicer relating to compliance with Applicable Law pursuant to the provisions of the Servicing Agreement, the Servicer may not increase the Servicing Fee if the Servicer incurs increased costs as a result of a Change.

Notwithstanding the above, the aggregate amount (exclusive of VAT) payable on each Payment Date as a Servicing Fee is subject to an overall cap equal to 0.50 per cent. multiplied by the aggregate Current Balance of the Mortgage Loans as at the first day of the relevant Determination Period multiplied by the number of days in the Determination Period divided by 365 (the "**Senior Servicing Fee Cap**") with any remaining balance above the Senior Servicing Fee Cap to be paid at paragraph (xxi) of the Pre-Enforcement Revenue Priority of Payments.

Unless the Issuer and the Servicer (each acting reasonably) otherwise agree in writing, on each anniversary of the date of the Servicing Agreement (each, a "**Review Date**") the Servicing Fee will increase annually in proportion to the increase in the Retail Price Index (RPI) for the United Kingdom, as published by the official statistical agency or other authoritative source, for the 12-month period ending on the last day of the month preceding the Review Date and subject to a maximum annual increase of 5 per cent. For the avoidance of doubt if the Retail Price Index falls, then the fees shall not decrease and shall remain at the current rate.

The Issuer will, on each Payment Date, as further consideration for the provision of the services under the Servicing Agreement to the Issuer, reimburse the Servicer for all out-of-pocket costs, expenses and charges properly incurred by the Servicer in the performance of those services, including any such costs, expenses or charges not reimbursed to the Servicer on any previous Payment Date.

Removal or resignation of the Servicer

If any of the following events (each a "**Servicer Termination Event**") occurs:

- (a) default is made by the Servicer in the performance or observance of any of its covenants, undertakings and obligations under the Servicing Agreement which, in the sole opinion of the Note Trustee, is materially prejudicial to the interests of the Noteholders or the Certificateholders and which, in the case of a default that is remediable, continues unremedied for a period of 15 days after written notice from the Note Trustee requiring the same to be remedied or such longer period as the parties agree;
- (b) the Servicer ceases to be an authorised person under FSMA or fails to obtain or maintain the necessary licenses, registrations or regulatory approvals enabling it to continue to service the Mortgage Loans and perform its obligations under the Servicing Agreement;
- (c) an order is made or an effective resolution is passed for the winding up of the Servicer;
- (d) the Servicer ceases or threatens to cease to carry on its business or a substantial part of its business or stops payment or threatens to stop payment of any amounts due to its creditors generally or becomes unable to pay its debts as they fall due or otherwise becomes insolvent;
- (e) (other than in the case of a reorganisation the terms of which have been approved by the Issuer, or following the delivery of an Enforcement Notice, the Security Trustee and where the Servicer demonstrates to the satisfaction of the Issuer, or following the delivery of an Enforcement Notice, the Security Trustee that it is solvent) an order is made against the Servicer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or a receiver, administrator or other similar official is appointed in relation to the Servicer or in relation to the whole or any substantial part of the undertaking or assets of the Servicer or an encumbrancer or other security holder shall take possession of the whole or any substantial part of the undertaking or assets of the Servicer, and in any of the foregoing cases it shall not be discharged within 30 Business Days; or if the Servicer shall initiate or consent to judicial proceedings relating to itself (other than in the case of a reorganisation) under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or shall make a conveyance or assignment for the benefit of its creditors generally or if a petition is presented to wind up the Servicer (other than any petition which is frivolous or vexatious and is not withdrawn within five Business Days);

- (f) an Enforcement Notice is given and the Security Trustee is of the opinion that the continuation of the appointment of the Servicer is materially prejudicial to the interests of the holders of the Most Senior Class;
- (g) a Perfection Trigger Event;
- (h) the Issuer giving notice to the Legal Title Holder of termination of its appointment in accordance with the Servicing Agreement or the Legal Title Holder purporting to resign its appointment as Legal Title Holder in accordance with the Servicing Agreement; or
- (i) a Force Majeure Event occurs and continues unremedied for 21 calendar days.

then the Issuer may (with the prior written consent of the Security Trustee) or, following the delivery of an Enforcement Notice, the Security Trustee may or the Issuer (if directed by the Security Trustee) shall at once or at any time thereafter while such default continues, by notice in writing to the Servicer (with a copy to the Security Trustee, the Note Trustee and the Sponsor Administrator), 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, provided that such termination shall not be effective until a successor servicer (a "**Successor Servicer**") and a successor entity for holding of the legal title of the Mortgage Portfolio (a "**Successor Legal Title Holder**") has been appointed, and the Successor Legal Title Holder has been registered as the registered proprietor of the Mortgage Loans and their Related Security at HM Land Registry or the Registers of Scotland, as appropriate.

Upon termination of the appointment of the Servicer following a Servicer Termination Event, the Back-up Servicer Facilitator shall use its reasonable endeavours to assist the Issuer in appointing, as soon as reasonably practicable, a replacement Servicer that satisfies the following conditions:

- (a) such replacement servicer has experience of administering Mortgage Loans secured on residential mortgaged properties in England, Wales and Scotland;
- (b) such replacement servicer enters into a deed on substantially the same terms as the relevant provisions of the Servicing Agreement with the Issuer, the Seller, the Legal Title Holder and the Security Trustee (and the Servicer will not be released from its obligations under the relevant provisions of the Servicing Agreement until such replacement servicer has entered into such new deed); and
- (c) such replacement Servicer is authorised and licensed to act as such under the FSMA.

The Issuer may also, by not less than 12 months' notice in writing to the Servicer, terminate all of its appointments with effect from a date (not being earlier than the date of the notice) specified in such notice.

In addition, the Servicer may resign all of its appointments under the Servicing Agreement at any time following the expiry of not less than 12 months' notice of resignation given by the Servicer to the Issuer and the Security Trustee, provided that the conditions referred to above are satisfied, the Issuer and the Security Trustee consent in writing to such termination, and a replacement servicer will be appointed (subject to the prior written consent of the Security Trustee), such appointment to be effective not later than the date of such termination (and the Servicer will notify the Rating Agencies in writing of the identity of such replacement servicer).

If the appointment of the Servicer is terminated, the Servicer must deliver (and in the meantime hold on trust for, and to the order of, the Security Trustee) to the Issuer or as it will direct the Mortgage Loan Files, the Title Deeds, all books of account, papers, records, registers, correspondence and documents in its possession or under its control relating to the affairs of, or belonging to, the Issuer and the Mortgage Loans in the Mortgage Portfolio and any other Related Security and (if practicable, on the date of receipt) any monies then held by the Servicer on behalf of the Issuer and any other assets of the Issuer.

The Servicing Agreement will terminate automatically when the Issuer has no further interest in any of the Mortgage Loans which have comprised the Mortgage Portfolio and the security constituted by the Deed of Charge has been released.

Neither the Note Trustee nor the Security Trustee is obliged to act as Servicer in any circumstances.

Termination and replacement of the Legal Title Holder

If any of the following events (each a "**Legal Title Holder Termination Event**") occurs:

- (a) an order is made or an effective resolution passed for winding up the Legal Title Holder;
- (b) the Legal Title Holder ceases or threatens to cease to carry on its business or a substantial part of its business or stops payment or threatens to stop payment of any amounts due to its creditors generally or becomes unable to pay its debts as they fall due or otherwise becomes insolvent;
- (c) an order is made against the Legal Title Holder under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or a receiver or other similar official is appointed in relation to the Legal Title Holder or in relation to the whole or any substantial part of the undertaking or assets of the Legal Title Holder or an encumbrancer shall take possession of the whole or any substantial part of the undertaking or assets of the Legal Title Holder, and in any of the foregoing cases it shall not be discharged within 15 days; or if the Legal Title Holder shall initiate or consent to judicial proceedings relating to itself (other than in the case of a reorganisation) under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or shall make a conveyance or assignment for the benefit of its creditors generally or if a petition is presented to wind up the Legal Title Holder (other than any petition which is frivolous or vexatious and is not withdrawn within five Business Days); or
- (d) a Perfection Trigger Event,

then the Issuer (prior to the delivery of an Enforcement Notice and with the consent of the Security Trustee) or the Security Trustee (after the delivery of an Enforcement Notice) may give the Legal Title Holder (with a copy to the Issuer or the Security Trustee (as the case may be) and the Back-Up Servicer Facilitator) notice that its appointment under the Servicing Agreement will be terminated on and from the date that a Replacement Legal Title Holder (as defined in the Servicing Agreement) is appointed pursuant to the relevant provisions of the Servicing Agreement (the "**Legal Title Holder Termination Date**"). The Legal Title Holder shall not be released from its obligations under the relevant provisions of the Servicing Agreement until a Replacement Legal Title Holder has been appointed.

Upon being notified as above, the Back-Up Servicer Facilitator shall use reasonable endeavours to identify and select a Replacement Legal Title Holder as appropriate within 30 calendar days of being so notified and provide details of its selection (the "**Proposed Legal Title Holder Replacement**") to the Issuer, the Servicer and the Security Trustee. Promptly upon being notified of the identity of the Proposed Legal Title Holder Replacement, the Issuer shall appoint the Proposed Legal Title Holder Replacement in accordance with the relevant provisions of the Servicing Agreement.

Repurchases

The Legal Title Holder will also be required to repurchase Mortgage Loans and their Related Security sold to the Issuer in the circumstances described below under "*Further Advances*" and "*Product Switches*".

Further Advances

Under the Mortgage Sale Agreement and Servicing Agreement, the Issuer has agreed that the Legal Title Holder may accept applications for, or make offers to Borrowers of, Further Advances in respect of Mortgage Loans

comprised in the Mortgage Portfolio. The Legal Title Holder is and will at all times remain solely responsible for offering and documenting any Further Advance or accepting any application for a Further Advance made to, or received from, a Borrower with respect to any relevant Mortgage Loan and for funding any relevant offer or accepted application for a Further Advance. For the avoidance of doubt, the Issuer will not be required to advance monies to the Legal Title Holder or to a Borrower in order to fund such a Further Advance in any circumstances whatsoever. The Issuer will not itself make any Further Advance.

The Legal Title Holder will identify the relevant Mortgage Loan which is subject to a Further Advance and, provided the relevant Mortgage Loan is not in arrears on the first Business Day after the Further Advance was made, the Legal Title Holder agrees with the Issuer that the Legal Title Holder will repurchase the relevant Mortgage Loan and its Related Security pursuant to the Servicing Agreement.

By the third Business Day after the Further Advance was made, the Legal Title Holder will deliver a notice (a "**Further Advances Notice**") to the Issuer setting out the details of the relevant Mortgage Loan and its Related Security subject to such Further Advance which shall be repurchased by the Legal Title Holder. For the avoidance of doubt, no Mortgage Loan Repurchase Notice (as defined in the Mortgage Sale Agreement) will be required to be delivered in respect of such Mortgage Loan and its Related Security.

Upon receipt of the Further Advances Notice, the Issuer shall re-assign to the Legal Title Holder the relevant Mortgage Loan and its Related Security subject to a Further Advance and, immediately following such re-assignment, the Legal Title Holder will be obliged to repurchase that Mortgage Loan and its Related Security together with any other Mortgage Loan secured or intended to be secured by such Related Security or any part of it in an amount equal to the Current Balance of such Mortgage Loan which amount shall be paid to the Issuer in accordance with the terms of the Mortgage Sale Agreement.

If the relevant Mortgage Loan is in arrears, then the Issuer is under no obligation to accept such Further Advance.

Product Switches

Under the Mortgage Sale Agreement and Servicing Agreement, the Issuer has agreed that the Legal Title Holder may accept applications for, or make offers to Borrowers of, Product Switches in respect of Mortgage Loans comprised in the Mortgage Portfolio. The Legal Title Holder is and will at all times remain solely responsible for offering and documenting any Product Switch or accepting any application for a Product Switch made to, or received from, a Borrower with respect to any relevant Mortgage Loan. The Issuer will not itself accept any application from, or make offers to, relevant Borrowers of Product Switches.

The Legal Title Holder will identify the relevant Mortgage Loan which is subject to a Product Switch and, provided the relevant Mortgage Loan is not in arrears on the first Business Day after the Product Switch Effective Date, the Legal Title Holder agrees with the Issuer that the Legal Title Holder will repurchase the relevant Mortgage Loan and its Related Security pursuant to the Servicing Agreement.

By the third Business Day after the Product Switch Effective Date, the Legal Title Holder will deliver a notice (a "**Product Switches Notice**") to the Issuer setting out the details of the relevant Mortgage Loan and its Related Security subject to such Product Switch which shall be repurchased by the Legal Title Holder. For the avoidance of doubt, no Mortgage Loan Repurchase Notice will be required to be delivered in respect of such Mortgage Loan and its Related Security.

Upon receipt of the Product Switches Notice, the Issuer shall re-assign to the Legal Title Holder the relevant Mortgage Loan and its Related Security subject to a Product Switch and, immediately following such re-assignment, the Legal Title Holder will be obliged to repurchase that Mortgage Loan and its Related Security together with any other Mortgage Loan secured or intended to be secured by such Related Security or any part of it in an amount equal to the Current Balance of such Mortgage Loan which amount shall be paid to the Issuer in accordance with the terms of the Mortgage Sale Agreement.

The obligation of the Issuer to accept any Product Switch in respect of a Mortgage Loan which is in arrears will be subject to satisfaction by the third Business Day after the Product Switch Effective Date of the following conditions:

- (a) the Product Switch in relation to that Mortgage Loan was a Permitted Product Switch;
- (b) the granting of the Product Switch would not result in the Issuer arranging or advising in respect of, administering or entering into, a Regulated Mortgage Contract or agreeing to carry on any of these activities and the Issuer would be required to be authorised under the FSMA to do so; and
- (c) there was no breach of the Mortgage Loan Warranties in respect of the Mortgage Loan subject to that Product Switch on the last day of the Monthly Calculation Period in which the relevant Product Switch Effective Date occurred that could have a material adverse effect on that Mortgage Loan or its Related Security.

In the Product Switches Notice, the Legal Title Holder will notify the Issuer if the conditions set out in paragraphs (a) and (b) above are not met by the third Business Day after the Product Switch Effective Date.

If any of the above conditions in paragraphs (a) to (c) (inclusive) above are not met by the third Business Day after the Product Switch Effective Date, then the Issuer is under no obligation to accept such Product Switch.

Repurchase price

The repurchase price payable for each Mortgage Loan repurchased by the Legal Title Holder in accordance with the Mortgage Sale Agreement and Servicing Agreement is an amount equal to the aggregate of the Current Balance and all Arrears of Interest and Accrued Interest thereof and expenses payable relating thereto (excluding, if applicable, the amount of any Further Advance which has not yet been paid for by the Issuer) as at the date of completion of such repurchase. The repurchase proceeds received by the Issuer in respect of the Current Balance of a Mortgage Loan will be Principal Receipts and will be applied in accordance with the Pre-Enforcement Principal Priority of Payments or, in respect of Accrued Interest and Arrears of Interest of a Mortgage Loan, will be Revenue Receipts and will be applied in accordance with the Pre-Enforcement Revenue Priority of Payments (see "*Credit Structure and Cashflows*").

Governing law

The Servicing Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

CREDIT STRUCTURE AND CASHFLOWS

1. GENERAL CREDIT STRUCTURE

The Notes and the requirement to pay Senior Deferred Consideration and Residual Deferred Consideration will be the obligations of the Issuer only and will not be obligations of, or the responsibility of, or guaranteed by, any other party. However, the following are the main features of the Transaction which will enhance the likelihood of timely receipt of payments to Noteholders:

- (a) Available Revenue Receipts are expected to exceed interest and fees payable by the Issuer;
- (b) a Revenue Shortfall may be met from Available Principal Receipts;
- (c) the General Reserve Fund will be available to pay General Reserve Fund Payments; and
- (d) the Liquidity Reserve Fund will be available to pay Senior Revenue Amounts.

Each of these factors is considered more fully in the remainder of this section.

Credit support for the Notes provided by Available Revenue Receipts

The interest rates charged on the Mortgage Loans vary according to product type. It is expected, however, that during the life of the Notes, Revenue Receipts received from Borrowers on the Mortgage Loans in the Mortgage Portfolio will be greater than the sum of the interest which the Issuer will be required to pay under items (i) to (xxv) (inclusive) of the Pre-Enforcement Revenue Priority of Payments.

The actual amount of any Revenue Receipts will vary during the life of the Notes. The key factors determining such variation will be as follows:

- (a) the weighted average interest rate on the Mortgage Loans in the Mortgage Portfolio;
- (b) the level of arrearages experienced; and
- (c) availability of any hedging.

On any Payment Date, any excess Available Revenue Receipts will be available to meet the other payments set out in the Pre-Enforcement Revenue Priority of Payments, and ultimately to pay any excess to the persons entitled to the Residual Deferred Consideration.

Interest Rate Swaps

The Issuer has agreed to enter into an Interest Rate Swap Agreement with respect to the Fixed Rate Mortgage Loans that are sold into the Mortgage Portfolio on the Closing Date, in order to hedge against the variances on the rates payable in respect of the Fixed Rate Mortgage Loans in the Mortgage Portfolio and interest payments due by the Issuer on the Floating Rate Notes. See "*The Interest Rate Swap Agreement*" for further information.

General Reserve Fund

Application and purpose

The General Reserve Fund will be established in the name of the Issuer on or before the Closing Date from the proceeds of the relevant Notes to pay General Reserve Fund Payments.

In making any withdrawals from the General Reserve Fund described above, the Issuer (or the Cash Manager on its behalf) will only be required to withdraw the amount actually needed for the purpose. To the extent that the

General Reserve Fund is held in Authorised Investments, any portion of the General Reserve Fund not required for these purposes may remain invested in Authorised Investments. See "*Authorised Investments*" below.

Funding and replenishment

The General Reserve Fund is required to be maintained in an amount not less than the General Reserve Fund Required Amount. On the Closing Date, the General Reserve Fund will be credited with £5,477,000 of the proceeds of the relevant Notes. On and from the first Payment Date, the General Reserve Fund will be available to be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments to pay a General Reserve Fund Payment (but only to the extent necessary after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (f) of the definition of Available Revenue Receipts and amounts standing to the credit of the Liquidity Reserve Fund under paragraph (e) of the definition of Available Revenue Receipts)) or in accordance with the Post-Enforcement Priority of Payments (as applicable).

On and from the first Payment Date, the General Reserve Fund will be credited up to the General Reserve Fund Required Amount in accordance with item (xviii) of the Pre-Enforcement Revenue Priority of Payments.

Following redemption in full of the Rated Notes, amounts standing to the credit of the General Reserve Fund will be available to be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable).

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

The monies credited to the General Reserve Fund will be deposited into the Transaction Account. The Cash Manager may invest such funds in Authorised Investments from time to time in accordance with and pursuant to the terms of the Cash Management Agreement. The General Reserve Ledger is maintained by the Cash Manager in the name of the Issuer to record amounts standing to the credit of the General Reserve Fund from time to time and withdrawals from and deposits into the General Reserve Fund.

"General Reserve Fund Payment" means payments required to be made pursuant to items (i) to (xvii) of the Pre-Enforcement Revenue Priority of Payments.

"General Reserve Fund Required Amount" means an amount equal to:

- (a) on the Closing Date and on any Payment Date prior to the date on which the Rated Notes are redeemed in full (the "**Class F Notes Redemption Date**"), an amount equal to 1.00 per cent. of the aggregate Principal Amount Outstanding of the Asset Backed Notes as at the Closing Date; and
- (b) on any Payment Date falling on or after the Class F Notes Redemption Date, zero.

Liquidity Reserve Fund

Application and purpose

The Liquidity Reserve Fund will be established in the name of the Issuer on or before the Closing Date to pay Senior Revenue Amounts.

In making any withdrawals from the Liquidity Reserve Fund described above, the Issuer (or the Cash Manager on its behalf) will only be required to withdraw the amount actually needed for the purpose. To the extent that the Liquidity Reserve Fund is held in Authorised Investments, any portion of the Liquidity Reserve Fund not required for these purposes may remain invested in Authorised Investments. See "*Authorised Investments*" below.

Funding and replenishment

The Liquidity Reserve Fund will be established on the Closing Date but will not be immediately funded from the proceeds of the Notes. The Liquidity Reserve Fund is required to be maintained in an amount not less than the Liquidity Reserve Fund Required Amount, only after the occurrence of a Liquidity Reserve Fund Trigger Event.

On and from the first Payment Date (following the occurrence of a Liquidity Reserve Fund Trigger Event), the Liquidity Reserve Fund will be available to be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments to pay Senior Revenue Amounts (but only to the extent necessary after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (f) of the definition of Available Revenue Receipts) or in accordance with the Post-Enforcement Priority of Payments (as applicable). Any drawing of the Liquidity Reserve Fund will be recorded as a debit on the Principal Deficiency Ledger (as further described below).

On and from the first Payment Date (following the occurrence of a Liquidity Reserve Fund Trigger Event), the Liquidity Reserve Fund will be credited up to the Liquidity Reserve Fund Required Amount in accordance with item (i) of the Pre-Enforcement Principal Priority of Payments. On and from the first Payment Date, any Liquidity Reserve Fund Excess Amount will be available to be applied as Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments.

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

The monies credited to the Liquidity Reserve Fund will be deposited into the Transaction Account. The Cash Manager may invest such funds in Authorised Investments from time to time in accordance with and pursuant to the terms of the Cash Management Agreement. The Liquidity Reserve Ledger is maintained by the Cash Manager in the name of the Issuer to record amounts standing to the credit of the Liquidity Reserve Fund from time to time and withdrawals from and deposits into the Liquidity Reserve Fund.

"Liquidity Reserve Fund Excess Amount" means, on any Payment Date (following the occurrence of a Liquidity Reserve Fund Trigger Event), the amount (if any) by which the amount standing to the credit of the Liquidity Reserve Fund after application of Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments exceeds the Liquidity Reserve Fund Required Amount.

"Liquidity Reserve Fund Required Amount" means zero on the Closing Date, and on any Payment Date:

- (a) prior to the occurrence of a Liquidity Reserve Fund Trigger Event, zero; and
- (b) following the occurrence of a Liquidity Reserve Fund Trigger Event, an amount equal to 1.50 per cent. of the Principal Amount Outstanding of the Class A Notes and the Class B Notes as at such Payment Date, as determined before the application of the Pre-Enforcement Principal Priority of Payments.

"Liquidity Reserve Fund Trigger Event" means where on any Payment Date, the amount standing to the credit of the General Reserve Fund falls below 0.50 per cent. of the Principal Amount Outstanding of the Asset Backed Notes as at such Payment Date, as determined before the application of the Pre-Enforcement Principal Priority of Payments.

Use of Principal Receipts to pay Revenue Shortfall

On the Calculation Date immediately preceding each Payment Date, the Cash Manager is required to calculate whether there will be a Revenue Shortfall.

If the Cash Manager determines that there will be a Revenue Shortfall, then pursuant to item (ii) of the Pre-Enforcement Principal Priority of Payments, the Cash Manager on behalf of the Issuer shall apply Available Principal Receipts as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments (the "**Principal Addition Amounts**"), subject, in respect of items (viii), (x), (xii), (xiv) and (xvi) of the Pre-Enforcement Revenue Priority of Payments, to the relevant PDL Condition being satisfied.

Any Available Principal Receipts applied as Principal Addition Amounts will be recorded as a debit on the Principal Deficiency Ledger (as further described below).

"**PDL Condition**" means the condition that is satisfied on the relevant Payment Date (in each case calculated following the application of Available Revenue Receipts (except paragraph (f) of that definition) and prior to the application of Available Principal Receipts):

- (a) in respect of the Class B Notes, where either (i) the debit entry on the Class B Principal Deficiency Sub-Ledger does not exceed 10 per cent. of the Principal Amount Outstanding of the Class B Notes, or (ii) the Class B Notes are the Most Senior Class of Notes;
- (b) in respect of the Class C Notes, where either (i) the debit entry on the Class C Principal Deficiency Sub-Ledger does not exceed 0 per cent. of the Principal Amount Outstanding of the Class C Notes, or (ii) the Class C Notes are the Most Senior Class of Notes;
- (c) in respect of the Class D Notes, where either (i) the debit entry on the Class D Principal Deficiency Sub-Ledger does not exceed 0 per cent. of the Principal Amount Outstanding of the Class D Notes, or (ii) the Class D Notes are the Most Senior Class of Notes;
- (d) in respect of the Class E Notes, where either (i) the debit entry on the Class E Principal Deficiency Sub-Ledger does not exceed 0 per cent. of the Principal Amount Outstanding of the Class E Notes, or (ii) the Class E Notes are the Most Senior Class of Notes; and
- (e) in respect of the Class F Notes, where either (i) the debit entry on the Class F Principal Deficiency Sub-Ledger does not exceed 0 per cent. of the Principal Amount Outstanding of the Class F Notes, or (ii) the Class F Notes are the Most Senior Class of Notes,

and **relevant "PDL Conditions"** means the condition related to the relevant Class.

Principal deficiencies and the Principal Deficiency Ledger

The Principal Deficiency Ledger will be maintained in the name of the Issuer to record:

- (a) any Losses;
- (b) any Principal Addition Amounts; and
- (c) any drawing of the Liquidity Reserve Fund.

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

Losses on the Mortgage Loans in the Mortgage Portfolio, any Principal Addition Amounts and any drawing of the Liquidity Reserve Fund are required to be recorded as follows:

- (a) *first*, as a debit to the Class G Principal Deficiency Sub-Ledger up to the maximum amount equal to the Principal Amount Outstanding of the Class G Notes;
- (b) *second*, as a debit to the Class F Principal Deficiency Sub-Ledger up to the maximum amount equal to the Principal Amount Outstanding of the Class G Notes;
- (c) *third*, as a debit to the Class E Principal Deficiency Sub-Ledger up to the maximum amount equal to the Principal Amount Outstanding of the Class E Notes;
- (d) *fourth*, as a debit to the Class D Principal Deficiency Sub-Ledger up to the maximum amount equal to the Principal Amount Outstanding of the Class D Notes;
- (e) *fifth*, as a debit to the Class C Principal Deficiency Sub-Ledger up to the maximum amount equal to the Principal Amount Outstanding of the Class C Notes;
- (f) *sixth*, as a debit to the Class B Principal Deficiency Sub-Ledger up to the maximum amount equal to the Principal Amount Outstanding of the Class B Notes; and
- (g) *seventh*, as a debit to the Class A Principal Deficiency Sub-Ledger up to the maximum amount equal to the Principal Amount Outstanding of the Class A Notes.

Amounts recorded as debit entries on the Principal Deficiency Ledger may be reduced through the subsequent application of Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, with the debit entries being reduced in the following order:

- (a) *first*, on the Class A Principal Deficiency Sub-Ledger;
- (b) *second*, on the Class B Principal Deficiency Sub-Ledger;
- (c) *third*, on the Class C Principal Deficiency Sub-Ledger;
- (d) *fourth*, on the Class D Principal Deficiency Sub-Ledger;
- (e) *fifth*, on the Class E Principal Deficiency Sub-Ledger;
- (f) *sixth*, on the Class F Principal Deficiency Sub-Ledger; and
- (g) *seventh*, on the Class G Principal Deficiency Sub-Ledger.

Available Revenue Receipts and Available Principal Receipts

Available Revenue Receipts and Available Principal Receipts shall be applied on each Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, respectively. Other than amounts which the Issuer expects to generate in each accounting period as its profit in respect of the business of the Issuer in accordance with item (iv) of the Pre-Enforcement Revenue Priority of Payments, it is not intended that any surplus will be accumulated in the Issuer.

If, on any Payment Date, the Issuer has insufficient Available Revenue Receipts to pay the interest due in respect of the Notes (other than the Most Senior Class of Notes) or the payment due in respect of the Senior Deferred Consideration that would otherwise be payable (absent the deferral provisions in respect of the Notes and the Senior Deferred Consideration), then, other than in respect of the Most Senior Class of Notes, the Issuer will be entitled under Condition 6.9 (*Subordination by deferral*) and Certificate Condition 6.7 (*Subordination by*

deferral), as applicable, to defer payment of that amount (to the extent of the insufficiency) until the following Payment Date. Any such deferral in accordance with the deferral provisions contained in the Conditions will not constitute an Event of Default. Failure to pay interest on the Most Senior Class of Notes within any applicable grace period in accordance with the Conditions shall constitute an Event of Default under the Notes, which may result in the Notes being accelerated and the Security Trustee enforcing the Security.

Cashflows

Under the Cash Management Agreement, the Cash Manager is responsible for distributing Available Revenue Receipts and Available Principal Receipts on behalf of the Issuer on each Payment Date in accordance with the orders of priorities described in the following section. For further information on the role of the Cash Manager, see "*Cash Management*".

Transaction Account

The Issuer holds the Transaction Account with the Transaction Account Bank pursuant to the terms of the Account Bank Agreement.

The Issuer (or the Servicer on its behalf) is required to credit all Revenue Receipts and all Principal Receipts and all other amounts received by it in connection with the Mortgage Portfolio and the Transaction Documents into the Transaction Account.

Similarly, in connection with any payment to be made by or on behalf of the Issuer from amounts standing to the credit of the Transaction Account, the Issuer (or the Cash Manager on its behalf) may apply amounts standing to the credit of the Transaction Account in accordance with the Transaction Documents.

Authorised Investments

Pursuant to the terms of the Cash Management Agreement, the Cash Manager, acting solely at the direction of the Issuer, may invest amounts in the Transaction Account in Authorised Investments. See "*General Reserve Fund – Application and purpose*" and "*Liquidity Reserve Fund – Application and purpose*" above.

2. AVAILABLE REVENUE RECEIPTS

Available Revenue Receipts in respect of any Payment Date are required to be calculated by the Cash Manager on the Calculation Date immediately preceding such Payment Date. When calculating the Available Revenue Receipts on any Calculation Date and applying such Available Revenue Receipts on any Payment Date, the Cash Manager will be required to withdraw: (i) *first*, from the General Reserve Fund only such amounts as are actually required to pay General Reserve Fund Payments; and (ii) *second*, from the Liquidity Reserve Fund only such amounts as are actually required to pay Senior Revenue Amounts as at such Payment Date. In calculating the amount available to be actually withdrawn from or the amount standing to the credit of the Liquidity Reserve Fund and the General Reserve Fund at any time, the Cash Manager will include (without double-counting) funds that have been withdrawn from the Transaction Account and invested in Authorised Investments in the discretion of the Cash Manager pursuant to and in accordance with the Cash Management Agreement.

Pre-Enforcement Revenue Priority of Payments

Prior to the delivery by the Note Trustee of an Enforcement Notice, on each Payment Date (or, in respect of amounts due under items (i) and (ii) below, on each date that such amounts fall due), the Cash Manager (on behalf of the Issuer) is required to apply Available Revenue Receipts (other than Swap Collateral Excluded Amounts due to the Interest Rate Swap Counterparty and any Swap Collateral Available Amounts to be applied by the Issuer towards the purchase of one or more replacement Interest Rate Swaps), in the following order of priority (together, in each case, with any amount in respect of VAT which is payable pursuant to the relevant Transaction

Document or which must be accounted for directly by the Issuer to the relevant Tax Authority) (the "**Pre-Enforcement Revenue Priority of Payments**"):

- (i) *first*, in no order of priority among them but in proportion to the amounts due, in or towards the payment of amounts due to the Note Trustee and the Security Trustee and any of their respective Appointees and to provide for any amounts due or to become due prior to the next following Payment Date to the Note Trustee and the Security Trustee, under the Trust Deed and/or the Deed of Charge, as applicable;
- (ii) *second*, in no order of priority among them but in proportion to the respective amounts due:
 - (A) in or towards the payment of amounts due to the Agent Bank, the Principal Paying Agent and/or the Registrar and to provide for any amounts due or to become due prior to the next following Payment Date, to the Agent Bank, the Principal Paying Agent and/or the Registrar, under the Agency Agreement; and
 - (B) in or towards the payment of amounts due to the Servicer under the Servicing Agreement (up to and including the Senior Servicing Fee Cap), to the Legal Title Holder under the Servicing Agreement, to the Cash Manager under the Cash Management Agreement, and to the Corporate Services Provider under the Corporate Services Agreement, and to provide for any amounts due, or to become due prior to the next following Payment Date, to the Servicer under the Servicing Agreement (up to and including the Senior Servicing Fee Cap), to the Legal Title Holder under the Servicing Agreement, to the Cash Manager under the Cash Management Agreement, to the Corporate Services Provider under the Corporate Services Agreement, to the Transaction Account Bank under the Account Bank Agreement, to the Collection Accounts Provider under the Main Collection Account Agreement, (and to the extent relating to the collections which relate to Mortgage Loans beneficially owned by the Issuer) the F Collection Account Agreement, the F Collection Account Accession Agreement, the R Collection Account Agreement and the R Collection Account Accession Agreement, to the Standby Account Bank under the Standby Account Bank Agreement (if applicable), to the Back-up Servicer Facilitator under the Servicing Agreement and if applicable, the fees, costs, liabilities and expenses of the Securitisation Repository or any other third-party website provider;
- (iii) *third*, in or towards the payment of amounts due to any third-party creditors of the Issuer (other than those referred to elsewhere in this Pre-Enforcement Revenue Priority of Payments) of which the Cash Manager has notice prior to the relevant Payment Date, which amounts have been incurred without breach in any material respect by the Issuer of the terms of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and to provide for any such amounts expected to become due and payable by the Issuer prior to the next following Payment Date and to pay or discharge any liability of the Issuer for corporation tax on the taxable profits of the Issuer;
- (iv) *fourth*, in or towards the retention by the Issuer of an amount equal to the Issuer Profit Amount as profit;
- (v) *fifth*, in or towards the payment of amounts (including such part of any Swap Termination Payment following the return of any Swap Collateral Excluded Amounts) due to the Interest Rate Swap Counterparty under the Interest Rate Swap Agreement (excluding any Interest Rate Swap Excluded Termination Amount);
- (vi) *sixth*, in no order of priority among them but in proportion to the respective amounts due:
 - (A) in or towards the payment of interest due and payable (if any) on the Class A Notes; and
 - (B) in or towards the payment of Senior Deferred Consideration;

- (vii) *seventh*, (so long as the Class A Notes remain outstanding) in or towards the elimination of any debit entry on the Class A Principal Deficiency Sub-Ledger;
- (viii) *eighth*, in or towards the payment of interest due and payable (if any) on the Class B Notes;
- (ix) *ninth*, (so long as the Class B Notes remain outstanding) in or towards the elimination of any debit entry on the Class B Principal Deficiency Sub-Ledger;
- (x) *tenth*, in or towards the payment of interest due and payable (if any) on the Class C Notes;
- (xi) *eleventh*, (so long as the Class C Notes remain outstanding) in or towards the elimination of any debit entry on the Class C Principal Deficiency Sub-Ledger;
- (xii) *twelfth*, in or towards the payment of interest due and payable (if any) on the Class D Notes;
- (xiii) *thirteenth*, (so long as the Class D Notes remain outstanding) in or towards the elimination of any debit entry on the Class D Principal Deficiency Sub-Ledger;
- (xiv) *fourteenth*, in or towards the payment of interest due and payable (if any) on the Class E Notes;
- (xv) *fifteenth*, (so long as the Class E Notes remain outstanding) in or towards the elimination of any debit entry on the Class E Principal Deficiency Sub-Ledger;
- (xvi) *sixteenth*, in or towards the payment of interest due and payable (if any) on the Class F Notes;
- (xvii) *seventeenth*, (so long as the Class F Notes remain outstanding) in or towards the elimination of any debit entry on the Class F Principal Deficiency Sub-Ledger;
- (xviii) *eighteenth*, in or towards the credit of the General Reserve Fund up to the General Reserve Fund Required Amount;
- (xix) *nineteenth*, (so long as the Class G Notes remain outstanding) in or towards the elimination of any debit entry on the Class G Principal Deficiency Sub-Ledger;
- (xx) *twentieth*, in or towards the payment of interest due and payable (if any) on the Class G Notes;
- (xxi) *twenty-first*, in or towards payment of the Servicing Fee due and payable (if any) to the Servicer to the extent of such amounts in excess of the Senior Servicing Fee Cap;
- (xxii) *twenty-second*, in or towards the payment of interest due and payable (if any) on the Class Z Notes;
- (xxiii) *twenty-third*, if all the Rated Notes have been redeemed in full, in or towards the payment of principal due and payable on the Class Z Notes until the Principal Amount Outstanding on the Class Z Notes has been reduced to zero;
- (xxiv) *twenty-fourth*, in or towards the payment of Interest Rate Swap Excluded Termination Amounts to the Interest Rate Swap Counterparty; and
- (xxv) *twenty-fifth*, in or towards payment of Residual Deferred Consideration (which shall be zero in circumstances where the Issuer has insufficient proceeds available to meet its obligations under items (i) to (xxiv) above).

3. AVAILABLE PRINCIPAL RECEIPTS

Available Principal Receipts in respect of a Payment Date will be calculated by the Cash Manager on behalf of the Issuer on the Calculation Date immediately preceding the relevant Payment Date. All Principal Receipts received by the Issuer will be deposited in the Transaction Account, will be credited by the Cash Manager to the Principal Ledger and will form part of the Available Principal Receipts.

On each Payment Date before the delivery of an Enforcement Notice, the Cash Manager (on behalf of the Issuer) is required to apply Available Principal Receipts (other than, for the avoidance of doubt, Swap Collateral Excluded Amounts due to the Interest Rate Swap Counterparty and any Swap Collateral Available Amounts to be applied by the Issuer towards the purchase of one or more replacement Interest Rate Swaps) in the following order of priority (the "**Pre-Enforcement Principal Priority of Payments**"):

- (i) *first*, in or towards the credit of the Liquidity Reserve Fund up to the Liquidity Reserve Fund Required Amount;
- (ii) *second*, any Principal Addition Amounts to be applied to meet any Revenue Shortfall (such amounts to be applied as Available Revenue Receipts), provided that Available Principal Receipts shall only be applied to provide for such Revenue Shortfall in relation to items (viii), (x), (xii), (xiv) and (xvi) of the Pre-Enforcement Revenue Priority of Payments if the relevant PDL Condition is satisfied;
- (iii) *third*, in or towards the payment of principal due and payable on the Class A Notes until the Principal Amount Outstanding on the Class A Notes has been reduced to zero;
- (iv) *fourth*, in or towards the payment of principal due and payable on the Class B Notes until the Principal Amount Outstanding on the Class B Notes has been reduced to zero;
- (v) *fifth*, in or towards the payment of principal due and payable on the Class C Notes until the Principal Amount Outstanding on the Class C Notes has been reduced to zero;
- (vi) *sixth*, in or towards the payment of principal due and payable on the Class D Notes until the Principal Amount Outstanding on the Class D Notes has been reduced to zero;
- (vii) *seventh*, in or towards the payment of principal due and payable on the Class E Notes until the Principal Amount Outstanding on the Class E Notes has been reduced to zero;
- (viii) *eighth*, in or towards the payment of principal due and payable on the Class F Notes until the Principal Amount Outstanding on the Class F Notes has been reduced to zero;
- (ix) *ninth*, in or towards the payment of principal due and payable on the Class G Notes until the Principal Amount Outstanding on the Class G Notes has been reduced to zero; and
- (x) *tenth*, any excess in or towards payment of Residual Deferred Consideration.

4. APPLICATION OF AVAILABLE FUNDS FOLLOWING THE DELIVERY OF AN ENFORCEMENT NOTICE

The Cash Management Agreement sets out the order of priority for the application by the Security Trustee (or the Cash Manager on its behalf), following the delivery by the Note Trustee of an Enforcement Notice to the Issuer, of amounts received or recovered by the Security Trustee or a Receiver appointed on its behalf.

On each Payment Date following the delivery of an Enforcement Notice, the Security Trustee (or the Cash Manager on its behalf) will be required to apply all amounts received or recovered by the Security Trustee (or a Receiver appointed on its behalf) (whether of principal or interest or otherwise) (excluding Swap Collateral Excluded Amounts (if any) due to the Interest Rate Swap Counterparty by the Issuer under the Interest Rate Swap Agreement, which will be paid directly by the Cash Manager to the Interest Rate Swap Counterparty) in

accordance with the following order of priority (together, in each case, with any amount in respect of VAT which is payable pursuant to the relevant Transaction Document or which must be accounted for directly by the Issuer to the relevant Tax Authority) (the "**Post-Enforcement Priority of Payments**"):

- (i) *first*, in no order of priority among them but in proportion to the amounts due, in or towards the payment of amounts due to the Note Trustee, the Security Trustee and any Receiver appointed by the Security Trustee and any of their respective Appointees and to provide for any amounts then due or to become due and payable to the Note Trustee, the Security Trustee and the Receiver and any of their respective Appointees prior to the next following Payment Date pursuant to the terms of the Trust Deed and/or the Deed of Charge, as applicable;
- (ii) *second*, in no order of priority among them but in proportion to the respective amounts due:
 - (A) in or towards the payment of amounts due to the Agent Bank, the Principal Paying Agent and/or the Registrar and to provide for any amounts then due or to become due prior to the next following Payment Date, to the Agent Bank, the Principal Paying Agent and/or the Registrar pursuant to the terms of the Agency Agreement; and
 - (B) in no order of priority among them but in proportion to the respective amounts due, in or towards the payment of amounts due (or, as applicable, to provide for any amounts then due or to become due prior to the next following Payment Date) to the Servicer pursuant to the terms of the Servicing Agreement, to the Legal Title Holder pursuant to the terms of the Servicing Agreement, to the Transaction Account Bank pursuant to the terms of the Account Bank Agreement, to the Collection Accounts Provider under the Main Collection Account Agreement, (and to the extent relating to the collections which relate to Mortgage Loans beneficially owned by the Issuer) the F Collection Account Agreement, the F Collection Account Accession Agreement, the R Collection Account Agreement and the R Collection Account Accession Agreement, to the Standby Account Bank pursuant to the terms of the Standby Account Bank Agreement (if applicable), to the Cash Manager pursuant to the terms of the Cash Management Agreement or to the Corporate Services Provider pursuant to the terms of the Corporate Services Agreement, to the Back-up Servicer Facilitator under the Servicing Agreement and if applicable, the fees, costs, liabilities and expenses of the Securitisation Repository or any other third-party website provider;
- (iii) *third*, in or towards the payment of amounts (including such part of any Swap Termination Payment following the return of any Swap Collateral Excluded Amounts) due to the Interest Rate Swap Counterparty under the Interest Rate Swap Agreement (excluding any Interest Rate Swap Excluded Termination Amount);
- (iv) *fourth*, to pay, pro rata and *pari passu*, according to the respective amounts thereof, the amounts of interest on the Class A Notes, any principal due and payable on the Class A Notes until the Principal Amount Outstanding on the Class A Notes has been reduced to zero and any other amounts due in respect of the Class A Notes and any payment of Senior Deferred Consideration which has accrued but is unpaid on the date of the Enforcement Notice;
- (v) *fifth*, to pay, pro rata and *pari passu*, according to the respective amounts thereof, first, the amounts of interest and, secondly, the amount of any principal due and payable on the Class B Notes until the Principal Amount Outstanding on the Class B Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class B Notes;
- (vi) *sixth*, to pay, pro rata and *pari passu*, according to the respective amounts thereof, first, the amounts of interest and, secondly, the amount of any principal due and payable on the Class C Notes until the Principal Amount Outstanding on the Class C Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class C Notes;

- (vii) *seventh*, to pay, pro rata and *pari passu*, according to the respective amounts thereof, first, the amounts of interest and, secondly, the amount of any principal due and payable on the Class D Notes until the Principal Amount Outstanding on the Class D Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class D Notes;
- (viii) *eighth*, to pay, pro rata and *pari passu*, according to the respective amounts thereof, first, the amounts of interest and, secondly, the amount of any principal due and payable on the Class E Notes until the Principal Amount Outstanding on the Class E Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class E Notes;
- (ix) *ninth*, to pay, pro rata and *pari passu*, according to the respective amounts thereof, first, the amounts of interest and, secondly, the amount of any principal due and payable on the Class F Notes until the Principal Amount Outstanding on the Class F Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class F Notes;
- (x) *tenth*, to pay, pro rata and *pari passu*, according to the respective amounts thereof, first, the amounts of interest and, secondly, the amount of any principal due and payable on the Class G Notes until the Principal Amount Outstanding on the Class G Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class G Notes;
- (xi) *eleventh*, to pay, pro rata and *pari passu*, according to the respective amounts thereof, first, the amounts of interest and, secondly, the amount of any principal due and payable on the Class Z Notes until the Principal Amount Outstanding on the Class Z Notes has been reduced to zero and, secondly, any other amounts due in respect of the Class Z Notes;
- (xii) *twelfth*, in no order of priority among them but in proportion to the respective amounts due, in or towards the payment of any Interest Rate Swap Excluded Termination Amounts to the Interest Rate Swap Counterparty;
- (xiii) *thirteenth*, in or towards the retention by the Issuer of an amount equal to the Issuer Profit Amount as profit; and
- (xiv) *fourteenth*, any payment of Residual Deferred Consideration (which shall be zero in circumstances where the Issuer has insufficient proceeds available to meet its obligations under items (i) to (xiii) above).

CASH MANAGEMENT

The material terms of the Cash Management Agreement, the Account Bank Agreement and the Standby Account Bank Agreement are summarised in this section. The summary does not purport to be complete and it is subject to the provisions of the Cash Management Agreement and the Account Bank Agreement.

Cash Management Agreement

Pursuant to the terms of the Cash Management Agreement, the Cash Manager has been appointed to provide cash management services to the Issuer.

Cash management services

The Cash Manager's duties include, but are not limited to:

- (a) operating the Issuer Accounts and ensuring that payments are made into and from such accounts in accordance with the Cash Management Agreement, the Deed of Charge, the Account Bank Agreement and any other applicable Transaction Document;
- (b) on behalf of the Issuer, paying all the out-of-pocket expenses of the Issuer incurred by, or on behalf of, the Issuer, including, without limitation:
 - (i) all taxes which may be due or payable by the Issuer;
 - (ii) all registration, transfer, filing and other fees and charges payable in order to comply with regulatory requirements, including those in respect of the sale by the Seller of the Mortgage Portfolio to the Issuer;
 - (iii) all fees payable to the London Stock Exchange plc and the Financial Conduct Authority;
 - (iv) all legal and audit fees and other professional advisory fees; and
 - (v) all communication expenses, including postage, courier and telephone charges;
- (c) making withdrawals (when necessary) from the relevant Issuer Account to pay any amounts that properly belong to third parties;
- (d) maintaining the following ledgers on behalf of the Issuer:
 - (i) the "**Principal Ledger**", which will record Principal Receipts received by the Issuer;
 - (ii) the "**Revenue Ledger**", which will record Revenue Receipts received by the Issuer;
 - (iii) the "**General Reserve Ledger**", which shall record the balance, from time to time, of the General Reserve Fund, and withdrawals from and deposits to the General Reserve Fund;
 - (iv) the "**Liquidity Reserve Ledger**", which shall record the balance, from time to time, of the Liquidity Reserve Fund, and withdrawals from and deposits to the Liquidity Reserve Fund;
 - (v) the "**Issuer Profit Ledger**", which will record all amounts retained by the Issuer as profit;
 - (vi) the "**Principal Deficiency Ledger**", comprising seven sub-ledgers in respect of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes, which will record deficiencies arising from Losses on the

Mortgage Portfolio allocated against each Class of Notes, any Principal Addition Amounts applied as Available Revenue Receipts and any drawing of the Liquidity Reserve Fund; and

- (vii) the "**Swap Collateral Ledger**" (which shall comprise such sub-ledgers as the Cash Manager considers appropriate), to record all payments, transfers and receipts in connection with Swap Collateral relating to the Interest Rate Swap Agreement, including, without limitation:
 - (A) the delivery of any Swap Collateral to the Issuer from the Interest Rate Swap Counterparty;
 - (B) the receipt of any income or distributions in respect of such Swap Collateral and the payment of such income or distributions to the relevant Interest Rate Swap Counterparties;
 - (C) the return of all, or any part of, such Swap Collateral to the Interest Rate Swap Counterparty; and
 - (D) the payment or transfer of all, or any part of, such Swap Collateral to the Transaction Account;
- (e) prepare the Monthly Investor Report and the Quarterly Report, subject to the Cash Manager having received the Monthly Servicer Report by the Servicer Reporting Date and the Quarterly Servicer Report by the Calculation Date;
- (f) making the following determinations on each Calculation Date, subject to the Cash Manager having received the Quarterly Servicer Report by the Calculation Date, for the purposes of preparing the Quarterly Report and make it available at <https://pivot.usbank.com> by no later than the Calculation Date:
 - (i) the amount of Available Revenue Receipts and Available Principal Receipts to be applied on the relevant Payment Date;
 - (ii) the Principal Amount Outstanding of each Class of Notes;
 - (iii) the amount of any payment due in respect of Senior Deferred Consideration and Residual Deferred Consideration;
 - (iv) the amounts to be applied in accordance with each Priority of Payments on the relevant Payment Date;
 - (v) the General Reserve Fund Required Amount;
 - (vi) the Liquidity Reserve Fund Required Amount; and
 - (vii) whether a Revenue Shortfall will exist on the relevant Payment Date;
- (g) investing sums standing to the credit of the Transaction Account, solely at the direction of the Issuer, in Authorized Investments as described in "*Credit Structure and Cashflows – General Credit Structure – Authorized Investments*";
- (h) making withdrawals from the General Reserve Fund and the Liquidity Reserve Fund as and when required;
- (i) applying Available Revenue Receipts and Available Principal Receipts in accordance with the relevant Priority of Payments and (if requested, on behalf of the Security Trustee) amounts in accordance with the Post-Enforcement Priority of Payments; and

- (j) procuring that the determination and notifications required by Conditions 6 (*Interest*) and 7 (*Redemption, Purchase and Cancellation*) are made.

For details of the cashflows applicable to the Transaction, see "*Credit Structure and Cashflows*".

Reporting

For details of reporting obligations undertaken by the Cash Manager, see "*Servicer Reports and transparency requirements*".

Compensation of Cash Manager

The Cash Manager is paid an annual fee for its services, which is required to be paid in equal instalments monthly in arrear on a Payment Date. In addition, the Cash Manager is entitled to be indemnified for any expenses or other amounts properly incurred by it in carrying out its duties. The fees, expenses and other amounts are required to be paid by the Issuer in accordance with and subject to the terms of the relevant Priority of Payments, prior to the payment of amounts due in respect of the Notes.

Resignation of Cash Manager

The Cash Manager is entitled to resign only on giving 90 days' prior written notice to the Issuer and the Security Trustee, provided that:

- (a) a substitute cash manager is appointed, such appointment to be effective not later than the date of such resignation;
- (b) such substitute cash manager has cash management experience of managing cashflows reasonably similar to the cashflows administered under the Cash Management Agreement and is approved by the Issuer and the Security Trustee; and
- (c) the substitute cash manager enters into an agreement substantially on the same terms as the relevant provisions of the Cash Management Agreement (or on such terms as are satisfactory to the Issuer and the Security Trustee) and the Cash Manager shall not be released from its obligations under the relevant provisions of the Cash Management Agreement until such substitute cash manager has entered into such new agreement and the rights of the Issuer under such agreement are assigned by way of security in favour of the Security Trustee or are otherwise charged in favour of the Security Trustee on terms satisfactory to the Security Trustee,

provided further that, if the Issuer fails to appoint a substitute cash manager within a period of 30 days from the date on which notice of the Cash Manager's resignation was given, the Cash Manager shall be permitted to appoint a separate substitute cash manager that has cash management experience of managing cashflows reasonably similar to the cashflows administered under the Cash Management Agreement and is approved by the Issuer and the Security Trustee to carry out the cash management services.

Termination of appointment of Cash Manager

The Issuer (with the prior written consent of the Security Trustee) or (following delivery of an Enforcement Notice) the Security Trustee is entitled, upon written notice to the Cash Manager, to terminate its appointment as Cash Manager with effect from a date (not earlier than the date of the notice) specified in the notice at once on, or at any time after, the occurrence of any of the following events (each a "**Cash Manager Termination Event**"):

- (a) default is made by the Cash Manager in the payment on the due date of any payment to be made by it under the Cash Management Agreement (subject to funds being available for the same) or in the performance of its obligations under the Cash Management Agreement and such default, unless waived

by the Issuer (with the prior written consent of the Security Trustee), continues unremedied for a period of five 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 delivery of an Enforcement Notice) the Security Trustee requiring the same to be remedied;

- (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, other than such obligations set out in paragraph (a) above, and such default is not waived by the Issuer (with the prior written consent of the Security Trustee), which in the opinion of the Security Trustee (acting in accordance with the direction of the Note Trustee) is materially prejudicial to the interests of the holders of the Most Senior Class of Notes and such default continues unremedied for a period of 20 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 delivery of an Enforcement Notice) the Security Trustee requiring the same to be remedied; or
- (c) an Insolvency Event occurs in respect of the Cash Manager.

Upon termination of the appointment of the Cash Manager, the Issuer is required to use its reasonable endeavours to procure the appointment of a substitute cash manager. Any such substitute cash manager will be required to enter into an agreement substantially on the same terms as the relevant provisions of the Cash Management Agreement or on such terms as are satisfactory to the Issuer and the Security Trustee and will be subject to the prior written approval of the Security Trustee and any appointment is conditional upon receipt of a Ratings Confirmation.

If the appointment of the Cash Manager is terminated or it resigns, the Cash Manager is required, as soon as reasonably practicable, to deliver to the Issuer or as the Issuer shall direct or, following the delivery of an Enforcement Notice, to the Security Trustee or as the Security Trustee shall direct, to the extent it is permissible for the Cash Manager to deliver such information under Applicable Law, all books of account, papers, records, registers, correspondence and documents in its possession or under its control relating to the affairs of or belongings of the Issuer or the Security Trustee, as the case may be, and any monies then held by the Cash Manager on behalf of the Issuer or the Security Trustee and any other assets of the Issuer and the Security Trustee, in each case, in connection with the Mortgage Loans comprised in the Mortgage Portfolio.

The Cash Management Agreement will terminate automatically at such time as all amounts outstanding under the Notes have been repaid or otherwise discharged and the security constituted by or granted pursuant to the Deed of Charge has been released.

Governing law

The Cash Management Agreement is and any non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with English law.

Account Bank Agreement and Issuer Accounts

Pursuant to the terms of the Account Bank Agreement the Issuer will maintain the Issuer Accounts with the Transaction Account Bank.

Transaction Account

The Issuer holds the Transaction Account with the Transaction Account Bank pursuant to the terms of the Account Bank Agreement.

The Issuer (or the Servicer on its behalf) is required to credit all Revenue Receipts and all Principal Receipts and all other amounts received by it in connection with the Mortgage Portfolio and the Transaction Documents into the Transaction Account.

Payments to be made from the Transaction Account

On each Payment Date, the amounts required to meet the Issuer's obligations to its various creditors on such date are required to be applied from the Transaction Account by the Cash Manager in accordance with the relevant Priority of Payments. Further, the Cash Manager is required to make withdrawals (when necessary) from the relevant Issuer Account to make payments owed to third parties, which include its obligation to:

- (a) upon the written instruction and authorisation of the Servicer, transfer to the relevant Collection Account any amounts required by the Servicer for the purposes of paying amounts due to a Borrower;
- (b) if any amount has been received from a Borrower for the express purpose of payment being made to a third party for the provision of a service (including giving insurance cover) to either that Borrower or the Issuer, upon the written instructions and authorisation of the Servicer, to transfer such amount to the relevant Collection Account for payment to such third party when due;
- (c) upon the written instruction and authorisation of the Servicer, to transfer to the relevant Collection Account any amounts required to pay any person any amounts due arising from any overpayment by any person to the Issuer in respect of any Mortgage Loan or Mortgage or arising from any reimbursement by any person of any such overpayment;
- (d) upon the written instruction and authorisation of the Servicer, to transfer to the relevant Collection Account any amounts required to pay any person entitled thereto any insurance commissions due to it in respect of insurance cover procured for the benefit of the Issuer or Borrowers whether or not such commission has been recovered from the relevant Borrower;
- (e) upon the written instruction and authorisation of the Servicer, (i) to pay, or to transfer to the relevant Collection Account for the Servicer to pay, when due and payable any amounts due and payable by the Issuer to third parties and, (ii) to transfer to the relevant Collection Account any amounts required for the Servicer to pay any premia in respect of any insurance policy relating to any Mortgage Loan or Mortgage; and
- (f) to pay to the Collection Accounts Provider an amount equal to any Unpaid Items which are incurred by reason of the operation of the Direct Debiting Scheme or otherwise.

The Cash Manager is required to direct and monitor the deposits and withdrawals to and from the Transaction Account.

Negative interest rate

If a negative interest rate is applied to an Issuer Account, the relevant charged interest will be debited from the relevant Issuer Account in accordance with the Transaction Account Bank's usual procedures upon 14 days' advance notice to the Issuer and, if the Transaction Account Bank becomes later aware that such amount would not have been paid to it in accordance with the relevant Priority of Payments on the immediately succeeding Payment Date, it will pay into the relevant Issuer Account the amount of such debit.

Account Bank Required Ratings and replacement of the Transaction Account Bank

Pursuant to the terms of the Account Bank Agreement, if the Transaction Account Bank no longer satisfies the Account Bank Required Ratings, the Issuer (with the assistance of the Cash Manager) shall use all reasonable endeavours to, within 60 calendar days (but no sooner than 35 calendar days) following the first day on which

such downgrade occurred: (a) close the Issuer Accounts with such Transaction Account Bank and transfer their closing credit balance to the Standby Issuer Accounts, or, if the Standby Account Bank no longer satisfies the Account Bank Required Ratings, to another entity which is a Qualified Institution; (b) obtain a guarantee in support of the Transaction Account Bank's obligations under the Account Bank Agreement from a financial institution which has the Account Bank Required Ratings; or (c) take any other reasonable action as the Rating Agencies may agree will not result in a downgrade of the Rated Notes.

The Transaction Account Bank shall use reasonable efforts to assist the other parties hereto to effect an orderly transition of the banking arrangements documented hereby, including, without limitation, transferring all amounts standing to the credit of the Issuer Accounts to the Standby Issuer Accounts or to the account with the replacement financial institution notified to it by the Issuer (as applicable). "**Account Bank Required Ratings**" means:

- (a) in respect of Moody's, a long-term deposit rating of at least "A3" by Moody's; and
- (b) in respect of DBRS, the higher of (A) if a critical obligations rating ("**COR**") is currently maintained in respect of the Transaction Account Bank, a rating at least one notch below the Transaction Account Bank's COR, being "A" from DBRS; (B) if no COR has been assigned by DBRS, the higher of (I) the solicited public issuer rating assigned by DBRS to such entity or (II) the solicited public rating assigned by DBRS to such entity's long-term senior unsecured debt obligations, in each case at least equal to "A" from DBRS; or (C) if no such solicited public rating has been assigned by DBRS, the corresponding DBRS Equivalent Rating of at least equal to "A",

or in either case, such other ratings that are consistent with the then published criteria of the relevant Rating Agencies as being the minimum ratings that are required to support the then rating of the Rated Notes.

Transaction Account Bank subsequent satisfaction of the Account Bank Required Ratings

Following the transfer of the closing credit balance of the Issuer Accounts to the Standby Issuer Accounts, or to another entity which is a Qualified Institution, in the event that the Transaction Account Bank subsequently satisfies the Account Bank Required Ratings, the Transaction Account Bank shall (a) accept the transfer of the closing credit balance of each Standby Issuer Account to the appropriate Issuer Account; and (b) resume all of its duties and obligations under the Account Bank Agreement as if it had never ceased to satisfy the Account Bank Required Ratings.

Governing law

The Account Bank Agreement and all non-contractual obligations arising out of or in connection with them are governed by and construed in accordance with English law.

Standby Account Bank Agreement

Pursuant to the terms of the Standby Account Bank Agreement, the Issuer will maintain the Standby Issuer Accounts with the Standby Account Bank.

Standby Issuer Accounts

The Issuer holds the Standby Transaction Account and the Standby Swap Collateral Account with the Standby Account Bank pursuant to the terms of the Standby Account Bank Agreement. Each of the Standby Transaction Account and Standby Swap Collateral Account shall be operative with effect from the date of the Standby Account Bank Notice (as defined below).

Appointment

The Standby Account Bank has agreed that, at any time following the occurrence of: (a) a Transaction Account Bank Termination Event (as defined in the Account Bank Agreement); (b) the Transaction Account Bank ceasing to satisfy the Account Bank Required Ratings; or (c) service of any notice of termination by the Transaction Account Bank or the Issuer pursuant to the terms of the Account Bank Agreement, then it shall (pursuant to the terms of the Standby Account Bank Agreement) assume and perform all of the duties and obligations of the Transaction Account Bank with respect to the Standby Issuer Accounts. In assuming such duties and obligations, the Standby Account Bank shall become the Transaction Account Bank and the Standby Issuer Accounts shall become the Issuer Accounts for the purposes of the Cash Management Agreement and the other Transaction Documents.

Standby Account Bank ceasing to satisfy the Account Bank Required Ratings

If the Standby Account Bank ceases to satisfy the Account Bank Required Ratings, there will be a requirement that the Standby Account Bank either be replaced by an appropriate successor account bank with such ratings, or have its obligations guaranteed by a satisfactorily rated financial institution, in each case, approved by the Security Trustee.

Governing law

The Standby Account Bank Agreement and all non-contractual obligations arising out of or in connection with them are governed by and construed in accordance with English law.

THE INTEREST RATE SWAP AGREEMENT

The following section describes, in summary, the material terms of the Interest Rate Swap Agreement and the Interest Rate Swap(s). The description does not purport to be complete and is subject to the provisions of the Interest Rate Swap Agreement. Except for the purpose of hedging interest rate risk, the Issuer will not enter into derivative contracts.

The Interest Rate Swap Agreement

The Issuer will be required to enter into an Interest Rate Swap Agreement and an Interest Rate Swap with respect to the Fixed Rate Mortgage Loans sold to the Issuer under the Mortgage Sale Agreement. Those Fixed Rate Mortgage Loans will pay a fixed rate of interest for a period of time. The purpose of the initial Interest Rate Swap is to mitigate the Issuer's interest rate risk with respect to the Fixed Rate Mortgage Loans sold to the Issuer under the Mortgage Sale Agreement, and to provide for the Issuer to receive from the Interest Rate Swap Counterparty amounts, which will enable it to meet interest payments due on the Notes. In addition, pursuant to the terms of the initial Interest Rate Swap, the Issuer will make a payment of the fixed amount equal to £8,695,000 to the Interest Rate Swap Counterparty on the Closing Date. In return for such amounts, in respect of each calculation period under the initial Interest Rate Swap, the Issuer will pay to the Interest Rate Swap Counterparty fixed amounts based on the product of the fixed notional amount set out in the schedule thereto applicable to the relevant calculation period, a fixed rate of 3.325 per cent. per annum and the applicable day count fraction, which will have an economic effect of the Issuer paying to the Interest Rate Swap Counterparty fixed amounts based on the rates of interest on the relevant portfolio of Fixed Rate Mortgage Loans sold to the Issuer under the Mortgage Sale Agreement. The scheduled termination date of the Interest Rate Swap is 16 June 2028.

If a payment is to be made by the Interest Rate Swap Counterparty pursuant to the terms of the Interest Rate Swap Agreement, that payment will be included by the Issuer in the Available Revenue Receipts on its receipt from the Interest Rate Swap Counterparty and will be applied on the relevant Payment Date according to the relevant Priority of Payments. If a payment is to be made by the Issuer pursuant to the terms of the Interest Rate Swap Agreement, it will be made according to the relevant Priority of Payments. Periodic Sterling payments in respect of the floating rate of the Interest Rate Swap Agreement are calculated by reference to the compounded SONIA-based rate rounded up to four decimal places, while the Compounded Daily SONIA applicable to the Floating Rate Notes is rounded up to five decimal places. This may result in a minor mismatch between the compounded SONIA-based rate payable by the Interest Rate Swap Counterparty and the SONIA rate payable on the Floating Rate Notes.

In the event that an Interest Rate Swap terminates prior to the delivery by the Note Trustee of an Enforcement Notice to the Issuer or the latest occurring Final Redemption Date of any Note, the Issuer will be required to use its reasonable efforts to enter into a replacement Interest Rate Swap.

Pursuant to the terms of the Interest Rate Swap Agreement, in the event that the rating of the Interest Rate Swap Counterparty (or any guarantor of the Interest Rate Swap Counterparty) is downgraded by a Rating Agency below the rating(s) specified in the Interest Rate Swap Agreement (in accordance with the requirements of the Rating Agencies and as more particularly described in the section "*Triggers Tables – Rating Triggers Table*" above) and, where applicable, the then current ratings of the Rated Notes by the Rating Agencies would or may, as applicable, be adversely affected as a result of the downgrade, the Interest Rate Swap Counterparty will, as a result of the downgrade, be required to take certain remedial measures. Such measures may include providing collateral for its obligations under the Interest Rate Swap Agreement, arranging for its rights and obligations under the Interest Rate Swap Agreement to be transferred to an entity with the ratings required by the Rating Agencies, procuring another entity with the ratings required by the Rating Agencies to become a co-obligor in respect of, or guarantor of, its obligations under the Interest Rate Swap Agreement or taking such other action as it may agree with the Rating Agencies. A failure to take such steps will allow the Issuer to terminate the Interest Rate Swap(s), **provided that**, in connection with certain termination events where the Issuer is entitled to designate an Early Termination Date (as defined in the Interest Rate Swap Agreement), the Issuer may only designate such an Early Termination Date if it has found a replacement Interest Rate Swap Counterparty.

Termination of the Interest Rate Swap

An Interest Rate Swap may also be terminated on the occurrence of certain other Swap Early Termination Events, which may include, but will not be limited to, the following:

- (a) at the option of one party to the Interest Rate Swap, if there is a failure by the other party to pay any amounts due and payable pursuant to the terms of the Interest Rate Swap Agreement;
- (b) if a material misrepresentation is made by the Interest Rate Swap Counterparty under the Interest Rate Swap Agreement;
- (c) if a breach of a provision of the Interest Rate Swap Agreement by the Interest Rate Swap Counterparty is not remedied within the applicable grace period;
- (d) upon the delivery of an Enforcement Notice to the Issuer by the Note Trustee;
- (e) 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 Interest Rate Swap Agreement;
- (f) in certain circumstances where withholding taxes are imposed on payments under the Interest Rate Swap Agreement due to a change in law or as a result of a merger of the Issuer or Interest Rate Swap Counterparty;
- (g) upon the occurrence of certain insolvency events in relation to any of the parties to the Interest Rate Swap Agreement (and, if applicable in the case of the Interest Rate Swap Counterparty, the credit support provider of the Interest Rate Swap Counterparty);
- (h) the occurrence of a merger of the Interest Rate Swap Counterparty party (or its credit support provider, if applicable) without an assumption of the obligations under the Interest Rate Swaps or the relevant credit support document (as the case may be);
- (i) in the event a change in law results in the obligations of one of the parties to the Interest Rate Swap Agreement (or, in the case of the Interest Rate Swap Counterparty, its credit support provider, if applicable) becoming illegal;
- (j) if any provision of the Transaction Documents, or the Conditions, is amended and/or supplemented without the Interest Rate Swap Counterparty giving its prior written consent where such amendment and/or supplement would be reasonably expected to result in the Interest Rate Swap Counterparty being required to pay more or receive less than it would otherwise have been required to pay or receive prior to such amendment and/or supplement if the Interest Rate Swap Counterparty were to replace itself as Interest Rate Swap Counterparty in the Interest Rate Swap;
- (k) in the event the Notes are redeemed pursuant to Condition 7.4 (*Mandatory Redemption in full or in part pursuant to the exercise of the Portfolio Purchase Option*), Condition 7.5(a) (*Mandatory Redemption in full pursuant to the exercise of the Refinancing Option*), Condition 7.6(a) (*Mandatory Redemption in full pursuant to the exercise of the Clean-up Purchase Option*), Condition 7.7(a) (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*), Condition 7.8(a) (*Mandatory Redemption of the Notes following the exercise of a Regulatory Change Event Option*) or Condition 7.9 (*Optional redemption for tax and other reasons*); and
- (l) at the option of either party to the Interest Rate Swap Agreement, if the parties to the Interest Rate Swap Agreement fail to agree, pursuant to the methodology prescribed in the Interest Rate Swap Agreement,

a benchmark replacement in respect of a benchmark under the Interest Rate Swap that has been discontinued.

Upon the occurrence of a Swap Early Termination Event pursuant to the terms of the Interest Rate Swap Agreement, the Issuer or the Interest Rate Swap Counterparty may be liable to make a Swap Termination Payment to the other. This Swap Termination Payment will be calculated and made in Sterling. The amount of any Swap Termination Payment is expected to be based on the market value of the terminated swap based on market quotations of the cost of entering into a swap with the same terms and conditions that would have the effect of preserving the respective full payment obligations of the parties (or based upon loss in the event that no market quotation can be obtained). Any such Swap Termination Payment could be substantial.

Following termination of the Interest Rate Swap Agreement as a result of an Interest Rate Swap Counterparty Default with respect to the Interest Rate Swap Counterparty, where a Swap Termination Payment becomes due from the Issuer to the Interest Rate Swap Counterparty, such payment will be made by the Issuer only after paying interest amounts due on the Notes and replenishing the Principal Deficiency Ledger.

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

The payment by the Issuer of Swap Termination Payments due to the relevant Interest Rate Swap Counterparty may affect the funds available to pay amounts due to Noteholders (see "*Risk Factors – Counterparty Risks – Swap Termination Payments may adversely affect the funds available to make payments on the Notes and towards the Senior Deferred Consideration and the Residual Deferred Consideration*").

In the event that an Interest Rate Swap terminates prior to the delivery by the Note Trustee of an Enforcement Notice to the Issuer or the latest occurring Final Redemption Date of any Note, the Issuer will be required to use commercially reasonable endeavours to find a replacement Interest Rate Swap Counterparty. If the Issuer receives a Swap Termination Payment from an Interest Rate Swap Counterparty, then the Issuer may be required to use those funds towards meeting its costs in effecting applicable hedging transactions until a replacement Interest Rate Swap is entered into and/or to acquire a replacement Interest Rate Swap. Noteholders will not receive extra amounts (over and above interest and principal payable on the Notes) as a result of the Issuer receiving a Swap Termination Payment.

Taxation

The Issuer will not be obliged under any of the Interest Rate Swaps to gross up payments made by the Issuer if withholding taxes are imposed on payments to be made pursuant to the Interest Rate Swap Agreement. The Interest Rate Swap Counterparty will be obliged under the Interest Rate Swap Agreement to gross up payments made by the Interest Rate Swap Counterparty if withholding taxes are imposed on payments to be made pursuant to the Interest Rate Swap Agreement. If withholding taxes are imposed on payments made under the Interest Rate Swap Agreement, the Interest Rate Swap Counterparty may have the right to terminate the relevant Interest Rate Swap(s).

SPONSOR ADMINISTRATION AGREEMENT

The Sponsor Administrator will be appointed, pursuant to the Sponsor Administration Agreement, to provide certain services (the "**Sponsor Administration Services**") to the Issuer, which will include:

- (a) consulting with the Seller and the Issuer, in respect of any actions reasonably necessary to protect the Issuer's interests in the Mortgage Loans, including, without limitation, in relation to any notice to be provided to the Borrowers, the insurance companies and any respective guarantors thereof, of the assignment of the Mortgage Loans to the Issuer;
- (b) if the Issuer is requested to consent to any modification to the Conditions, Certificate Conditions or Transaction Documents in respect of which its consent is required, consulting with the Seller, the Issuer and the requesting party and considering any proposed modification in good faith, acting in a commercially reasonable manner;
- (c) following the occurrence of any of the events or circumstances set out in Condition 13 (*Meetings of Noteholders, modifications and waiver*), consulting with the Seller and the Issuer in respect of any potential Alternative Base Rate;
- (d) assisting the Seller, the Issuer and/or the Security Trustee in respect of the termination and appointment of (i) a replacement Servicer following the occurrence of a Servicer Termination Event, and/or (ii) a replacement Legal Title Holder following the occurrence of a Legal Title Holder Termination Event;
- (e) assisting the Seller, the Issuer and/or the Security Trustee in respect of the termination and replacement of any Transaction Party in accordance with the terms of the relevant Transaction Document;
- (f) reviewing the Monthly Investor Reports and Quarterly Reports produced by the Cash Manager and the SR Quarterly Loan Level Data Tapes and the Servicer Reports produced by the Servicer in respect of the Transaction prior to publication and bringing any manifest errors that the Sponsor Administrator identifies to the attention of the Cash Manager and/or the Servicer, as applicable, the Issuer and the Reporting Agent;
- (g) notifying the Seller and the Issuer if it becomes aware of any breach of the Servicer's obligations under the Servicing Agreement;
- (h) assisting the Seller and the Issuer in connection with any refinancing of the Mortgage Portfolio in connection with the exercise of the Portfolio Purchase Option (provided that the Portfolio Purchase Option Holder has notified the Sponsor Administrator of its intention to exercise the Portfolio Purchase Option), the Clean Up Purchase Option, the Risk Retention Regulatory Change Option, the Regulatory Change Event Option or the Refinancing Option (including assisting the facilitation of any refinancing transaction) (provided that, for the avoidance of doubt, nothing in this paragraph (h) shall require the Sponsor Administrator to provide any form of commitment for funding or to subscribe for any securities in any form); and
- (i) liaising with the Rating Agencies in respect of the ratings, which are expected to be or have been assigned by the Rating Agencies to the Rated Notes, including assisting the Issuer in respect of any ongoing information requests received from the Rating Agencies and notified to the Sponsor Administrator.

The Sponsor Administrator will be entitled to sub-contract or delegate the performance of the Sponsor Administration Services to its affiliates. The Sponsor Administrator will not be liable in respect of its obligations under the Sponsor Administration Agreement except as a result of its fraud, gross negligence or wilful default. In the case of a material breach of its obligations under the Sponsor Administration Agreement, or in the case of its fraud, gross negligence or wilful default, the Sponsor Administrator's appointment may be terminated by the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee. The Seller will transfer the right to receive

Senior Deferred Consideration to the Sponsor Administrator on the Closing Date and the Sponsor Administrator will be entitled to receive the Senior Deferred Consideration in consideration of its provision of the Sponsor Administration Services.

The Sponsor Administration Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law, provided that any terms of the Sponsor Administration Agreement specific to the laws of Scotland relating to the Scottish Mortgage Loans and their Related Security shall be construed in accordance with Scots law.

SECURITY FOR THE ISSUER'S OBLIGATIONS – DEED OF CHARGE

To provide security for its obligations under the Notes and the other Transaction Documents, the Issuer will enter into the Deed of Charge with the Security Trustee and the Secured Creditors. A summary of the material terms of the Deed of Charge is set out below. The summary does not purport to be complete and is subject to the provisions of the Deed of Charge.

Security

The Issuer will grant the following security to be held by the Security Trustee for itself and on trust for the benefit of the Secured Creditors (which definition includes the Noteholders):

- (a) an assignment by way of first fixed security of all of the Issuer's right, title, benefit and interest, present and future, in, to and under the Mortgage Portfolio in respect of the English Mortgage Loans and their Related Security;
- (b) an assignment by way of first fixed security of all of the Issuer's right, title, benefit and interest, present and future, in, to and under each of the Transaction Documents to which it is a party (other than the Deed of Charge, the Scottish Declaration of Trust and the Scottish Supplemental Charge (and, in respect of the Interest Rate Swap Agreement, after giving effect to all applicable netting and set-off provisions therein));
- (c) an assignment by way of first fixed security of all of the Issuer's right, title, benefit and interest, present and future, in, to and under each of the Insurance Contracts;
- (d) a first fixed charge over (x) all of the Issuer's right, title, benefit and interest, present and future, in, to and under each Issuer Account; any Swap Collateral Account; and each other account (if any) in which the Issuer may at any time have or acquire any right, title, benefit or interest, and all monies now or at any time hereafter standing to the credit thereof and the debts represented by them together with all rights and claims relating or attached thereto including, without limitation, the right to interest and the proceeds of any of the foregoing and (y) the Issuer's beneficial interest in the Collection Accounts and each declaration of trust in respect of the Collection Accounts;
- (e) a first fixed charge over all of the Issuer's right, title, benefit and interest, present and future, in, to and under any Authorised Investment purchased using monies standing to the credit of any Issuer Account; (including all interest and other income or distributions paid or payable on such investments), and any Swap Collateral in the form of securities for the time being owned by it, and all rights in respect of or ancillary to such Authorised Investments and such Swap Collateral, including the right to income, distributions and the proceeds of any of the foregoing;
- (f) a first floating charge over all of the Issuer's rights in respect of the benefit of all authorisations (statutory or otherwise) held in connections with its use of the Charged Property, and compensation which may be payable to it in respect of those authorisations;
- (g) a first floating charge over the whole of the Issuer's undertaking and all the Issuer's property, assets and rights, whatsoever and wheresoever, both present and future, including, without limitation, the Issuer's uncalled capital, other than any property or assets for the time being the subject of a fixed charge or effectively assigned pursuant to the Deed of Charge (but excluding from the foregoing exception all undertaking, property, assets, rights and interests of the Issuer, present and future, situated in Scotland or the rights to which are governed by the laws of Scotland, all of which are charged by the floating charge); and
- (h) an assignation in security in respect of the Issuer's whole right, title, benefit and interest, present and future, in and to the Scottish Trust Property and in and to the Scottish Declaration of Trust.

Security which is expressed to be fixed in nature may take effect as floating security depending on the degree of control which the secured party is given over the relevant assets and the degree to which such secured party exercises such control. See further "*Risk Factors – Legal and Regulatory Risks relating to the Structure and the Notes – English law security and insolvency considerations*".

Scots law does not recognise any equivalent concept of fixed charges taking effect as floating charges, as described above in relation to English law.

Secured Creditors

Upon the Issuer entering into a new or replacement Interest Rate Swap Agreement with a new or replacement Interest Rate Swap Counterparty, the new or replacement Interest Rate Swap Counterparty may be required to enter into deeds of accession or supplemental deeds in relation to the Deed of Charge.

Each Secured Creditor (other than the Security Trustee) agrees that, if any amount is received by it (including by way of set-off) in respect of any secured obligation owed to it other than in accordance with the provisions of the Deed of Charge, then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of the Deed of Charge shall be received and held by it as trustee (except in the case of the Agents and the Transaction Account Bank, which will hold such funds as banker and to the order of the Security Trustee) for the Security Trustee and shall be paid over to the Security Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of the Deed of Charge.

Enforcement

The Security will become enforceable immediately upon the occurrence of an Event of Default. No provision of the Deed of Charge requires automatic liquidation upon default.

Conflicts

The Deed of Charge contains provisions which require the Security Trustee, while any Notes issued by the Issuer are outstanding or the right to receive Senior Deferred Consideration and Residual Deferred Consideration exists, to act only at the direction of the Note Trustee. The Note Trustee shall have regard to the holders of each Class of the Notes and the persons entitled to the Senior Deferred Consideration and the Residual Deferred Consideration equally (and at all times have regard to and subject always to the Senior Deferred Consideration Entrenched Rights and the Retained Interest Entrenched Rights) but if, in the sole opinion of the Note Trustee, there may be a conflict as among Noteholders, the Note Trustee is required to have regard to the interests of the Most Senior Class of Notes and will not have regard to any lower ranking Class of Notes or Residual Deferred Consideration.

In all cases, the Security Trustee will only be obliged to act if it is indemnified and/or secured and/or pre-funded to its satisfaction.

For more information on how conflicts between Noteholders are resolved, see Condition 13 (*Meetings of Noteholders, modifications and waiver*).

No enforcement by Secured Creditors

Pursuant to the terms of the Deed of Charge, each of the Secured Creditors (other than the Security Trustee and the Note Trustee acting on behalf of the Noteholders) has agreed that (i) only the Security Trustee may enforce the security created by or granted pursuant to the Deed of Charge, and (ii) it will not take steps directly against the Issuer to recover amounts owing to it by the Issuer unless the Security Trustee has become bound to enforce the Security but has failed to do so within a reasonable period of becoming so bound.

Fees, expenses and indemnity

The Issuer is required to:

- (a) pay to the Security Trustee a fee of such amount and on such dates as will be agreed from time to time by the Security Trustee and the Issuer;
- (b) reimburse the Security Trustee for all costs and expenses properly incurred by it in acting as Security Trustee; and
- (c) indemnify the Security Trustee and its directors, officers, agents and employees in respect of all Liabilities to which it (or any person appointed by it under or pursuant to the Deed of Charge) may be or become liable or which may be properly incurred by it (or any such person as aforesaid) in the execution or purported execution of any of its trusts, powers, authorities and discretions under or pursuant to the Deed of Charge or its functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to the Deed of Charge and any of the other Transaction Documents to which the Security Trustee is a party save where the same arises as a result of the fraud, gross negligence or wilful default of the Security Trustee.

Retirement and removal of Security Trustee

Subject to the appointment of a successor Security Trustee, the Security Trustee may retire after giving three months' notice in writing to the Issuer, without giving any reason and without being responsible for any liabilities resulting therefrom. If within 60 days of having given notice of its intention to retire, the Issuer has failed to appoint a replacement Security Trustee, the outgoing Security Trustee will be entitled to appoint a successor (**provided that** such successor is acceptable to the Rating Agencies and agrees to be bound by the terms of the Deed of Charge). The Issuer may remove the Security Trustee or appoint a new Security Trustee at any time **provided that** it has the approval, which must not be unreasonably withheld or delayed, of the Note Trustee and the Secured Creditors. If the Note Trustee retires or is removed, then the Security Trustee will be required to retire in accordance with the Deed of Charge. In such case, the successor Security Trustee is required to be the same person as the Note Trustee. In addition, the Security Trustee may, subject to the conditions specified in the Deed of Charge, appoint a co-trustee to act jointly with it.

Additional provisions of the Deed of Charge

The Deed of Charge contains a range of provisions regulating the scope of the Security Trustee's duties and liabilities. These include the following:

- (a) the Security Trustee is not responsible for the legality, admissibility in evidence, adequacy or enforceability of the Deed of Charge or any other Transaction Document;
- (b) the Security Trustee may assume that no Event of Default has occurred unless the Security Trustee has received express written notice from a Secured Creditor stating that an Event of Default has occurred and describing that Event of Default;
- (c) the Security Trustee is not required to monitor or supervise the functions of the Transaction Account Bank or of any other person under any Transaction Document;
- (d) the Security Trustee has the power to determine all questions arising in relation to the Deed of Charge or other Transaction Document entered into by the Issuer and every determination made will bind the Noteholders and all of the other Secured Creditors;
- (e) each Noteholder and each other Secured Creditor must make its own independent appraisal, without reliance on the Security Trustee, as to the financial condition and affairs of the Issuer;

- (f) the Security Trustee will not be liable for any Liabilities which may be caused by anything done or not done by it under the Deed of Charge or any other Transaction Document unless caused by the Security Trustee's fraud, gross negligence or wilful default;
- (g) the Security Trustee may accept such title as the Issuer has to the Charged Property and will not be required to investigate or make enquiry into the Issuer's title to such property;
- (h) the Security Trustee will not be responsible for any shortfall which may arise because it is liable to tax in respect of the Charged Property or the proceeds of such property; and
- (i) the Security Trustee is not required to take steps or action in connection with the Transaction Documents (including enforcing the Security) unless (1) while the Notes are outstanding, it has been directed or instructed to do so by the Note Trustee acting in accordance with the instructions of the Noteholders in accordance with Condition 12 (*Enforcement*) and Condition 13 (*Meetings of Noteholders, modifications and waiver*) or (2) following the redemption of the Notes, it has been directed or instructed to do so by any other Secured Creditor, **provided that**, in each case, it has been indemnified and/or secured and/or pre-funded to its satisfaction against all costs, liabilities and claims which it may incur or in respect of which it may become liable.

Governing law

The Deed of Charge and any non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with English law, **provided that** certain provisions particular to the Issuer's assets in Scotland are governed by and will be construed in accordance with Scots law. The Scottish Supplemental Charge will be governed by and construed in accordance with Scots law.

DESCRIPTION OF THE TRUST DEED, THE GLOBAL NOTES AND THE GLOBAL CERTIFICATES

The principal agreement governing the Notes and any Certificates (then in issue) and the Senior Deferred Consideration and Residual Deferred Consideration is the Trust Deed. A summary of the material terms of the Trust Deed, the Global Notes and the Global Certificates is set out below. The summary does not purport to be complete and it is subject to the provisions of the Trust Deed. References in this section to Certificates or Certificateholders shall apply only when such Certificates are in issue.

The Trust Deed sets out the forms of the Global Notes, the Registered Definitive Notes, and the Global Certificates and the Definitive Certificates. It also sets out the conditions for the issue of Registered Definitive Notes and/or the cancellation of any Notes and the issue of Definitive Certificates and/or the cancellation of any Certificates. The Agency Agreement contains the detailed provisions as to the appointment of the Principal Paying Agent and other agents and will regulate how payments will be made on the Notes and any Certificates (then in issue) or payments in respect of the Senior Deferred Consideration and the Residual Deferred Consideration (as applicable) and how determinations and notifications will be made.

The Trust Deed also contains covenants to be made by the Issuer in favour of the Note Trustee and the Noteholders. The main covenants are that the Issuer will pay interest on, and repay the principal of, each of the Notes when due. Some of the covenants also appear in the Conditions.

The Issuer also covenants that it will (a) use its best endeavours to maintain the listing of the Notes issued by it on the Official List and to maintain trading of such Notes on the market, (b) keep in place a Common Safekeeper, Principal Paying Agent and an Agent Bank, and (c) comply with and perform and observe all its obligations in the Trust Deed. The Trust Deed provides for delivery to the Note Trustee of a certificate, annually and within 14 days of request by the Note Trustee, signed by two directors of the Issuer, to the effect that no Event of Default exists or has existed since the date of the previous annual statement and that the Issuer has complied with all its obligations under the Transaction Documents (to which it is a party) throughout the preceding financial year, except to the extent specified in such statement.

The Trust Deed provides that, other than in relation to a Basic Terms Modification, a Senior Deferred Consideration Entrenched Right or a Retained Interest Entrenched Right, an Extraordinary Resolution of the Most Senior Class of Notes shall be binding on such Class of Notes and/or binding on the persons entitled to the Senior Deferred Consideration and the Residual Deferred Consideration ranking junior to a Class of Noteholders or persons entitled to the Senior Deferred Consideration and the Residual Deferred Consideration irrespective of the effect it has upon them (see Condition 13 (*Meetings of Noteholders, modifications and waiver*)). A Basic Terms Modification requires an Extraordinary Resolution of the holders of each affected Class of Notes and/or persons entitled to Senior Deferred Consideration and Residual Deferred Consideration (other than the persons entitled to the Senior Deferred Consideration unless the matter is also a Senior Deferred Consideration Entrenched Right) then outstanding or in issue, as applicable.

The Trust Deed also sets out the terms under which the Note Trustee is appointed, the indemnification of the Note Trustee, the payments it will be entitled to receive and the extent of the Note Trustee's authority to act beyond its statutory powers under English law. The Note Trustee is also given the ability to appoint a delegate or agent in the execution of any of its duties under the Trust Deed. The Trust Deed also sets out the circumstances in which the Note Trustee may resign or retire.

Finally, the Trust Deed provides that, until the Notes have been paid in full, holders of any Class of Notes and persons entitled to Senior Deferred Consideration and Residual Deferred Consideration are entitled to the benefit of and shall be bound by the terms and conditions of the Trust Deed. The Trust Deed will be discharged with respect to the collateral securing the Notes upon the delivery to the Note Trustee for cancellation of all the Notes or, with certain limitations, upon deposit with the Note Trustee of funds sufficient for the payment in full of all the Notes.

The Notes and any Certificates (then in issue)

The issuance of Notes and Certificates by the Issuer will be authorised by a resolution of the board of directors of the Issuer prior to the Closing Date. The Notes and any Certificates (then in issue) will be constituted by the Trust Deed.

Form of the Notes and any Certificates (then in issue)

Each Class of Notes will be represented on the Closing Date by a Global Note and will be deposited on behalf of the beneficial owners of those Notes with a Common Safekeeper for Euroclear and Clearstream, Luxembourg, and registered in the name of a nominee of a Common Safekeeper for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Global Note may be held only through Euroclear or Clearstream, Luxembourg or their participants at any time. Each Class of Certificates, when in issue on or following the Closing Date, will be represented by a Global Certificate. The Global Certificates will be registered in the name of a nominee of a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

On confirmation from the Common Safekeeper that it holds the Global Notes, Euroclear or Clearstream, Luxembourg, as applicable, will record book-entry interests in the beneficial owner's account or the participant account through which the beneficial owner holds its interests in the Notes. These book-entry interests will represent the beneficial owner's beneficial interest in the relevant Global Notes.

The amount of Notes represented by each Global Note will be evidenced by the Register maintained for that purpose by the Registrar. Together, the Notes represented by the Global Notes and any outstanding Registered Definitive Notes will equal the aggregate principal amount of the Notes outstanding at any time. Except in the limited circumstances described under "*Description of the Trust Deed, the Global Notes and the Global Certificates*" below, owners of beneficial interests in Global Notes or the Global Certificates (then in issue) will not be entitled to receive physical delivery of certificated Notes or the certificated Certificates. The Notes are not issued, nor will any Certificates (then in issue) be, in bearer form.

Beneficial owners may hold their interests in the Global Notes and the Global Certificates (then in issue) only through Clearstream, Luxembourg or Euroclear, as applicable, or indirectly through organisations that are participants in any of those systems. Ownership of these beneficial interests in a Global Note or a Global Certificate (then in issue) will be shown on, and the transfer of that ownership will be effected only through, records maintained by Clearstream, Luxembourg or Euroclear (with respect to interests of their participants) and the records of their participants (with respect to interests of persons other than their participants). By contrast, ownership of direct interests in a Global Note or a Global Certificate (then in issue), and any person entitled to Senior Deferred Consideration and Residual Deferred Consideration, will be shown on and the transfer of that ownership will be effected through the Register maintained by the Registrar. Because of this holding structure of the Notes and the Certificates (then in issue), beneficial owners of Notes and the Certificates may look only to Clearstream, Luxembourg or Euroclear, as applicable, or their respective participants, for their beneficial entitlement to those Notes or Certificates. The Issuer expects that Clearstream, Luxembourg or Euroclear will take any action permitted to be taken by a beneficial owner of Notes and/or Certificates only at the direction of one or more participants to whose account the interests in a Global Note and/or Global Certificate is credited and only in respect of that portion of the aggregate principal amount of Notes as to which that participant or those participants has or have given that direction. See "*Book-Entry Clearance Procedures*" for more information about Clearstream, Luxembourg and Euroclear.

Beneficial owners will be entitled to the benefit of, will be bound by and will be deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement. Beneficial owners can see copies of these agreements at the principal office for the time being of the Note Trustee, which is, as of the date of this document, U.S. Bank Trustees Limited, Fifth Floor, 125 Old Broad Street, London, EC2N 1AR, and at the specified office of the Principal Paying Agent.

Registered Definitive Notes and Registered Definitive Certificates

Owners of beneficial interests in Global Notes and the Global Certificates (then in issue) will only be entitled to receive Registered Definitive Notes and Registered Definitive Certificates (as applicable) under the following limited circumstances:

- (a) if, as a result of any amendment to or change in the laws or regulations of the United Kingdom (or any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or the Principal Paying Agent is or will be required to make any deduction or withholding from any payment on the Notes and/or the Certificates (as applicable) that would not be required if the Notes or the Certificates were represented by Registered Definitive Notes or Registered Definitive Certificates (as applicable); or
- (b) if Clearstream, Luxembourg and Euroclear are closed for business for a continuous period of 14 days or more (other than by reason of legal holidays) or announce an intention to cease business permanently or do in fact do so and no alternative Clearing System satisfactory to the Note Trustee is available.

In no event will Registered Definitive Notes or any Registered Definitive Certificates in bearer form be issued. Any Registered Definitive Note will be issued in registered form in the minimum denominations. Any Registered Definitive Certificates will be issued in registered form. The Registered Definitive Notes and Registered Definitive Certificates will be registered in that name or those names as the Registrar will be instructed by Clearstream, Luxembourg and Euroclear, as applicable. It is expected that these instructions will be based upon directions received by Clearstream, Luxembourg and Euroclear from their participants reflecting the ownership of book-entry interests. To the extent permitted by law, the Issuer, the Note Trustee and the Principal Paying Agent will be entitled to treat the person in whose names any Registered Definitive Notes or Registered Definitive Certificates are registered as the absolute owner thereof. The Agency Agreement contains provisions relating to the maintenance by a Registrar of a register reflecting ownership of the Notes and any Certificates (then in issue) or persons entitled to Senior Deferred Consideration and Residual Deferred Consideration, as applicable, and other provisions customary for a registered debt security.

Whenever a Global Note is to be exchanged for Registered Definitive Notes, such Registered Definitive Notes will be issued in an aggregate principal amount equal to the principal amount of the relevant Global Note within five business days of the delivery, by or on behalf of the registered holder of the relevant Global Note, Euroclear and/or Clearstream, Luxembourg, as applicable, to the Registrar of such information as is required to complete and deliver such Registered Definitive Notes (including, without limitation, the names and addresses of the persons in whose names the Registered Definitive Notes are to be registered and the principal amount of each such person's holding) against the surrender of the relevant Global Note at the specified office of the Registrar. Whenever a Global Certificate (then in issue) is to be exchanged for Registered Definitive Certificates, such Registered Definitive Certificates will be issued by or on behalf of the registered holder of the relevant Global Certificate, Euroclear and/or Clearstream, Luxembourg, as applicable, to the Registrar of such information as is required to complete and deliver such Registered Definitive Certificates (including, without limitation, the names and addresses of the persons in whose names the Registered Definitive Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the relevant Global Certificate at the specified office of the Registrar.

Each such exchange outlined above will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes and Certificates scheduled thereto and, in particular, will be effected without charge to any holder or the Note Trustee, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Any person receiving Registered Definitive Notes or Registered Definitive Certificates (as applicable) will not be obligated to pay or otherwise bear the cost of any tax or governmental charge or any cost or expense relating to

insurance, postage, transportation or any similar charge, which will be solely the responsibility of the Issuer. No service charge will be made for any registration of transfer or exchange of any Registered Definitive Notes or Registered Definitive Certificates (as applicable).

Modification and waiver

The Note Trustee, the Security Trustee, acting in accordance with the direction of the Note Trustee, and the Issuer, may from time to time, without the consent or sanction of the Noteholders, persons entitled to the Senior Deferred Consideration and the Residual Deferred Consideration or any other Secured Creditor (other than any Secured Creditor who is party to the relevant Transaction Document) concur with the Issuer or any other person, or direct the Security Trustee to concur with the Issuer or any other person, in making any modification of the Notes (including the Conditions applicable thereto) or the Certificates (then in issue) (including the Certificate Conditions applicable thereto) or of any Transaction Document (i) (except for a Basic Terms Modification, Senior Deferred Consideration Entrenched Right or Retained Interest Entrenched Right) where the Note Trustee is of the opinion that such modification will not be materially prejudicial to the interests of any of the Noteholders or the persons entitled to the Senior Deferred Consideration and the Residual Deferred Consideration or (ii) where such modification is made to correct a manifest error, is of a formal, minor or technical nature or is made to comply with mandatory provisions of law. The Note Trustee and/or Security Trustee will not be obliged to agree to any modification or waiver which, in the sole opinion of the Note Trustee and/or the Security Trustee would have the effect of (A) exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations, liabilities or duties, or decreasing the rights or protection, of the Note Trustee and/or the Security Trustee in the Transaction Documents and/or the Conditions and/or the Certificate Conditions.

Any such modification will be binding on the Noteholders, the persons entitled to the Senior Deferred Consideration and the Residual Deferred Consideration and the Secured Creditors.

As a result of the operation of the provisions of the Deed of Charge, when formulating its opinion and/or when exercising the rights, benefits, trusts, authorities, directions and obligations under the Transaction Documents to which it is a party, the Security Trustee will, while any of the Notes are outstanding or the right to receive Senior Deferred Consideration or Residual Deferred Consideration exists, act only at the request or direction of the Note Trustee.

Governing law

The Trust Deed and any non-contractual obligations arising out of or in connection with it are, and the Notes and any Certificates (then in issue) will be, governed by and construed in accordance with English law.

New Safekeeping Structure

The Notes will be deposited with one of Euroclear and/or Clearstream, Luxembourg (each an "ICSD" and together, the "ICSDs") as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper (the "**New Safekeeping Structure**").

Issuer ICSD Agreement

Prior to the issuance of the Notes and any Certificates, the Issuer will enter into an Issuer ICSD agreement with the ICSDs in respect of the Notes and any such Certificates (the "**Issuer ICSD Agreement**"). The ICSDs will, in respect of the Notes and any such Certificates (while being held in the New Safekeeping Structure), maintain their respective portion of the outstanding of the issue amount through their records. The Issuer ICSD Agreement will be governed by English law.

BOOK-ENTRY CLEARANCE PROCEDURES

The information set out below has been obtained from Euroclear and Clearstream, Luxembourg (each with respect to itself), and the Issuer believes that such sources are reliable. However, prospective investors are advised to make their own enquiries as to the procedures described below. The Issuer accepts responsibility for the accurate reproduction of such information from publicly available information. In particular, such information is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg currently in effect and investors wishing to use the facilities of any of Euroclear or Clearstream, Luxembourg are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Seller, the Legal Title Holder, the Arranger, the Lead Manager, the Note Trustee, the Security Trustee, the Interest Rate Swap Counterparty, the Principal Paying Agent, the Agent Bank, any of their respective affiliates or any other party to the Transaction Documents will have any responsibility for the performance by Euroclear and Clearstream, Luxembourg or their respective direct and indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

Euroclear and Clearstream, Luxembourg

Custodial and depository links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and the issue of any Certificates and cross-market transfers of the Notes and any Certificates (then in issue) associated with secondary market trading. See "*Initial settlement*" and "*Secondary trading*" below.

Euroclear and Clearstream, Luxembourg each hold securities for their participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of those participants, thereby eliminating the need for physical movement of securities. Euroclear and Clearstream, Luxembourg provide various services, including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships.

Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems, across which their respective participants may settle trades with each other. Transactions may be settled in Euroclear and Clearstream, Luxembourg in any of numerous currencies, including Sterling, U.S. Dollars and Euros. Clearstream, Luxembourg is incorporated under the laws of Luxembourg as a professional depository. Clearstream, Luxembourg participants are financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Clearstream, Luxembourg is also available to others, including banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream, Luxembourg participant, either directly or indirectly.

The Euroclear system was created in 1968 to hold securities for its participants and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment. The Euroclear system is operated by Euroclear Bank S.A./N.V. (the "**Euroclear Operator**"). All operations are conducted by the Euroclear Operator. All Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator. Euroclear participants include banks – including central banks – securities brokers and dealers and other professional financial intermediaries. Indirect access to the Euroclear system is also available to other firms that maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the terms and conditions governing use of Euroclear and the related operating procedures of the Euroclear system. These terms and conditions govern transfers of securities and cash within the Euroclear system, withdrawal of securities and cash from the Euroclear system, and receipts of payments for securities in the Euroclear system. All securities in the Euroclear system are held on a fungible basis without attribution of specific certificates to specific securities

clearance accounts. The Euroclear Operator acts under these terms and conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding through Euroclear participants.

Book-entry ownership

Each Global Note and Global Certificate (where Global Certificates are in issue) will have an ISIN and a Common Code and will be delivered at initial settlement to the Common Safekeeper for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of a common safekeeper for Euroclear and Clearstream, Luxembourg.

As the holders of book-entry interests, beneficial owners will not have the right under the Trust Deed to act on solicitations by the Issuer for action by Noteholders. Beneficial owners will only be able to act to the extent they receive the appropriate proxies to do so from Clearstream, Luxembourg or Euroclear or, if applicable, their respective participants. No assurances are made about these procedures or their adequacy for ensuring timely exercise of remedies under the Trust Deed.

No beneficial owner of an interest in a note represented by a Global Note or any certificate represented by a Global Certificate (where Global Certificates are in issue) will be able to transfer that interest except in accordance with applicable procedures, in addition to those provided for under the Trust Deed, of Clearstream, Luxembourg and Euroclear, as applicable.

Payment and relationship of participants with Clearing Systems

Principal and interest payments on the Notes and payments on any Certificates (then in issue) accepted for clearance through Euroclear and/or Clearstream, Luxembourg will be made to the Principal Paying Agent and then credited by the Principal Paying Agent to the cash accounts of the Common Safekeeper by whom such note or certificate is held or a nominee in whose name it is registered. After receipt of any payment from the Principal Paying Agent to the Common Safekeeper (or its nominee), Euroclear and Clearstream, Luxembourg, as the case may be, will credit their respective participants' accounts in proportion to those participants' holdings as shown on the records of Euroclear and Clearstream, Luxembourg, respectively.

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a note represented by a Global Note or a certificate represented by a Global Certificate (then in issue) must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for their share of each payment made by the Issuer to the holder of such global note or global certificate (as applicable) and in relation to all other rights arising under the Global Notes or Global Certificate (then in issue) (as applicable), subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Note, the Common Safekeeper by whom such note is held, or nominee in whose name it is registered, will immediately credit the relevant participants' or accountholders' accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant global note as shown on the records of the relevant Clearing System or its nominee. The Issuer also expects that payments by direct participants in any Clearing System to owners of beneficial interests in any global note or global certificate held through such direct participants in any Clearing System will be governed by standing instructions and customary practices. Save as aforesaid, such persons will have no claim directly against the Issuer in respect of payments due on the Notes or any Certificates (then in issue) for so long as the Notes are represented by such Global Notes or any Certificates are represented by such Global Certificates and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such global note or global certificate (as applicable) in respect of each amount so paid. None of the Issuer, the Note Trustee, the Arranger, the Lead Manager nor the Principal Paying Agent will have any responsibility or liability for any aspect of the records of Clearstream, Luxembourg or Euroclear relating to or payments made by Clearstream, Luxembourg or Euroclear on account of beneficial interests in the Global Notes or the Global Certificates (then in issue) (as applicable) or for maintaining, supervising or reviewing any records of Clearstream, Luxembourg or Euroclear relating to those beneficial interests.

Initial settlement

The Global Notes for each Class of Notes will be delivered on the Closing Date to, and the Global Certificates for each Certificate when in issue will be delivered to, the Common Safekeeper for Euroclear and Clearstream, Luxembourg. Customary settlement procedures will be followed for participants of each system on that Closing Date. Notes will be credited to investors' securities accounts on the Closing Date, and any Certificates when in issue will be credited to investors' securities accounts, against payment in same-day funds.

Secondary trading

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes and any Certificates (then in issue) held within a Clearing System must be made by or through direct participants, which will receive a credit for such Notes or Certificates (as applicable) on the Clearing System's records. The ownership interest of each beneficial owner of each such note or certificate (as applicable) will in turn be recorded on the participant's records. Beneficial owners will not receive written confirmation from any Clearing System of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct and indirect participant through which they entered into the transaction. Transfers of ownership interests in Notes or any Certificates (then in issue) (as applicable) held within the Clearing System will be effected by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Note held within a Clearing System are exchanged for Registered Definitive Notes. Beneficial owners will not receive certificates representing their ownership interests in such Certificates (then in issue), unless and until interests in any Global Certificate held within a Clearing System are exchanged for Registered Definitive Certificates.

No Clearing System has knowledge of the actual beneficial owners of the Notes or any Certificates (then in issue) (as applicable) held within such Clearing System and their records will reflect only the identity of the direct participants to whose accounts such Notes and any Certificates (then in issue) are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions (including some states of the U.S.) require that certain purchasers of securities take physical delivery of those securities in definitive form. These laws may impair the ability to transfer beneficial interests in a note represented by a Global Note or a certificate represented by a Global Certificate (then in issue). See "*Risk Factors – Legal and Regulatory Risks relating to the Structure and the Notes – Registered Definitive Notes and denominations in integral multiples*".

Trading between Euroclear and/or Clearstream, Luxembourg participants

Secondary market sales of book-entry interests in the Notes and any Certificates (then in issue) held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Notes and any Certificates (then in issue) 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.

New Safekeeping Structure and Eurosystem eligibility

The Notes and any Certificates (then in issue) are intended to be held in an NSS and in a manner which would allow Eurosystem eligibility and will be deposited with one of the ICSDs as common safekeeper. However, the deposit of the Notes and any Certificates (then in Issue) with one of the ICSDs as common safekeeper upon issuance or otherwise does not necessarily mean that the Notes or any Certificates (then in issue) 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 Legal Title Holder, 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 any Certificates (then in issue) that the Notes or any Certificates (then in issue) 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 should make its own conclusions and seek its own advice with respect to whether or not the Notes constitute Eurosystem eligible collateral.

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the "**Conditions**", and any reference to a "**Condition**" will be construed accordingly) of the Notes in the form (subject to amendment) in which they will be set out in the Trust Deed.

1. GENERAL

The £476,487,000 Class A mortgage backed floating rate notes due December 2073 (the "**Class A Notes**"), the £38,338,000 Class B mortgage backed floating rate notes due December 2073 (the "**Class B Notes**"), the £10,954,000 Class C mortgage backed floating rate notes due December 2073 (the "**Class C Notes**"), the £10,954,000 Class D mortgage backed floating rate notes due December 2073 (the "**Class D Notes**"), the £5,477,000 Class E mortgage backed floating rate notes due December 2073 (the "**Class E Notes**"), the £2,738,000 Class F mortgage backed floating rate notes due December 2073 (the "**Class F Notes**" and together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the "**Rated Notes**"), the £2,738,000 Class G mortgage backed floating rate notes due December 2073 (the "**Class G Notes**"), the £5,477,000 Class Z floating rate notes due December 2073 (the "**Class Z Notes**" and together with the Class G Notes, the "**Unrated Notes**" and, together with the Rated Notes, the "**Notes**") in each case of Gemgarto 2023-1 PLC (the "**Issuer**") are constituted by a trust deed (the "**Trust Deed**") entered into on or about 13 December 2023 (the "**Closing Date**") and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee for the Noteholders (in such capacity, the "**Note Trustee**").

Any reference in these Conditions to a Class of Notes or of Noteholders shall be a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class Z Notes, as the case may be, or to the respective holders thereof. Any reference in these Conditions to a Class of Certificates or of Certificateholders shall be a reference to the Class S Certificates or the Class Y Certificates or to the respective holders thereof and shall be deemed to apply only when Certificates are in issue. Where Certificates are not in issue, references in these Conditions to Certificates and Certificateholders shall, except where the context requires otherwise, be deemed to refer to Senior Deferred Consideration and Residual Deferred Consideration and persons entitled to Senior Deferred Consideration and Residual Deferred Consideration. Any reference in these Conditions to the Noteholders means the registered holders for the time being of the Notes or, if preceded by a particular Class designation of Notes, the registered holders for the time being of such Class of Notes. The Security for the Notes is created pursuant to, and on the terms set out in, the Deed of Charge. By the Agency Agreement, provision is made for, among other things, the payment of principal and interest in respect of the Notes.

Notes constituted by the Trust Deed comprise one or more Classes (each a "**Class**") of Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and the other Transaction Documents.

Copies of the Trust Deed, the Deed of Charge, the Agency Agreement and each of the other Transaction Documents are available for inspection during normal business hours at the registered office of the Issuer, being 10th Floor, 5 Churchill Place, London, E14 5HU, and the specified office for the time being of the Principal Paying Agent, being at Fifth Floor, 125 Old Broad Street, London, EC2N 1AR.

The holders of any Class of Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Trust Deed, the Deed of Charge, the Agency Agreement, and each of the other Transaction Documents.

References herein to the "**Noteholders**" will, unless specified otherwise, be references to 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 Notes are not issuable in bearer form.

2. INTERPRETATION

2.1 Definitions

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Conditions will bear the meanings given to them in the Master Definitions Schedule set out in Schedule 1 (*Master Definitions Schedule*) to the Incorporated Terms Memorandum made between the parties to the Transaction Documents on or about the Closing Date (as modified and/or supplemented and/or restated from time to time, the "**Master Definitions Schedule**"), a copy of each of which may be obtained as described above.

2.2 Interpretation

These Conditions shall be construed in accordance with the principles of construction set out in the Incorporated Terms Memorandum.

3. FORM, DENOMINATION, REGISTER, TITLE AND TRANSFERS

3.1 Form and denomination

Each Class of Notes will initially be represented by a global note in registered form (a "**Global Note**").

For so long as any of the Notes are represented by a Global Note, transfers and exchanges of beneficial interests in such Global Note and entitlement to payments thereunder will be effected subject to and in accordance with the rules and procedures from time to time of Euroclear Bank S.A./N.V. ("**Euroclear**") or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), as appropriate.

The aggregate nominal amount of each Class of Notes will initially be offered and sold outside the U.S. to non-U.S. persons pursuant to Regulation S under the United States Securities Act of 1933, as amended (the "**Securities Act**"), is represented by one or more global registered notes in fully registered form without coupons attached.

For so long as the Notes are represented by a Global Note, and for so long as Euroclear and Clearstream, Luxembourg so permit, the Notes shall be tradable only in the minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof.

Global Notes will be exchanged for Registered Definitive Notes in definitive registered form only if any of the following applies:

- (a) in the case of the Global Notes, 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 to permanently cease business or to cease to make book-entry systems available for settlement of beneficial interests in such Global Notes or 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 the Principal Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Notes which would not be required were the relevant Notes in definitive registered form.

If Registered Definitive Notes are issued in respect of Notes originally represented by a Global Note, the beneficial interests represented by such Global Note shall be exchanged by the Issuer for the relevant Notes in registered definitive form. The aggregate principal amount of the Registered Definitive Notes shall be equal to the Principal Amount Outstanding of the Notes at the date on which notice of exchange is given of the Global Note, subject to and in accordance with the detailed provisions of these Conditions, the Agency Agreement, the Trust Deed and the relevant Global Notes.

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 Notes, in definitive form (if issued and printed), will be issued in the minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof (or the equivalent thereto).

References to "**Notes**" in these Conditions shall include the Global Notes and the Registered Definitive Notes.

3.2 Register

The Registrar will maintain the register (the "**Register**") in respect of the Notes in accordance with the provisions of the Agency Agreement. In these Conditions, the "**Holder**" of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof).

3.3 Title

Title to a Global Note shall pass by and upon registration in the Register. Each Holder will (except as otherwise required by law) be treated by the Issuer, the Note Trustee, the Security Trustee, the Agent Bank and any Agent as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no person will be liable for so treating such holder.

Title to a Registered Definitive Note shall only pass by and upon registration of the transfer in the Register.

3.4 Transfers

Registered Definitive Notes may be transferred upon the surrender of the relevant Registered Definitive Notes, with the form of transfer duly completed and executed, at the specified office of the Registrar. Such transfers shall be subject to the minimum denominations specified in Condition 3.1 (*Form and denomination*). All transfers of Registered Definitive Notes are subject to any restrictions on transfer set out on the Registered Definitive Notes and the detailed regulations concerning transfers in the Agency Agreement.

Within five Business Days of such surrender of Registered Definitive Note, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes

transferred to each relevant holder at its specified office or (at the request and risk of any such relevant holder) by uninsured first class mail (and by airmail if the holder is overseas) to the address specified for such purpose by such relevant holder.

The transfer of a Registered Definitive Note will be effected without charge by or on behalf of the Issuer or the Registrar but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature that may be levied or imposed in connection with such transfer.

Noteholders may not require transfers of Notes to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

4. STATUS, PRIORITY AND SECURITY

4.1 Status

- (a) The Class A Notes constitute direct, secured and (subject to the limited recourse provision in Condition 13.17 (*Limited recourse*)) unconditional obligations of the Issuer. The Class A Notes rank *pari passu* without preference or priority among its holders in relation to payment of interest and principal and *pari passu* without preference or priority among its holders in relation to payment of (in respect of the Class A Notes) interest and payment of the Senior Deferred Consideration, as provided in these Conditions and the Transaction Documents.

The requirement to pay Senior Deferred Consideration constitutes direct, secured and (subject to the limited recourse provisions in Certificate Condition 12.17 (*Limited recourse*) and Certificate Condition 6.7 (*Subordination by deferral*)) unconditional obligations of the Issuer. The Senior Deferred Consideration rank *pari passu* without preference or priority among its holders in relation to the payment of Senior Deferred Consideration and in relation to payment of interest in respect of the Class A Notes.

Accordingly, the interests of the persons who for the time being are registered in the Register as holders of Class A Notes (the "**Class A Noteholders**") and in respect of the Senior Deferred Consideration, the interests of the person who for the time being is registered in the Register as the person entitled to the Senior Deferred Consideration (and upon certification, such person shall be (i) at any time prior to (and including) the Step-Up Date, the "**Class S1 Certificateholder**" and (ii) at any time following the Step-Up Date, the "**Class S2 Certificateholder**", and together with the Class S1 Certificateholder, the "**Class S Certificateholder**") will subordinate the interests of the holders of all other Classes of Notes and the Residual Deferred Consideration.

- (b) The Class B Notes constitute direct, secured and (subject to the limited recourse provision in Condition 13.17 (*Limited recourse*) and Condition 6.9 (*Subordination by deferral*)) unconditional obligations of the Issuer. The Class B Notes rank *pari passu* without preference or priority among its holders in relation to payment of interest and principal at all times, but subordinate to the Class A Notes and the Senior Deferred Consideration, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of Class B Notes (the "**Class B Noteholders**") will be subordinated to the interests of the Class A Noteholders and the persons entitled to the Senior Deferred Consideration (so long as any Class A Notes remain outstanding or the right to receive Senior Deferred Consideration exists).
- (c) The Class C Notes constitute direct, secured and (subject to the limited recourse provision in Condition 13.17 (*Limited recourse*) and Condition 6.9 (*Subordination by deferral*)) unconditional obligations of the Issuer. The Class C Notes rank *pari passu* without preference or priority among its holders in relation to payment of interest and principal at all times, but subordinate to the Class A Notes, the Senior Deferred Consideration and the Class B Notes, and as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class C Notes (the "**Class C Noteholders**") will be subordinated to the

interests of each of the Class A Noteholders, the persons entitled to Senior Deferred Consideration and the Class B Noteholders (so long as any Class A Notes remain outstanding and/or the right to receive Senior Deferred Consideration exists and/or any Class B Notes remain outstanding).

- (d) The Class D Notes constitute direct, secured and (subject to the limited recourse provision in Condition 13.17 (*Limited recourse*) and Condition 6.9 (*Subordination by deferral*)) unconditional obligations of the Issuer. The Class D Notes rank *pari passu* without preference or priority among its holders in relation to payment of interest and principal at all times, but subordinate to the Class A Notes, the Senior Deferred Consideration, the Class B Notes and the Class C Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class D Notes (the "**Class D Noteholders**") will be subordinated to the interests of each of the Class A Noteholders, the persons entitled to Senior Deferred Consideration, the Class B Noteholders and the Class C Noteholders (so long as any Class A Notes remain outstanding and/or the right to receive Senior Deferred Consideration exists and/or any Class B Notes and/or any Class C Notes remain outstanding).
- (e) The Class E Notes constitute direct, secured and (subject to the limited recourse provisions in Condition 13.17 (*Limited recourse*) and Condition 6.9 (*Subordination by deferral*)) unconditional obligations of the Issuer. The Class E Notes rank *pari passu* without preference or priority among its holders in relation to the payment of interest and principal at all times, but subordinate to the Class A Notes, the Senior Deferred Consideration, the Class B Notes, the Class C Notes and the Class D Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class E Notes (the "**Class E Noteholders**") will be subordinated to the interests of each of the Class A Noteholders, the persons entitled to Senior Deferred Consideration, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders (so long as any Class A Notes remain outstanding, and/or the right to receive Senior Deferred Consideration exists and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes remain outstanding).
- (f) The Class F Notes constitute direct, secured and (subject to the limited recourse provisions in Condition 13.17 (*Limited recourse*) and Condition 6.9 (*Subordination by deferral*)) unconditional obligations of the Issuer. The Class F Notes rank *pari passu* without preference or priority among its holders in relation to the payment of interest and principal at all times, but subordinate to the Class A Notes, the Senior Deferred Consideration, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class F Notes (the "**Class F Noteholders**") will be subordinated to the interests of each of the Class A Noteholders, the persons entitled to Senior Deferred Consideration, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders (so long as any Class A Notes remain outstanding, and/or the right to receive Senior Deferred Consideration exists and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes remain outstanding).
- (g) The Class G Notes constitute direct, secured and (subject to the limited recourse provisions in Condition 13.17 (*Limited recourse*) and Condition 6.9 (*Subordination by deferral*)) unconditional obligations of the Issuer. The Class G Notes rank *pari passu* without preference or priority among its holders in relation to the payment of interest and principal at all times, subordinate to the Class A Notes, the Senior Deferred Consideration, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class G Notes (the "**Class G Noteholders**") will be subordinated to the interests of each of the Class A Noteholders, the persons entitled to Senior Deferred Consideration, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders (so long as any Class A Notes remain outstanding, and/or the right to receive Senior Deferred Consideration

exists and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes and/or any Class F Notes remain outstanding).

- (h) The Class Z Notes constitute direct, secured and (subject to the limited recourse provisions in Condition 13.17 (*Limited recourse*) and Condition 6.9 (*Subordination by deferral*)) unconditional obligations of the Issuer. The Class Z Notes rank *pari passu* without preference or priority among its holders in relation to the payment of interest and principal at all times, but subordinate to the Class A Notes, the Senior Deferred Consideration, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class Z Notes (the "**Class Z Noteholders**") will be subordinated to the interests of each of the Class A Noteholders, the persons entitled to Senior Deferred Consideration, the Class B Noteholders, the Class C Noteholders, Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class G Noteholders (so long as any Class A Notes remain outstanding, and/or the right to receive Senior Deferred Consideration exists and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes and/or any Class F Notes and/or any Class G Notes remain outstanding).
- (i) The requirement to pay Residual Deferred Consideration constitutes direct, secured and (subject to the limited recourse provisions in Certificate Condition 12.17 (*Limited recourse*)) unconditional obligations of the Issuer. The Residual Deferred Consideration rank *pari passu* without preference or priority among its holders in relation to the payment of the Residual Deferred Consideration, but subordinate to the Class A Notes, the Senior Deferred Consideration, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, Class G Notes and the Class Z Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the persons entitled to the Residual Deferred Consideration (the "**Class Y Certificateholder**") will be subordinated to the interests of each of the Class A Noteholders, the persons entitled to the Senior Deferred Consideration, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class G Noteholders and the Class Z Noteholders (so long as any Class A Notes remain outstanding and/or the right to receive Senior Deferred Consideration exists and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes and/or any Class F Notes and/or any Class G Notes and/or any Class Z Notes remain outstanding).

4.2 Conflict between the Classes of Notes

- (a) The Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the holders of each Class of the Notes and the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration equally (and at all times have regard to and subject always to the Senior Deferred Consideration Entrenched Rights and the Retained Interest Entrenched Rights) with regard to all rights, powers, trusts, authorities, duties and discretions of the Note Trustee under these Conditions or any of the Transaction Documents (except where expressly provided otherwise), but requiring the Note Trustee where there is a conflict of interests between one or more Classes of Notes and/or the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration in any such case to have regard (except as expressly provided otherwise and at all times have regard to and subject always to the Senior Deferred Consideration Entrenched Rights and the Retained Interest Entrenched Rights) to the interests of the holders of the Class of Notes and/or the persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration (as applicable) ranking in priority to the other relevant Classes of Notes or persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration in the Post-Enforcement Priority of Payments (other than the Senior Deferred Consideration, in respect of which the Note Trustee, or as the case may be, the Security Trustee will have regard only as to the Senior Deferred Consideration Entrenched Rights).
- (b) The Trust Deed also contains provisions limiting the powers of any Class of Noteholders or persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration (as applicable),

among other things, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution (and at all times to have regard to and subject always to the Senior Deferred Consideration Entrenched Rights and the Retained Interest Entrenched Rights) according to the effect thereof on the interests of holders of the Class or Classes of Notes and/or persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration (as applicable) ranking in priority thereto. Except in certain circumstances described in Condition 13 (*Meetings of Noteholders, modifications and waiver*), 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, the Senior Deferred Consideration Entrenched Rights and the Retained Interest Entrenched Rights) on the holders of all other Classes of Notes and all other persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration (as applicable), in each case irrespective of the effect thereof on their respective interests.

- (c) The Note Trustee, in determining whether the exercise by it of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents will not be materially prejudicial to the interests of the Noteholders (or any Class thereof), will have regard to Ratings Confirmations (if issued) that the then current ratings of the applicable Class of Notes would not be reduced, withdrawn or qualified by such exercise and any other confirmation which it considers, in its sole and absolute discretion, is appropriate.
- (d) Subject to the Retained Interest Entrenched Rights, the Retention Holder will not be entitled to convene, count in the quorum or pass resolutions (including Extraordinary Resolutions and Ordinary Resolutions) in respect of any Notes comprising the Retained Interest. Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding on the Retention Holder (other than any resolutions in respect of a Retained Interest Entrenched Right unless the Retention Holder has consented) if passed in accordance with the Conditions.
- (e) The persons entitled to the Senior Deferred Consideration shall only be entitled to convene meetings of the persons entitled to the Senior Deferred Consideration and/or pass resolutions in respect of the Senior Deferred Consideration in relation to matters affecting a Senior Deferred Consideration Entrenched Right. Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding on the persons entitled to the Senior Deferred Consideration (other than in respect of affecting a Senior Deferred Consideration Entrenched Right unless the persons entitled to the Senior Deferred Consideration has consented in writing).
- (f) The persons entitled to the Residual Deferred Consideration shall only be entitled to convene meetings of the persons entitled to the Residual Deferred Consideration and/or pass resolutions in respect of the Residual Deferred Consideration in relation to Basic Terms Modifications affecting the Residual Deferred Consideration.
- (g) Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding on the persons entitled to the Residual Deferred Consideration (save in respect of a Basic Terms Modification) if passed in accordance with the Conditions.
- (h) As long as any Notes are outstanding or the right to receive Senior Deferred Consideration or Residual Deferred Consideration exists but subject to Condition 13.4, the Note Trustee and the Security Trustee shall not have regard to the interests of the other Secured Creditors.

4.3 Security

As security for, among other things, the payment of all monies payable in respect of the Notes, the Issuer has entered into the Deed of Charge and will enter into the Scottish Supplemental Charge creating the Security in favour of the Security Trustee for itself and on trust for, *inter alios*, the Note Trustee and the Noteholders.

The Noteholders, the persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration and the other Secured Creditors will share in the benefit of the Security upon and subject to the terms and conditions of the Deed of Charge and the Scottish Supplemental Charge.

5. COVENANTS

Save with the prior written consent of the Note Trustee or unless provided in or contemplated under these Conditions or any of the Transaction Documents to which the Issuer is a party or unless such action is in connection with a Refinancing undertaken in accordance with the Refinancing Option Deed Poll, the Issuer will not, so long as any Note remains outstanding:

5.1 Negative pledge

create or permit to subsist any mortgage, standard security, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law), upon the whole or any part of its assets (including any uncalled capital) or its undertakings, present or future;

5.2 Disposal of assets

sell, assign, transfer, lend, lease or otherwise dispose of, or deal with, or grant any trust, option or present or future right to acquire all or any of its properties, assets or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do any of the foregoing;

5.3 Equitable interest

permit any person other than itself and the Security Trustee (as to itself and on behalf of the Secured Creditors) to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

5.4 Bank accounts

have an interest in any bank account, other than an Issuer Account, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;

5.5 Restrictions on activities

carry on any business other than as described in the Prospectus (as revised, supplemented and/or amended from time to time) relating to the issue of the Notes and the related activities described therein or as contemplated in the Transaction Documents relating to the issue of the Notes;

5.6 Borrowings

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or obligation of any person other than as contemplated in the Transaction Documents;

5.7 Merger

consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

5.8 Waiver or consent

permit the validity or effectiveness of any of the Transaction Documents to which it is a party to or the priority of the security interests created thereby to be amended, terminated, postponed, waived or

discharged or agree to any amendment of, 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 other person whose obligations form part of the Security to be released from such obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;

5.9 Employees or premises

have any employees or premises or subsidiaries, or any subsidiary undertaking (as defined in the Companies Act 1985 and the Companies Act 2006 (as applicable));

5.10 Dividends and 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 or alter any rights attaching to its shares as at the date of the Deed of Charge;

5.11 Purchase Notes

purchase or otherwise acquire any Notes or any Certificates (then in issue);

5.12 Corporation tax

prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the TSC Regulations; or

5.13 VAT

apply to become part of any group with any other company or group of companies for the purposes of Sections 43 to 43D of the VATA 1994 and the Value Added Tax (Groups: eligibility) Order 2004 (SI 2004/1931), or such act, regulation, order, statutory instrument or directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal any of the same.

6. INTEREST

6.1 Interest on Floating Rate Notes

- (a) Each Floating Rate Note bears interest on its Principal Amount Outstanding from (and including) the Closing Date and such interest will be payable in arrear on each Payment Date for all Classes of Notes. The first Payment Date will be the Payment Date falling in March 2024.
- (b) In these Conditions, "**Payment Date**" means the 16th day of March, June, September and December in each year or, if such day is not a Business Day, the immediately following Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).
- (c) Interest shall accrue from (and including) a 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 Payment Date (each such period above, an "**Interest Period**").

6.2 Rate of Interest

- (a) The rate of interest payable from time to time on the Notes (the "**Rate of Interest**") will be determined on the basis of the Floating Rate of Interest as determined in accordance with paragraph (b) below.

- (b) The floating rate of interest payable from time to time in respect of the Floating Rate Notes (each a "**Floating Rate of Interest**") and any Interest Period will be determined on the basis of the following provisions:
- (i) Subject to paragraph (ii) below, the Agent Bank will determine the Compounded Daily SONIA as at the Interest Determination Date in question. The Floating Rate of Interest for the relevant Interest Period shall be the aggregate Compounded Daily SONIA plus the relevant Margin.
 - (ii) Notwithstanding the provisions of these Conditions, in the event of the Bank of England publishing guidance as to (1) how the SONIA rate is to be determined or (2) any rate that is to replace the SONIA rate, the Agent Bank acting in accordance with the instructions of the Issuer and, to the extent that it is reasonably practicable, shall follow such guidance in order to determine the SONIA rate, for the purposes of the Notes, for so long as the SONIA rate is not available or has not been published by the authorised distributors.
 - (iii) In the event that the Floating Rate of Interest for the relevant Interest Period cannot be determined in accordance with the foregoing provisions by the Agent Bank, the Floating Rate of Interest for such Interest Period shall be:
 - (A) 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
 - (B) if there is no such preceding Interest Determination Date, the initial Floating Rate of Interest which would have been applicable to the relevant Class of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) that first Payment Date (but applying the relevant Margin applicable to the first Interest Period).
 - (iv) If the Notes become due and payable in accordance with Condition 11 (*Events of default*), the last Interest Determination Date shall be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.
 - (v) The minimum Floating Rate of Interest will be zero.
- (c) The Margin on the Floating Rate Notes changes from the Initial Margin to the Step-Up Margin from (and including) the Payment Date falling on the First Optional Redemption Date.
- (d) For the purposes of these Conditions:
- (i) "**First Optional Redemption Date**" means the Step-Up Date;
 - (ii) "**Interest Determination Date**" means the fifth London Banking Day before the Payment Date which the relevant Rate of Interest will apply;
 - (iii) "**Interest Determination Ratio**" means, on any Payment Date, (A) the aggregate Revenue Receipts calculated in the three preceding Monthly Servicer Reports (or, where there are not at least three previous Monthly Servicer Reports, any previous Servicer Reports) divided by (B) the aggregate of all Revenue Receipts and all Principal Receipts calculated in such Servicer Reports;

- (iv) **"Margin"** means:
- (A) in respect of the Class A Notes, (1) prior to the First Optional Redemption Date, 0.90 per cent. per annum (the **"Class A Initial Margin"**) and (2) on and after the First Optional Redemption Date, 1.35 per cent. per annum (the **"Class A Step-Up Margin"**);
 - (B) in respect of the Class B Notes, (1) prior to the First Optional Redemption Date, 1.50 per cent. per annum (the **"Class B Initial Margin"**) and (2) on and after the First Optional Redemption Date, 2.25 per cent. per annum (the **"Class B Step-Up Margin"**);
 - (C) in respect of the Class C Notes, (1) prior to the First Optional Redemption Date, 2.00 per cent. per annum (the **"Class C Initial Margin"**) and (2) on and after the First Optional Redemption Date, 3.60 per cent. per annum (the **"Class C Step-Up Margin"**);
 - (D) in respect of the Class D Notes, (1) prior to the First Optional Redemption Date, 2.50 per cent. per annum (the **"Class D Initial Margin"**) and (2) on and after the First Optional Redemption Date, 4.60 per cent. per annum (the **"Class D Step-Up Margin"**);
 - (E) in respect of the Class E Notes, (1) prior to the First Optional Redemption Date, 4.50 per cent. per annum (the **"Class E Initial Margin"**) and (2) on and after the First Optional Redemption Date, 6.80 per cent. per annum (the **"Class E Step-Up Margin"**);
 - (F) in respect of the Class F Notes, (1) prior to the First Optional Redemption Date, 6.00 per cent. per annum (the **"Class F Initial Margin"**) and (2) on and after the First Optional Redemption Date, 8.80 per cent. per annum (the **"Class F Step-Up Margin"**);
 - (G) in respect of the Class G Notes, (1) prior to the First Optional Redemption Date, 6.00 per cent. per annum (the **"Class G Initial Margin"**) and (2) on and after the First Optional Redemption Date, 8.80 per cent. per annum (the **"Class G Step-Up Margin"**); and
 - (H) in respect of the Class Z Notes, (1) prior to the First Optional Redemption Date, 6.00 per cent. per annum (the **"Class Z Initial Margin"** and, together with the Class A Initial Margin, the Class B Initial Margin, the Class C Initial Margin, the Class D Initial Margin, the Class E Initial Margin, the Class F Initial Margin and the Class G Initial Margin, each an **"Initial Margin"**) and (2) on and after the First Optional Redemption Date, 8.80 per cent. per annum (the **"Class Z Step-Up Margin"** and, together with the Class A Step-Up Margin, the Class B Step-Up Margin, the Class C Step-Up Margin, the Class D Step-Up Margin, the Class E Step-Up Margin, the Class F Step-Up Margin and the Class G Step-Up Margin, each a **"Step-Up Margin"**);
- (v) **"Compounded Daily SONIA"** means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Agent Bank as at the Interest Determination Date in question, as follows, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 per cent. being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SONIA}_{i-\text{SLBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where:

"**d**" means the number of calendar days in the relevant Interest Period;

"**d₀**" means the number of London Banking Days in the relevant Interest Period;

"**i**" means a series of whole numbers from one to **d₀**, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Period to, but excluding, the last London Banking Day in such Interest Period;

"**LBD**" means a London Banking Day;

"**n_i**", for any London Banking Day "**i**" in the Interest Period, means the number of calendar days from, and including, such London Banking Day "**i**" up to but excluding the following London Banking Day;

"**Observation Period**" means the period from, and including, the date falling five London Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Closing Date) and ending on, but excluding, the date falling five London Banking Days prior to the Payment Date for such Interest Period (or, if applicable, the date falling five London Banking Days prior to any such earlier date, if any, on which the Notes become due and payable);

"**Reuters Screen SONIA Page**" means the Reuters Screen SONIA Page or such other page as may replace Reuters Screen SONIA Page on that service for the purpose of displaying such information or, if that service ceases to display such information, such page as displays such information on such service as may replace such screen;

"**SONIA_{i-SLBD}**" means in respect of any London Banking Day falling in the relevant Interest Period, the SONIA reference rate for the London Banking Day falling five London Banking Days prior to that London Banking Day "**i**";

- (vi) "**London Banking Day**" means any day (other than a Saturday or Sunday or a public holiday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;
- (vii) "**Reconciliation Amount**" means, in respect of any Calculation Period (A) the actual Principal Receipts as determined in accordance with the available Servicer Reports, less (B) the Calculated Principal Receipts in respect of such Calculation Period, plus (C) any Reconciliation Amount not applied in previous Calculation Periods;
- (viii) "**SONIA**" means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average rate for such London Banking Day as provided by the administrator of SONIA to authorised Distributors and as then published on the Reuters Screen SONIA Page or, if the Reuters Screen SONIA Page is unavailable, as otherwise published by such authorised Distributors, in each case on the London Banking Day immediately following such London Banking Day.

If, in respect of any London Banking Day in the relevant Observation Period, the Agent Bank determines that the SONIA reference rate is not available on the Reuters Screen SONIA Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be: (A) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (B) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which a SONIA reference

rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; and

- (ix) "**Subsidiary**" means any person (referred to as the first person) in respect of which another person (referred to as the second person):
- (A) holds a majority of the voting rights in that first person or has the right under the constitution of the first person to direct the overall policy of the first person or alter the terms of its constitution; or
 - (B) is a member of that first person and has the right to appoint or remove a majority of its board of directors or equivalent administration, management or supervisory body; or
 - (C) has the right to exercise (directly or indirectly) a dominant influence (which must include the right to give directions with respect to operating and financial policies of the first person which its directors are obliged to comply with whether or not for its benefit) over the first person by virtue of provisions contained in the articles (or equivalent) of the first person or by virtue of a control contract which is in writing and is authorised by the articles (or equivalent) of the first person and is permitted by the law under which such first person is established; or
 - (D) is a member of that first person and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the first person or the rights under its constitution to direct the overall policy of the first person or alter the terms of its constitution; or
 - (E) has the power to exercise, or actually exercises (in either case, directly or indirectly) dominant influence or control over the first person; or
 - (F) is managed together with the first person on a unified basis,

and for the purposes of this definition, a person shall be treated as a member of another person if any of that person's Subsidiaries is a member of that other person or if any shares in that other person are held by a person acting on behalf of it or any of its Subsidiaries. A subsidiary undertaking shall include any subsidiary undertaking the shares of which (if any) are subject to a security interest and where the legal title to the shares so secured are registered in the name of the secured party or its nominee pursuant to such security.

6.3 Determination of Floating Rate of interest and calculation of Floating Interest Amounts

The Agent Bank will at, or as soon as practicable after, each time at which the Floating Rate of Interest is to be determined, determine the Floating Rate of Interest for the relevant Interest Period.

The Agent Bank will calculate the amount of interest payable on the Floating Rate Notes (the "**Floating Interest Amount**") that would be payable in respect of interest on the Principal Amount Outstanding of each Class of the Notes. Each Floating Interest Amount will be calculated by applying the Rate of Interest to the Principal Amount Outstanding of each Class of the Floating Rate Notes, multiplying such sum by the actual number of days in the Interest Period concerned divided by 365, and rounding the resultant figure to the nearest penny.

6.4 Notification of Floating Rate of interest and Floating Interest Amounts

The Agent Bank will cause the Floating Rate of Interest and each Floating Interest Amount for each Class of Floating Rate Notes in respect of each Interest Period and each Payment Date to be notified to the Issuer, the Note Trustee, the Security Trustee, the Cash Manager, the Principal Paying Agent, the Registrar and to any stock exchange or other relevant competent authority or quotation system on which the Floating Rate Notes are for the time being listed, quoted and/or traded or by which they have been admitted to listing and to be published in accordance with Condition 16 (*Notice to Noteholders*) as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Floating Interest Amount and Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Note Trustee and the London Stock Exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and to Noteholders in accordance with Condition 16 (*Notice to Noteholders*).

6.5 Notifications to be final

All notifications, certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6 by the Agent Bank will (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Cash Manager, the Principal Paying Agent, the Registrar, the Note Trustee and all Noteholders and (in the absence of wilful default, gross negligence or fraud) no liability to the Issuer or the Noteholders will attach to the Agent Bank in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6.6 Accrual of interest

Each Floating Rate Note will cease to accrue interest (or in the case of the redemption of part only of a Note, that part only of such Note) from and including the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event, interest will continue to accrue as provided in the Trust Deed.

6.7 Agent Bank

The Issuer shall procure that, so long as any of the Notes remain outstanding, there is at all times an agent bank for the purposes of the Notes. The Issuer may, subject to the prior written approval of the Note Trustee, terminate the appointment of the Agent Bank and shall, in the event of the appointed office of any bank being unable or unwilling to continue to act as the agent bank or failing duly to determine the Floating Rate of Interest or the Floating 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.

6.8 Determinations and reconciliation

- (a) In the event that the Cash Manager does not receive all three Monthly Servicer Reports to be delivered by the Servicer with respect to the three most recent Collection Periods (each such period, a "**Determination Period**"), then the Cash Manager may use the Monthly Servicer Reports in respect of the three most recent Collection Periods for which all relevant Servicer Reports are available (or, where there are not at least three previous Monthly Servicer Reports, any previous Servicer Reports) for the purposes of calculating the amounts available to the Issuer to make payments, as set out in paragraph (b) below. When the Cash Manager receives the Servicer Reports relating to the Determination Period, it will make the reconciliation calculations and reconciliation payments as set out in paragraph (b)(i) below.

Any: (i) calculations properly made on the basis of such estimates in accordance with paragraph (b) and/or paragraph (b)(i) below; (ii) payments made under any of the Notes, in respect of the Senior Deferred Consideration and Residual Deferred Consideration 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 paragraph (b) and/or paragraph (b)(i) below, 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 preceding the Determination Period:
- (i) determine the Interest Determination Ratio (as defined above) by reference to the three most recent Monthly Calculation Periods in respect of which all relevant Monthly Servicer Reports are available (or, where there are not at least three previous Monthly Servicer Reports, any previous Servicer Reports);
 - (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; and
 - (iii) calculate the Principal Receipts for such Determination Period as the product of (A) one minus the Interest Determination Ratio and (B) all collections received by the Issuer during such Determination Period (the "**Calculated Principal Receipts**").
- (c) Following the end of any Determination Period, upon receipt by the Cash Manager of the Servicer Report in respect of such Determination Period, the Cash Manager shall reconcile the calculations made in accordance with paragraph (b) above to the actual collections set out in the Servicer Reports by allocating the Reconciliation Amount 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 positive value of the Reconciliation Amount and (B) the amount standing to the credit of the Revenue Ledger, as Available Principal Receipts (with a corresponding debit of the Revenue Ledger); and
 - (ii) if the Reconciliation Amount is a negative number, the Cash Manager shall apply an amount equal to the lesser of (A) the positive value of the Reconciliation Amount and (B) the amount standing to the credit of the Principal Ledger, as Available Revenue Receipts (with a corresponding debit of the Principal Ledger),

provided that the Cash Manager shall apply such Reconciliation Amount in determining Available Revenue Receipts and Available Principal Receipts for such Calculation Period in accordance with the terms of the Cash Management Agreement and the Cash Manager shall promptly notify the Issuer and the Note Trustee of such Reconciliation Amount.

6.9 Subordination by deferral

To the extent that, subject to and in accordance with the relevant Priority of Payments, the funds available to the Issuer to pay interest on the Notes (other than the Most Senior Class of Notes then outstanding) on a Payment Date (after discharging the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant Priority of Payments) are insufficient to pay the full amount of such interest (which shall, for the purposes of this Condition 6.9, include any interest previously deferred under this Condition 6.9 and accrued interest thereon), payment of the shortfall attributable to such Class of Notes ("**Deferred Interest**") will not then fall due but will instead be deferred until the first Payment Date for

such Notes thereafter on which sufficient funds are available (after allowing for the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant Priority of Payments) to fund the payment of such Deferred Interest to the extent of such Available Funds.

Such Deferred Interest will accrue interest ("**Additional Interest**") at the Rate of Interest applicable from time to time to the applicable Class of Notes and payment of any Additional Interest will also be deferred until the first Payment Date for such Notes thereafter on which funds are available (after allowing for the Issuer's liabilities of a higher priority subject to and in accordance with the relevant Priority of Payments) to the Issuer to pay such Additional Interest to the extent of such Available Funds.

The provisions of this Condition 6.9 shall cease to apply on the Final Redemption 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 amounts of Deferred Interest and Additional Interest shall become due and payable.

Payments of interest due on a Payment Date in respect of the Most Senior Class of Notes then outstanding will not be deferred. In the event of the delivery of an Enforcement Notice (as described in Condition 11 (*Events of default*)), the amount of interest in respect of such Notes that was due but not paid on such Payment Date will itself bear interest at the Rate of Interest applicable from time to time to such Notes until both the unpaid interest and the interest on that interest are paid as provided in the Trust Deed.

As soon as practicable after becoming aware that any part of a payment of interest on a Class of Notes will be deferred or that a payment previously deferred will be made in accordance with this Condition 6.9, the Issuer will give notice thereof to the relevant Class of Noteholders, as appropriate, in accordance with Condition 16 (*Notice to Noteholders*). Any deferral of interest in accordance with this Condition 6.9 will not constitute an Event of Default.

7. REDEMPTION, PURCHASE AND CANCELLATION

7.1 Final redemption

Unless previously redeemed in full and cancelled as provided in this Condition 7 the Issuer will redeem a Class of Notes at their then Principal Amount Outstanding together with all accrued but unpaid interest (including any interest deferred in accordance with Condition 6.9 (*Subordination by deferral*)) on the Final Redemption Date in respect of such Notes.

The Issuer may not redeem such Notes in whole or in part prior to their Final Redemption Date except as provided in Condition 7.2 (*Mandatory redemption of the Notes in part*), Condition 7.4 (*Mandatory Redemption in full or in part pursuant to the exercise of the Portfolio Purchase Option*), Condition 7.5 (*Mandatory Redemption in full pursuant to the exercise of the Refinancing Option*), Condition 7.6 (*Mandatory Redemption in full pursuant to the exercise of the Clean-up Purchase Option*), Condition 7.7 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*), Condition 7.8 (*Mandatory Redemption of the Notes following the exercise of a Regulatory Change Event Option*) or Condition 7.9 (*Optional redemption for tax and other reasons*), but without prejudice to Condition 11 (*Events of default*).

7.2 Mandatory redemption of the Notes in part

On each Payment Date other than a Payment Date on which a Class of Notes is to be redeemed under this Condition 7.2, Condition 7.4 (*Mandatory Redemption in full or in part pursuant to the exercise of the Portfolio Purchase Option*), Condition 7.5 (*Mandatory Redemption in full pursuant to the exercise of the Refinancing Option*), Condition 7.6 (*Mandatory Redemption in full pursuant to the exercise of the Clean-up Purchase Option*), Condition 7.7 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*), Condition 7.8 (*Mandatory Redemption of the Notes following the exercise of a Regulatory Change Event Option*) or Condition 7.9 (*Optional redemption for*

tax and other reasons), the Issuer will repay principal in respect of such Notes in an amount determined in accordance with the mechanics, rules and priorities as set out in the applicable Priority of Payments.

7.3 Note Principal Payments and Principal Amount Outstanding

The principal amount redeemable (the "**Note Principal Payment**") in respect of a Class of Notes on any Payment Date under Condition 7.2 (*Mandatory redemption of the Notes in part*) above will be a proportion of the amount required as at that Payment Date to be applied in redemption of such Class of Notes on such date equal to the proportion that the Principal Amount Outstanding of the relevant Note bears to the aggregate Principal Amount Outstanding of such Class of Notes rounded down to the nearest penny, **provided always that** no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

On (or as soon as practicable after) each Interest Determination Date, the Issuer will determine (or cause the Cash Manager to determine): (a) the amount of any Note Principal Payment due in respect of each Note of the relevant Class of Notes on the immediately following Payment Date; (b) the Principal Amount Outstanding of each such Note; and (c) the fraction, expressed as a decimal to the fifth decimal point (the "**Pool Factor**"), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in paragraph (b) above) and the denominator, in the case of the Notes, is the aggregate Principal Amount Outstanding on the Notes of the same 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 will in each case (in the absence of wilful default, fraud or manifest error) be final and binding on all persons.

The Issuer will cause each determination of the Note Principal Payment, the Principal Amount Outstanding and the Pool Factor in respect of a Class of Notes to be notified forthwith, and in any event not later than 1pm (London time) on the Business Day immediately succeeding the Interest Determination Date, to the Note Trustee, the Security Trustee, the Principal Paying Agent, the Registrar, the Agent Bank and (for so long as such Notes are listed on the London Stock Exchange) the relevant stock exchange, and will cause notice of each determination of the Note Principal Payment and the Principal Amount Outstanding to be given to Noteholders in accordance with Condition 16 (*Notice to Noteholders*) by no later than the Business Day after the relevant Payment Date. If no principal repayment is due to be made on the Notes on any Payment Date, a notice to this effect will be given to the holders of the Notes.

7.4 Mandatory Redemption in full or in part pursuant to the exercise of the Portfolio Purchase Option

- (a) On giving not more than 30 nor less than five days' notice to the holders of the Notes in accordance with Condition 16 (*Notice to Noteholders*) and the Note Trustee, the Issuer shall, following the exercise by the Portfolio Option Holder of the Portfolio Purchase Option (which is subject always to KMC in its capacity as Servicer and Legal Title Holder having confirmed satisfaction of the New Issue Conditions Precedent), redeem on the Optional Redemption Date or any Payment Date thereafter, all (but not some only) of the Notes (or in respect of the Retention Holder Notes, which will not be redeemed and will be left outstanding in limited specified circumstances) on such Optional Redemption Date, provided that the Issuer has, immediately prior to giving such notice, certified to the Note Trustee that it will have the necessary funds to pay all principal and interest due in respect of the Notes (other than, in limited specified circumstances, the Retention Holder Notes) on the relevant Optional Redemption Date and to discharge all other amounts required under the Post-Enforcement Priority of Payments to be paid in priority to the Residual Deferred Consideration then in issue (such certification to be provided by way of certificate signed by two directors of the Issuer), on which the Note Trustee shall be entitled to rely without any enquiry or liability.

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

7.5 Mandatory Redemption in full pursuant to the exercise of the Refinancing Option

- (a) On giving not more than 30 nor less than five days' notice to the holders of the Notes in accordance with Condition 16 (*Notice to Noteholders*) and the Note Trustee, the Issuer shall, following the exercise of the Refinancing Option in accordance with the Refinancing Option Deed Poll (which is subject always to KMC in its capacity as Servicer and Legal Title Holder having confirmed satisfaction of the New Issue Conditions Precedent), redeem on the relevant Optional Redemption Date, all (but not some only) of the Notes on such Optional Redemption Date, provided that the Issuer has, immediately prior to giving such notice, certified to the Note Trustee that it will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Optional Redemption Date and to discharge all other amounts required under the Post-Enforcement Priority of Payments to be paid in priority to the Residual Deferred Consideration (such certification to be provided by way of certificate signed by two directors of the Issuer), on which the Note Trustee shall be entitled to rely without any enquiry or liability.
- (b) Any Note redeemed pursuant to paragraph (a) above will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to but excluding the date of redemption.

7.6 Mandatory Redemption in full pursuant to the exercise of the Clean-up Purchase Option

- (a) On giving not more than 30 nor less than five days' notice to the holders of the Notes in accordance with Condition 16 (*Notice to Noteholders*) and the Note Trustee, the Issuer shall, following the exercise of the Clean-up Purchase Option, redeem on the relevant Optional Redemption Date, all (but not some only) of the Notes on such Optional Redemption Date, provided that the Issuer has, immediately prior to giving such notice, certified to the Note Trustee that it will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Optional Redemption Date and to discharge all other amounts required under the Post-Enforcement Priority of Payments to be paid in priority to the Residual Deferred Consideration (such certification to be provided by way of certificate signed by two directors of the Issuer), on which the Note Trustee shall be entitled to rely without any enquiry or liability.
- (b) Any Note redeemed pursuant to paragraph (a) above will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to but excluding the date of redemption.

7.7 Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option

- (a) On any Business Day, if a Risk Retention Regulatory Change Event occurs and: (i) the Portfolio Option Holder exercises the Portfolio Purchase Option; or (ii) provided that the Portfolio Option Holder has not exercised the Portfolio Purchase Option, the Retention Holder exercises the Risk Retention Regulatory Change Option; or (iii) provided that neither the Portfolio Option Holder (or its nominee) nor the Retention Holder (or any of its nominees) elects to purchase the Mortgage Loans, the Seller (or any of its nominees) elects to re-acquire (or procure the re-acquisition of) the entire beneficial interest of the Issuer in the Mortgage Portfolio, the Issuer will give not more than 40 nor less than five Business Days' notice to (A) the Noteholders in accordance with Condition 16 (*Notice to Noteholders*), and (B) the Note Trustee, and the Notes will be redeemed on the Payment Date immediately following the exercise of such option by the Portfolio Option Holder, the Retention Holder or the Seller (or any of their delegates) (as applicable), provided that the Issuer has, immediately prior to giving such notice, certified to the Note Trustee that it will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Optional Redemption Date and to discharge all other amounts required under the

Post-Enforcement Priority of Payments to be paid in priority to the Residual Deferred Consideration), such certification to be provided by way of certificate signed by two directors of the Issuer on which the Note Trustee shall be entitled to rely without any further enquiry or liability.

- (b) Any Note redeemed pursuant to paragraph (a) above will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to, but excluding, the relevant Optional Redemption Date.

7.8 Mandatory Redemption of the Notes following the exercise of a Regulatory Change Event Option

- (a) On any Business Day, if a Regulatory Change Event occurs and (i) the Portfolio Option Holder exercises the Portfolio Purchase Option or (ii) provided the Portfolio Option Holder has not exercised the Portfolio Purchase Option, the Seller exercises the Regulatory Change Event Option, in each case the Issuer will give not more than 40 nor less than five Business Days' notice to (A) the Noteholders in accordance with Condition 16 (*Notice to Noteholders*), and (B) the Note Trustee, the Notes will be redeemed on the Payment Date immediately following the exercise of such option by the Portfolio Option Holder or the Seller (as applicable), provided that the Issuer has, immediately prior to giving such notice, certified to the Note Trustee that it will have the necessary funds to pay all principal and interest due in respect of the Notes on the Optional Redemption Date and to discharge all other amounts required under the Post-Enforcement Priority of Payments (and, in the case of the Portfolio Purchase Option, to be paid in priority to the Residual Deferred Consideration), such certification to be provided by way of certificate signed by two directors of the Issuer on which the Note Trustee shall be entitled to rely without any further enquiry or liability.
- (b) Any Note redeemed pursuant to paragraph (a) above will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to, but excluding, the relevant Optional Redemption Date.

7.9 Optional redemption for tax and other reasons

- (a) If, following the determination of the Seller that:
 - (i) 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, the Issuer or the Principal Paying Agent would be required to deduct or withhold from any payment of principal or interest or any other amount under such Notes or in respect of Senior Deferred Consideration or Residual Deferred Consideration (other than because the relevant person entitled to such payment has some connection with the United Kingdom other than the holding of such Notes or having the right to Senior Deferred Consideration or Residual Deferred Consideration) any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature and such obligation of the Issuer cannot be avoided taking reasonable measures available to it; or
 - (ii) 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 pay the Senior Deferred Consideration and Residual Deferred Consideration; or
 - (iii) by reason of a change in law or a change in guidance and/or interpretation (either communicated publicly by any relevant regulatory authority or bilaterally following communications between Barclays Bank UK PLC or KMC and the UK Regulators) has occurred after the Closing Date which would cause KMC in its capacity as Servicer and Legal Title Holder or Barclays Bank

UK PLC to breach any Ring-Fencing Rules or prohibit it from performing, or otherwise it is unable to perform, the services contemplated to be provided by it in such capacities in the Transaction in respect of which the Issuer has appointed it,

(each a "**Tax/Illegality Event**"), then the Issuer will, if the same would avoid the effect of such relevant event described in paragraph (i), (ii) or (iii) above appoint a Principal 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 by the Note Trustee as principal debtor under such Notes, provided that:

- (A) the Note Trustee is satisfied that such substitution will not be materially prejudicial to the Noteholders (and in making such determination, the Note Trustee may rely, without investigation or enquiry, on any confirmation made 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); and
 - (B) the Security Trustee is satisfied that (I) the position of the Secured Creditors will not thereby be adversely affected, and (II) such substitution would not require registration of any new security under U.S. securities laws or would materially increase the disclosure requirements under U.S. law or the costs of issuance.
- (b) Subject to the proviso below, if the Issuer satisfies the Note Trustee immediately before giving the notice referred to below that one or more of the events described in paragraph (a)(i), (ii) or (iii) above is continuing and that the appointment of a Principal Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such appointment or substitution, then the Issuer may, following exercise of: (i) the Portfolio Option Holder of the Portfolio Purchase Option; and (ii) provided that the Portfolio Option Holder has not exercised the Portfolio Purchase Option, the Seller of the Tax/Illegality Option, having given not more than 60 nor less than 30 days' notice (or such shorter period expiring on or before the latest date permitted by relevant law) to the Note Trustee and the Noteholders in accordance with Condition 16 (*Notice to Noteholders*), redeem all (but not some only) of such Notes on the immediately succeeding Payment Date at their respective Principal Amount Outstanding together with any accrued and unpaid interest in respect thereof up to (but excluding) the date of redemption **provided that** (in either case), prior to giving any such notice, the Issuer will have provided to the Note Trustee:
- (i) a certificate signed by two directors of the Issuer: (A) stating that one or more of the circumstances referred to in paragraph (a)(i), (ii) or (iii) above prevail(s); (B) setting out details of such circumstances; and (C) confirming that the appointment of a Principal Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such appointment or substitution; and
 - (ii) an opinion in form and substance satisfactory to the Note Trustee of independent legal advisers of recognised standing to the effect that the Issuer or the Principal Paying Agent has or will become obliged to make such withholdings or deductions.

The Note Trustee will be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstance set out in paragraph (a)(i), (ii) or (iii) above, in which event they will be conclusive and binding on the Noteholders.

The Seller shall notify the Portfolio Option Holder of its intention to serve a notice on the Issuer requiring it to redeem all (but not some only) of such Notes as soon as reasonably practicable and by no later than ten Business Days after the occurrence of any event specified in this Condition 7.9. If the Portfolio Option Holder notifies the Seller within ten Business Days of the Seller having indicated its intention to serve a notice on the Issuer that the Portfolio Option Holder intends to exercise the Portfolio Purchase

Option, the Seller shall not serve a notice on the Issuer (unless the Portfolio Option Holder has not subsequently exercised the Portfolio Purchase Option) and any notice served in such circumstances shall be invalid. If the Portfolio Option Holder does not elect to exercise the Portfolio Purchase Option then the Seller shall be entitled to purchase the Mortgage Loans.

The Issuer may only redeem such Notes as aforesaid if the Issuer will have provided to the Note Trustee a certificate signed by two directors of the Issuer (upon which certificate the Note Trustee will be entitled to rely without any enquiry or liability) to the effect that it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and cancel any Certificates (then in issue) as aforesaid and to discharge all other amounts required under the Post-Enforcement Priority of Payments to be paid in priority to the Residual Deferred Consideration.

7.10 Principal Amount Outstanding

The "**Principal Amount Outstanding**" of each Class of Notes on any date shall be, in each case, their original principal amount, in respect of the Class A Notes of £476,487,000, in respect of the Class B Notes of £38,338,000, in respect of the Class C Notes of £10,954,000, in respect of the Class D Notes of £10,954,000, in respect of the Class E Notes of £5,477,000, in respect of the Class F Notes of £2,738,000, in respect of the Class G Notes of £2,738,000 and in respect of the Class Z Notes of £5,477,000, in each case less the aggregate amount of all principal payments in respect of such Class of Notes which have been made since the Closing Date.

7.11 Notice of redemption

Any such notice as is referred to in Condition 7.9 (*Optional redemption for tax and other reasons*) above shall be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the relevant Notes at the applicable amounts specified above. Any certificate or legal opinion given by or on behalf of the Issuer pursuant to Condition 7.9 (*Optional redemption for tax and other reasons*) may be relied on by the Note Trustee absolutely and without enquiry or liability and, if so relied on, shall be conclusive and binding on the Noteholders.

7.12 No purchase by the Issuer

The Issuer will not be permitted to purchase any of the Notes.

7.13 Cancellation on redemption in full

All Notes redeemed in full will be cancelled upon redemption. Notes cancelled upon redemption in full may not be resold or reissued.

8. PAYMENTS

8.1 Payment of interest and principal

Payments of interest and principal will be made by Sterling cheque, drawn on a designated bank, or upon application by a holder of the relevant Note to the specified office of the Principal Paying Agent not later than the fifth Business Day before the Record Date, by transfer to a designated account maintained by the payee with a designated bank and (in the case of final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the specified office of the Principal Paying Agent.

8.2 Laws and regulations

Payments of any amount in respect of the Notes including principal and interest are subject in all cases to (a) any fiscal or other laws and regulations applicable thereto and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto ("**FATCA**"). Noteholders will not be charged commissions or expenses on payments.

8.3 Payment of interest following a failure to pay principal

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with Condition 6.6 (*Accrual of interest*) will be paid in accordance with this Condition 8.

8.4 Change of agents

The Principal Paying Agent and the Registrar and their respective initial specified offices are listed at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent or the Registrar and to appoint additional or other Principal Paying Agents. The Issuer will at all times maintain a Principal Paying Agent with a specified office in London and a Registrar with a specified office in London. Except where otherwise provided in the Trust Deed or the Agency Agreement, the Issuer will cause at least 30 days' notice of any change in or addition to the Principal Paying Agent or the Registrar or their specified offices to be given in accordance with Condition 16 (*Notice to Noteholders*) and will notify the Rating Agencies of such change or addition.

8.5 No payment on non-Business Day

Where payment is to be made by transfer to a designated account, payment instructions (for value the due date or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed: (a) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note is surrendered (or, in the case of part payment only, endorsed) at the specified office of the Principal Paying Agent; and (b) (in the case of payments of interest payable other than on redemption) on the due date for payment. A holder of a Note will not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for a payment not being a Business Day or (ii) a cheque mailed in accordance with this Condition 8.5 arriving after the due date for payment or being lost in the mail.

8.6 Partial payment

If the Principal Paying Agent makes a partial payment in respect of any Note, the Issuer will procure and the Registrar will ensure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and date of such payment is endorsed on the relevant Note Certificate and, in the case of a global note held in the NSS, the Registrar or Principal Paying Agent, as the case may be, will instruct the ICSDs to make appropriate entries in their records to reflect the amount of such payment and, in the case of a payment of principal, the remaining Principal Amount Outstanding of such Note.

8.7 Record date

Each payment in respect of a Note will be made to the persons shown as the holder in the Register (a) where the note is in global form, at the close of the Business Day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the due date for such payment or (b) where the note is in definitive form, at the opening of business in the place of the Registrar's specified office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the holder in the Register at the opening of business on the relevant Record Date.

8.8 Payment of interest

Subject as provided otherwise in these Conditions, if interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Business Day) or by reason of non-compliance with Condition 8.1 (*Payment of interest and principal*), then such unpaid interest will itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with Condition 16 (*Notice to Noteholders*).

9. PRESCRIPTION

Claims against the Issuer for payment of interest and principal on redemption will be prescribed and become void if the relevant Note Certificates are not surrendered for payment within a period of ten years from the relevant date in respect thereof. After the date on which a payment under a Note becomes void in its entirety, no claim may be made in respect thereof. In this Condition 9, the "**relevant date**", in respect of a payment under a Note, is the date on which the payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of those payments under all the Notes due on or before that date has not been duly received by the Principal Paying Agent or the Note Trustee on or prior to such date) the date on which the full amount of such monies having been so received or notice to that effect is duly given to Noteholders in accordance with Condition 16 (*Notice to Noteholders*).

10. TAXATION

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or the Principal Paying Agent is required by applicable law (including in connection with the rules commonly referred to as FATCA) to make any payment in respect of the Notes subject to any such withholding or deduction. In that event, subject to Condition 7.9 (*Optional redemption for tax and other reasons*), the Issuer or the Principal Paying Agent will make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted. No Principal Paying Agent nor the Issuer will be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

The occurrence of the Issuer or the Principal Paying Agent being required to make a withholding or deduction in the circumstances outlined in the previous paragraph will not constitute an Event of Default.

11. EVENTS OF DEFAULT

11.1 Notes

The Note Trustee, in its absolute discretion, may (and if so requested in writing by the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class or if so directed by or pursuant to an Extraordinary Resolution of the holders of the Most Senior Class, will), subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction, deliver a

notice (an "**Enforcement Notice**") to the Issuer and the Security Trustee of an Event of Default (as defined below) declaring (in writing) all Classes of Notes to be due and repayable at their respective Principal Amount Outstanding, together with accrued (but unpaid) interest as provided in the Trust Deed (and they will forthwith become due and repayable) (with a copy of such Enforcement Notice being sent simultaneously to the Back-up Servicer Facilitator, the Transaction Account Bank, the Servicer, the Portfolio Option Holder and the Cash Manager) at any time after the occurrence of any of the following events, which is continuing or unwaived:

- (a) non-payment of interest and/or principal due in respect of the Most Senior Class of Notes and such non-payment continues for a period of 14 Business Days in the case of interest and seven Business Days in the case of principal;
- (b) non-payment of interest and/or principal due in respect of any Class of Notes or non-payment of any amounts due in respect of the Senior Deferred Consideration and Residual Deferred Consideration on the Final Redemption Date (or any other date on which the Notes are due to be redeemed in full);
- (c) failure by the Issuer to perform or observe any of its other obligations under these Conditions, the 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 hereinafter mentioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied;
- (d) 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;
- (e) 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 Notes;
- (f) 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 Most Senior Class of Notes, or (ii) the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account its contingent and prospective liabilities), or (iii) the Issuer is deemed unable to pay its debts within the meaning of Section 123(1) or (2) of the Insolvency Act 1986, or (iv) the Issuer is adjudicated or found to be bankrupt or insolvent;
- (g) 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

- (h) 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 Following service of an Enforcement Notice

For the avoidance of doubt, upon any Enforcement Notice being given by the Note Trustee in accordance with Condition 11.1 (*Notes*), all Notes will immediately become due, without further action or formality, at their Principal Amount Outstanding together with accrued interest.

12. ENFORCEMENT

12.1 General

The Note Trustee may, in its discretion and without notice at any time and from time to time, take such steps and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes, the Trust Deed (including these Conditions) or any of the other Transaction Documents to which it is a party and may, in its discretion and without notice, at any time after the Security has become enforceable (including after the service of an Enforcement Notice in accordance with Condition 11 (*Events of default*)), instruct the Security Trustee to take such steps as it may think fit to enforce the Security. The Note Trustee will not be bound to take such steps or institute such proceedings unless:

- (a) (subject in all cases to restrictions contained in the Trust Deed to protect the interests of any higher-ranking Class of Noteholders) it will have been so directed by an Extraordinary Resolution of the Most Senior Class then outstanding or so requested in writing by the holders of at least one-quarter in aggregate Principal Amount Outstanding of the Notes of the Most Senior Class and/or in writing by the one or more persons entitled to at least one-quarter of the share of the Senior Deferred Consideration and Residual Deferred Consideration; and
- (b) it will have been indemnified and/or secured and/or pre-funded to its satisfaction.

The Security Trustee will not be bound to take such steps or take any such other action unless it is so directed by the Note Trustee and indemnified and/or secured and/or pre-funded to its satisfaction.

Amounts available for distribution after enforcement of the Security will be distributed in accordance with the terms of the Deed of Charge.

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 in respect of the Senior Deferred Consideration and the Residual Deferred Consideration, the Security Trustee will not be entitled to dispose of any of the Charged Property 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 persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration (and all persons ranking in priority

to the holders of the Notes and the Senior Deferred Consideration and the Residual Deferred Consideration); 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 at the expense of the Issuer for the purpose of giving such advice), that the cashflow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing (i) to the Noteholders and the persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration (and all persons ranking in priority to the Noteholders and the persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration 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 persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration (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 Condition 12.2 without further enquiry and shall incur no liability to any person for so doing.

12.3 Limitations on enforcement

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes, the Trust Deed, the Deed of Charge or any other Transaction Document unless: (a) the Security Trustee has become bound to institute proceedings and has failed to do so within a reasonable period of becoming so bound; and (b) such failure is continuing. Notwithstanding the foregoing and notwithstanding any other provision of the Trust Deed, the right of any Noteholder to receive payment of principal and interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Noteholder.

13. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVER

13.1 Meetings of Noteholders

- (a) The Trust Deed contains provisions for convening meetings (including by way of conference call and by use of a videoconference platform) of Noteholders of each Class and/or persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration and, in certain cases, more than one Class to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any provision of these Conditions or the provisions of any of the Transaction Documents.
- (b) The Trust Deed also provides that, notwithstanding any other provision of the Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver (and no such modification or waiver may otherwise be made) which is adverse to the holder of the Retained Interest where a corresponding modification or waiver is not made which affects all holders of the relevant Class on an equivalent basis (the "**Retained Interest Entrenched Rights**"), unless the Retention Holder has consented in writing to such modification or waiver.
- (c) For the purposes of these Conditions, "**Most Senior Class**" means the:
 - (i) Class A Notes;
 - (ii) if there are no Class A Notes then outstanding, the Class B Notes;

- (iii) if there are no Class A Notes or Class B Notes then outstanding, the Class C Notes;
- (iv) if there are no Class A Notes, Class B Notes or Class C Notes then outstanding, the Class D Notes;
- (v) if there are no Class A Notes, Class B Notes, Class C Notes or Class D Notes then outstanding, the Class E Notes;
- (vi) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes then outstanding, the Class F Notes;
- (vii) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class F Notes then outstanding, the Class G Notes;
- (viii) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes or Class G Notes then outstanding, the Class Z Notes; or
- (ix) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class G Notes or Class Z Notes then outstanding, the Residual Deferred Consideration.

The Senior Deferred Consideration shall not at any time constitute the Most Senior Class.

13.2 Most Senior Class, limitations on other Noteholders

- (a) Other than in relation to a Basic Terms Modification, which requires an Extraordinary Resolution of the holders of each affected Class of Notes and/or persons entitled to Senior Deferred Consideration and Residual Deferred Consideration (other than the Senior Deferred Consideration unless the matter is also a Senior Deferred Consideration Entrenched Right) then outstanding or in issue, as applicable and other than where an Extraordinary Resolution is required under Condition 13.6 or the consent of the Retention Holder, the persons entitled to the Residual Deferred Consideration or the persons entitled to the Senior Deferred Consideration is required (as described below):
 - (i) an Extraordinary Resolution passed at any meeting of the holders of the Most Senior Class shall be binding on such Noteholders and/or such persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration, and all other Classes of Noteholders and all other persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration, irrespective of the effect it has upon them;
 - (ii) an Extraordinary Resolution passed at any meeting of a Class of Noteholders or a person entitled to the Senior Deferred Consideration and Residual Deferred Consideration shall be binding on such Class of Noteholders or such persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration and all other Classes of Noteholders and persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration ranking junior to such Class of Noteholders or such persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration in the Post-Enforcement Priority of Payments, irrespective of the effect it has upon them;
 - (iii) no Extraordinary Resolution of any Class of Noteholders or of persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration shall take effect for any purpose unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class;

- (iv) an Extraordinary Resolution passed at any meeting of any Class of Noteholders shall be binding on the Class Y Certificateholders or the persons entitled to the Residual Deferred Consideration (other than in respect of a Basic Terms Modification) if passed in accordance with the Conditions;
 - (v) an Extraordinary Resolution passed at any meeting of any Class of Noteholders or of persons entitled to the Senior Deferred Consideration or the Residual Deferred Consideration shall be binding on the persons entitled to the Senior Deferred Consideration other than any resolution in respect of Senior Deferred Consideration Entrenched Rights, which shall only be binding on the persons entitled to the Senior Deferred Consideration if the persons entitled to the Senior Deferred Consideration have consented to such modification or waiver; and
 - (vi) an Extraordinary Resolution passed at any meeting of a Class of Noteholders or persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration shall be binding on the Retention Holder other than any resolution in respect of Retained Interest Entrenched Rights, which shall only be binding on the Retention Holder if the Retention Holder has consented to such modification or waiver.
- (b) No Extraordinary Resolution of the holders of a Class of Notes and/or of persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration which would have the effect of sanctioning a Basic Terms Modification in respect of any Class of Notes or of any persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration shall take effect unless it has been sanctioned by an Extraordinary Resolution of the holders of each affected Class of Notes then outstanding and/or the persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration (as applicable) which are affected by such Basic Terms Modification (other than the persons entitled to the Senior Deferred Consideration unless the matter is also a Senior Deferred Consideration Entrenched Right).
 - (c) No Ordinary Resolution that is passed by the holders of the Notes shall take effect for any purpose while any of the Notes remain outstanding unless it shall have been sanctioned by an Ordinary Resolution of the holders of the Most Senior Class, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class.
 - (d) An Ordinary Resolution passed by the holders of any Class of Notes shall be binding on the persons entitled to the Residual Deferred Consideration (other than in respect of a Basic Terms Modification) if passed in accordance with the Conditions. An Ordinary Resolution passed by the holders of any Class of Notes shall be binding on the persons entitled to the Senior Deferred Consideration other than any resolution in respect of Senior Deferred Consideration Entrenched Rights, which shall only be binding on the persons entitled to the Senior Deferred Consideration if the persons entitled to the Senior Deferred Consideration have consented to such modification or waiver.
 - (e) An Ordinary Resolution passed by the holders of any Class of Notes shall be binding on the Retention Holder other than any resolution in respect of Retained Interest Entrenched Rights, which shall only be binding on the Retention Holder if the Retention Holder has consented to such modification or waiver.

13.3 Quorum

- (a) Subject as provided below, the quorum at any meeting of Noteholders of any Class or Classes of Notes or persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration for passing an Ordinary Resolution will be one or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding and/or one or more persons entitled to not less than 25 per cent. of the share of the Senior Deferred Consideration and Residual Deferred Consideration, as applicable.

- (b) Subject as provided below, the quorum at any meeting of Noteholders of any Class of any Notes or persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Class of Notes then outstanding or one or more persons entitled to not less than 50 per cent. of the share of the Senior Deferred Consideration and Residual Deferred Consideration, as applicable.
- (c) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any meeting of any holders of any Class of Notes or persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration for passing an Extraordinary Resolution to (i) sanction a modification of the date of maturity of any Class of the Notes or Certificates (then in issue), (ii) sanction a modification of the date of payment of principal or interest or amounts due in respect of any Class of the Notes or Senior Deferred Consideration and Residual Deferred Consideration, (iii) sanction a modification of the amount of principal or the rate of interest payable in respect of any Class of the Notes or, where applicable, of the method of calculating the amount of any principal or interest payable in respect of any Class of the Notes, or of the method of calculating the amounts payable in respect of the Senior Deferred Consideration and Residual Deferred Consideration, (iv) alter the currency in which payments under any Class of the Notes or Senior Deferred Consideration and Residual Deferred Consideration are to be made, (v) alter the quorum or majority required in relation to a resolution or a meeting of holders of any Class of the Notes or persons entitled to Senior Deferred Consideration and Residual Deferred Consideration, (vi) sanction any scheme or proposal for the sale, conversion or cancellation of any Class of the Notes or any Certificates (then in issue), (vii) alter the priority of payment of interest or principal in respect of any Class of the Notes or amounts in respect of any Senior Deferred Consideration and Residual Deferred Consideration, and (viii) change the definition of a "Basic Terms Modification", **provided that** any amendment made in accordance with Condition 13.6 shall not constitute a Basic Terms Modification and any modification relating to the Senior Servicing Fee Cap shall not constitute a Basic Terms Modification (each a "**Basic Terms Modification**"), shall be one or more persons holding or representing in the aggregate not less than 75 per cent. of the aggregate Principal Amount Outstanding of each affected Class or Classes of Notes and/or persons entitled to not less than 75 per cent. of the share of the Senior Deferred Consideration and Residual Deferred Consideration then outstanding or in issue, as applicable. For the avoidance of doubt, a proposal to sanction a reduction in the principal amounts due on a Class of Notes and/or any Senior Deferred Consideration and/or the Residual Deferred Consideration shall require the sanction of the holders of the relevant Class of Notes or relevant persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration (as applicable) to be so reduced, and shall not require the consent of other Classes of Notes or other persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration (as applicable).
- (d) The quorum at any adjourned meeting will be:
- (i) for an Ordinary Resolution, one or more persons present and holding or representing not less than 10 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding or one or more persons entitled to not less than 10 per cent. of the share of the Senior Deferred Consideration and Residual Deferred Consideration, as applicable;
 - (ii) subject as provided below, for an Extraordinary Resolution, one or more persons present and holding or representing in the aggregate not less than 25 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding or one or more persons entitled to not less than 25 per cent. of the share of the Senior Deferred Consideration and Residual Deferred Consideration, as applicable; and
 - (iii) for a Basic Terms Modification, one or more persons present and holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of each affected Class or Classes of Notes then outstanding or one or more persons entitled to not less than 50 per cent.

of the share of the Senior Deferred Consideration and Residual Deferred Consideration, as applicable.

13.4 The Note Trustee may or, in the case of paragraphs (c), (d) and (e) below, shall, at any time and from time to time, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) but without the consent or sanction of the Noteholders, the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration or any other Secured Creditors, agree with the Issuer and any other parties in making or sanctioning any modification (other than in respect of a Basic Terms Modification, Senior Deferred Consideration Entrenched Right or Retained Interest Entrenched Right in the case of paragraphs (a) and (c) to (e) below):

- (a) to the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document which, in the opinion of the Note Trustee, will not be materially prejudicial to the interests of the Noteholders of any Class or the interests of the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration, or the Note Trustee or the Security Trustee;
- (b) to the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document if, in the opinion of the Note Trustee, such modification is of a formal, minor or technical nature or to correct a manifest error or is made to comply with mandatory provisions of law;
- (c) to the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document for the purposes of making any changes which the Issuer has certified to the Note Trustee and/or the Security Trustee (upon which certificate the Note Trustee and the Security Trustee shall rely without enquiry or liability) are necessary to facilitate a Refinancing;
- (d) that would result in the Issuer entering into any new and/or amended bank account agreement or collection account agreement (including where the unsecured, unsubordinated and unguaranteed debt obligations of the Transaction Account Bank, the Standby Account Bank or Collection Accounts Provider are downgraded below any relevant rating level as set out in the relevant Transaction Document, and the Issuer is required to take certain remedial action (as set out in the relevant Transaction Documents) in order to maintain the ratings of the Notes at their then current ratings);
- (e) that would result in the Issuer entering into any new and/or amended interest rate swap agreement (including where a swap downgrade event occurs under the Interest Rate Swap Agreement, and the Issuer is required to take certain remedial action (as set out in the relevant Transaction Documents) in order to maintain the ratings of the Notes at their then current ratings); or
- (f) that is required to effect the appointment of a Successor Servicer (including, but not limited to, the Issuer entering into any new and/or amended servicing agreement), provided that the conditions to the appointment of that Successor Servicer set out in the Servicing Agreement are satisfied,

and provided that in the case of amendments pursuant to paragraphs (c) and/or (d) and/or (e) above, that neither the Note Trustee nor the Security Trustee shall be obliged to agree to any such new agreement and/or amendment (including, for the avoidance of doubt, any new appointment made thereunder) which, in the sole opinion of the Note Trustee or the Security Trustee, would have the effect of (i) 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 (ii) increasing the obligations or duties, or decreasing the protections, of the Note Trustee and/or the Security Trustee under the Transaction Documents and/or the Conditions and/or the Certificate Conditions.

- 13.5 The Note Trustee may, and may direct the Security Trustee to, without the consent or sanction of the Noteholders, the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration or the other Secured Creditors and without prejudice to its rights in respect of any further or other breach or Event of Default, from time to time and at any time, but only if and in so far as in the sole opinion of the Note Trustee (acting in accordance with the Trust Deed) the interests of the Noteholders of each Class or the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration will not be materially prejudiced thereby, authorise or waive any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to the Conditions, the Certificate Conditions or any of the Transaction Documents by any party thereto or determine that any Event of Default shall not be treated as such, provided that the Note Trustee shall not exercise any powers conferred on it by this Condition 13.5 in contravention of any express direction given by an Extraordinary Resolution of the holders of the Most Senior Class or by a direction under Condition 11 (*Events of default*) but so that no such direction shall affect any waiver, authorisation or determination previously given or made.
- 13.6 The Note Trustee with the 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) shall, without the consent or sanction of the Noteholders, the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration or any of the other Secured Creditors, concur with the Issuer (and direct the Security Trustee to concur) in making any modifications (other than in respect of a Basic Terms Modification or a Senior Deferred Consideration Entrenched Right or a Retained Interest Entrenched Right) to the Transaction Documents and/or the Conditions of the Notes 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 (or, where applicable, any other transaction parties) to:
- (a) comply with, or implement or reflect, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time;
 - (b) comply with its obligations under UK EMIR and any such provisions, rules, regulations, directions, processes, guidelines and procedures relating to UK EMIR which have been clarified, updated, delivered, amended, modified or become operative or applicable, subject to the terms of the Interest Rate Swap Agreement;
 - (c) comply with, implement or reflect any changes in the requirements (including, but not limited to, risk retention, transparency and/or investor due diligence) of, or to enable the Issuer or any other transaction party to comply with an obligation under, the UK Securitisation Regulation or the EU Securitisation Regulation, together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements, in each case as amended, varied or substituted from time to time after the Closing Date applying in respect of the Transaction;
 - (d) enable the Notes to be (or to remain) listed on the London Stock Exchange;
 - (e) enable the Issuer or any of the other transaction parties to comply with FATCA;
 - (f) comply with any changes in the requirements of the UK CRA Regulation after the Closing Date including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation or regulations or official guidance in relation thereto;
 - (g) comply (or continue to comply) with any changes in the requirements of the CRR or the Solvency II Regulation applicable to the Notes;
 - (h) in connection with the transfer of the Interest Rate Swap Agreement to a replacement Interest Rate Swap Counterparty, enable such modifications to the original Interest Rate Swap

Agreement as may be agreed with the replacement Interest Rate Swap Counterparty, provided that the Servicer or the replacement Interest Rate Swap Counterparty certifies to the Note Trustee and the Security Trustee that, following any such modifications, the Interest Rate Swap Agreement will satisfy the rating criteria of the Rating Agencies;

- (i) in connection with the transfer of any Account Bank Agreement to a replacement Transaction Account Bank, enable such modifications to the original Account Bank Agreement as may be agreed with the replacement Transaction Account Bank;
- (j) change the reference rate or the base rate that then applies in respect of the Notes to an alternative base rate (including where such base rate may remain linked to SONIA but may be calculated in a different manner) (any such rate, which may include an alternative screen rate, an "**Alternative Base Rate**") and making such other amendments as are necessary or advisable in the commercially reasonable judgement of the Issuer to facilitate such change (a "**Base Rate Modification**"), provided that the Issuer provides a certificate to the Note Trustee and the Security Trustee certifying (such certificate, a "**Base Rate Modification Certificate**") that:
 - (i) such Base Rate Modification is being undertaken due to:
 - (A) an alternative manner of calculating a SONIA-based rate being introduced and becoming a standard means of calculating interest for similar transactions;
 - (B) a material disruption to SONIA, an adverse change in the methodology of calculating SONIA or SONIA ceasing to exist or be published;
 - (C) the insolvency or cessation of business of the SONIA administrator (in circumstances where no successor SONIA administrator has been appointed);
 - (D) a public statement by the SONIA administrator that it will cease publishing SONIA permanently or indefinitely (in circumstances where no successor SONIA administrator has been appointed that will continue publication of SONIA);
 - (E) a public statement by the supervisor of the SONIA administrator that SONIA has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
 - (F) a public statement by the supervisor of the SONIA administrator that means SONIA may no longer be used or that its use is subject to restrictions or adverse consequences; or
 - (G) the reasonable expectation of the Issuer that any of the events specified in paragraphs (A) to (F) above will occur or exist within six months of the proposed effective date of such Base Rate Modification; and
 - (ii) such Alternative Base Rate is:
 - (A) a base rate published, endorsed, approved or recognised by the Federal Reserve or the Bank of England, any regulator in the United States, the United Kingdom or the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);

- (B) a base rate utilised in a material number of publicly listed new issues of Sterling-denominated asset-backed floating rate notes prior to the effective date of such Base Rate Modification; or
 - (C) such other base rate as the Issuer reasonably determines (to preserve, so far as reasonably and commercially practicable, what would have been the expected Floating Rate of Interest applicable to the Class A Notes) or which is proposed by any holder of the Most Senior Class of Notes then outstanding; and
- (k) change the base rate that then applies in respect of any Interest Rate Swap Agreement to an alternative base rate as is necessary or advisable in the commercially reasonable judgement of the Issuer (or the Servicer on its behalf) and the Interest Rate Swap Counterparty solely as a consequence of a Base Rate Modification and solely for the purpose of aligning the base rate of any Interest Rate Swap Agreement to the base rate of the Notes following such Base Rate Modification (a "**Swap Rate Modification**"), provided that the Servicer, on behalf of the Issuer, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and it has been drafted solely to such effect (such certificate being a "**Swap Rate Modification Certificate**").

The Note Trustee and the Security Trustee shall be entitled to rely on a Base Rate Modification Certificate and a Swap Rate Modification Certificate absolutely without liability and enquiry.

For the avoidance of doubt, the Issuer (or the Servicer on its behalf) may propose an Alternative Base Rate on more than one occasion, provided that the conditions set out in this paragraph (k) are satisfied,

(each a "**Proposed Amendment**") and subject to:

- (i) receipt by the Note Trustee and the Security Trustee of a certificate (upon which they may rely without liability or enquiry) issued by the Issuer signed by two directors of the Issuer certifying to the Note Trustee and the Security Trustee that the requested modifications in relation to any Proposed Amendment are to be made solely for the purpose of enabling the Issuer to satisfy such obligations under any Proposed Amendment and have been drafted solely to such effect, and in the case of a Proposed Amendment under paragraph (a) above shall include a memorandum addressed to the Note Trustee and the Security Trustee for the benefit of Noteholders, by a reputable law firm, confirming that the Proposed Amendment seeks to address the non-compliance set out in paragraph (a) above, and each of the Note Trustee and the Security Trustee shall be entitled to rely on such certificate and memorandum without enquiry or liability; and
- (ii) the Issuer certifying in writing to the Note Trustee and the Security Trustee (upon which certificate the Note Trustee and the Security Trustee may rely absolutely and without liability or enquiry) that:
 - (A) the Issuer has provided at least 30 calendar days' notice to the Noteholders and the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration of the proposed modification in accordance with Condition 16 (*Notice to Noteholders*) and Certificate Condition 15 (*Notice to Certificateholders*) and by publication on Bloomberg on the "Company Filings" screen relating to the Notes and any Certificates (then in issue); and

- (B) Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding and persons entitled to at least 10 per cent. in aggregate of the share of the Residual Deferred Consideration 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 the Class Y Certificates (then in issue) may be held) within such notification period notifying the Issuer that such Noteholders or persons entitled to Residual Deferred Consideration do not consent to the modification.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding or persons entitled to at least 10 per cent. of the share of Residual Deferred Consideration have notified the Issuer in accordance with the notice provided above and the then current practice of any applicable clearing system through which such Notes or Class Y Certificates (then in issue) may be held within the notification period referred to above that they object to the proposed modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding and/or of the persons entitled to the Residual Deferred Consideration, as applicable, is passed in favour of such modification in accordance with the Trust Deed.

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 or the relevant person's entitlement to the Residual Deferred Consideration.

Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification pursuant to this Condition 13.6 which (in the sole opinion of the Note Trustee and/or the Security Trustee) would have the effect of:

- (A) exposing the Note Trustee (and/or the Security Trustee) to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or
- (B) increasing the obligations or duties, or decreasing the protections, of the Note Trustee (and/or the Security Trustee) in the Transaction Documents and/or the Conditions.

Notwithstanding anything to the contrary in the Trust Deed or the other Transaction Documents, when implementing any Proposed Amendment pursuant to this Condition 13.6, the Note Trustee shall not consider the interests of the Noteholders, the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration or any other Secured Creditor (other than itself (and the Security Trustee) as provided above) or any other person and each of the Note Trustee and the Security Trustee, and shall be entitled to rely, without investigation, on any certificate or legal memorandum provided to it by the Issuer pursuant to this Condition 13.6 as evidence that the Proposed Amendments are made solely for the purpose of enabling the Issuer to satisfy any such obligation applicable to it and have been drafted solely to such effect, and shall not be liable to any Noteholder, any person entitled to Senior Deferred Consideration and Residual Deferred Consideration or other Secured Creditor for so acting or relying irrespective of whether any such modification is or may be materially prejudicial to the interests of the Noteholders of any Class, the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration or any other Secured Creditor or any other person.

Only modifications that comply with this Condition 13.6 may be made pursuant to this Condition 13.6. Any other modifications may only be made pursuant to Condition 13.4 or Condition 13.9 and the Trust Deed.

- 13.7 Any such modification, waiver, authorisation or determination by the Note Trustee and/or the Security Trustee, as applicable, in accordance with these Conditions, Certificate Conditions or Transaction Documents, shall be binding on the Noteholders and, unless the Note Trustee or, as the case may be, the Security Trustee agrees otherwise, any such modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 16 (*Notice to Noteholders*).
- 13.8 Any modification to the Transaction Documents and the Conditions shall be notified by the Issuer in writing to the Rating Agencies.
- 13.9 In connection with any such substitution of principal debtor referred to in Condition 7.9 (*Optional redemption for tax and other reasons*) or Condition 13.16 (*Issuer substitution condition*), the Note Trustee may agree, without the consent of the Noteholders, the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration or the other Secured Creditors, to a change of the laws governing the Notes, these Conditions and/or any of the Transaction Documents, provided that such change would not, in the opinion of the Note Trustee, be materially prejudicial to the interests of the Noteholders of any Class or the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration.
- 13.10 In determining whether a proposed action will not be materially prejudicial to the interests of the Noteholders of any Class or of the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration thereof, the Note Trustee may, among other things, have regard to whether the Rating Agencies have confirmed in writing to the Issuer or any other party to the Transaction Documents that any proposed action will not result in the withdrawal or reduction of, or entail any other adverse action with respect to, the then current 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 persons entitled to Senior Deferred Consideration and Residual Deferred Consideration. 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 Security Trustee, the Note Trustee, the Noteholders, the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration or any other person, or create any legal relations between each of the Rating Agencies and the Note Trustee, the Noteholders, the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration or any other person, whether by way of contract or otherwise.
- 13.11 Where, in connection with the exercise or performance by each of them of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents (including in relation to any modification, waiver, authorisation, determination, substitution or change of laws as referred to above), the Note Trustee or the Security Trustee (acting on the instructions of the Note Trustee) is required to have regard to the interests of the Noteholders of any Class or persons entitled to Senior Deferred Consideration and Residual Deferred Consideration, it shall (a) have regard (except as expressly provided otherwise and at all times subject to the Senior Deferred Consideration Entrenched Rights and the Retained Interest Entrenched Rights) to the general interests of the Noteholders of such Class or Classes of persons entitled to Senior Deferred Consideration and Residual Deferred Consideration but shall not have regard to any interests arising from circumstances particular to individual Noteholders, individual persons entitled to Senior Deferred Consideration and Residual Deferred Consideration (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders or individual persons entitled to Senior Deferred Consideration and Residual Deferred Consideration (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof, and the Note Trustee or, as the case may be, the Security Trustee shall not be entitled to require, nor shall any Noteholder or persons entitled to Senior Deferred Consideration and Residual Deferred Consideration be entitled to claim, from the Issuer, the Note Trustee or the Security Trustee or any other person, any

indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or individual persons entitled to Senior Deferred Consideration and Residual Deferred Consideration, 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 persons entitled to Senior Deferred Consideration and Residual Deferred Consideration (except where expressly provided otherwise) but requiring the Note Trustee and the Security Trustee where there is a conflict of interests between one or more Classes of Notes and/or one or more persons entitled to Senior Deferred Consideration and Residual Deferred Consideration 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 or persons entitled to Senior Deferred Consideration and Residual Deferred Consideration ranking in priority to the other relevant Classes of Notes or the other persons entitled to Senior Deferred Consideration and Residual Deferred Consideration in the Post-Enforcement Priority of Payments (other than the Senior Deferred Consideration, in respect of which the Note Trustee or, as the case may be, the Security Trustee will have regard only as to the Senior Deferred Consideration Entrenched Rights).

13.12 "**Ordinary Resolution**" means, in respect of the holders of any of the Classes of Notes:

- (a) a resolution passed at a meeting of Noteholders and/or persons entitled to Senior Deferred Consideration and Residual Deferred Consideration duly convened and held in accordance with the Trust Deed (including by way of conference call and by use of a videoconference platform) and these Conditions by a clear majority of the Eligible Persons voting thereat on a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll (calculated on the basis of the aggregate Principal Amount Outstanding of the relevant Class of Notes held by such Eligible Persons and the aggregate share of the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration);
- (b) a resolution in writing signed by or on behalf of the Noteholders and/or persons entitled to Senior Deferred Consideration and Residual Deferred Consideration of a clear majority of the aggregate Principal Amount Outstanding of the Notes and/or a clear majority of the share of the Senior Deferred Consideration and Residual Deferred Consideration, 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 relevant class of Noteholders and/persons entitled to Senior Deferred Consideration and Residual Deferred Consideration; or
- (c) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Noteholders and/or Certificateholders holding a clear majority in aggregate Principal Amount Outstanding of the relevant Class of Notes or Class of Certificates (then in issue).

13.13 "**Extraordinary Resolution**" means, in respect of the holders of any of the Classes of Notes and/or any persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration:

- (a) a resolution passed at a meeting of Noteholders and/or persons entitled to Senior Deferred Consideration and Residual Deferred Consideration duly convened and held in accordance with the Trust Deed (including by way of conference call and by use of a videoconference platform) and these Conditions by at least 75 per cent. 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 75 per cent. of the votes cast on such poll (calculated on the basis of the aggregate Principal Amount Outstanding of the relevant Class of Notes held by such Eligible Persons and the aggregate share of the persons entitled to Senior Deferred Consideration and Residual Deferred Consideration);
- (b) a resolution in writing signed by or on behalf of the Noteholders and/or persons entitled to Senior Deferred Consideration and Residual Deferred Consideration of at least 75 per cent. of the aggregate Principal Amount Outstanding of the Notes and/or at least 75 per cent. of the

aggregate share of Senior Deferred Consideration and Residual Deferred Consideration, 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 relevant class of Noteholders and/or persons entitled to Senior Deferred Consideration and Residual Deferred Consideration; or

- (c) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Noteholders and/or Certificateholders holding at least 75 per cent. in aggregate Principal Amount Outstanding of the relevant Class of Notes and/or the Certificates (then in issue).

13.14 Details of any Extraordinary Resolution and any Ordinary Resolution passed in accordance with the provisions of the Trust Deed shall be notified to each of the Rating Agencies by the Principal Paying Agent on behalf of the Issuer.

13.15 Any Certificates (then in issue) will not have a Principal Amount Outstanding. However, for the purposes of the voting and quorum provisions, and the provisions concerning the giving of directions in writing to the Note Trustee or the Security Trustee, set out in the Conditions, the Certificate Conditions, the Deed of Charge and the Trust Deed, any reference to the Principal Amount Outstanding of the Class S Certificates and the Class Y Certificates shall be deemed to be £1,000,000 in respect of each Class of Certificate (then in issue).

13.16 Issuer substitution condition

The Note Trustee may agree, subject to such amendment of these Conditions and of any of the Transaction Documents, and to such other conditions as the Note Trustee may require and subject to the terms of the Trust Deed, but without the consent of the Noteholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed, the Notes and in respect of the Senior Deferred Consideration and Residual Deferred Consideration and in respect of the other secured obligations, provided that (a) the conditions set out in the Trust Deed are satisfied including, inter alia, that the Notes are unconditionally and irrevocably guaranteed by the Issuer (unless all of the assets of the Issuer are transferred to such body corporate) and that such body corporate is a single purpose vehicle and undertakes itself to be bound by provisions corresponding to those set out in Condition 5 (*Covenants*), and (b) a legal opinion or memorandum in respect of whether the substituted issuer is required to be an sponsored structured finance vehicle for the purposes of the Ring-Fencing Rules has been delivered in a form and substance satisfactory to the Note Trustee and which is capable of being relied on by the Note Trustee. In the case of a substitution pursuant to Condition 7.9 (*Optional redemption for tax and other reasons*), the Note Trustee may in its absolute discretion agree, without the consent of the Noteholders, to a change in law governing the Notes, any Certificates (then in issue) 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 of any Class and any Certificateholders of each Class.

13.17 Limited recourse

If at any time following:

- (a) the occurrence of either:
 - (i) the Final Redemption Date or any earlier date upon which all of the Notes of each Class are due and payable; or
 - (ii) the delivery by the Note Trustee of an Enforcement Notice; and

- (b) Realisation of the Charged Property and application in full of any amounts available to pay amounts due and payable under the Notes in accordance with the applicable Priority of Payments,

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable Priority of Payments, to pay in full all amounts then due and payable in respect of any Class of Notes, then the amount remaining to be paid (after such application in full of the amounts first referred to in paragraph (b) above) in respect of such Class of Notes (and any Class of Notes junior to that Class of Notes) will, on the day following such application in full of the amounts referred to in paragraph (b) above, cease to be due and payable by the Issuer. "**Realisation**" means, in relation to any Charged Property, the deriving to the fullest extent practicable of proceeds from or in respect of such Charged Property including (without limitation) through sale or through performance by an obligor.

None of the Noteholders, the Note Trustee, the Security Trustee or any other Secured Creditor (nor any other person acting on behalf of any of them) will be entitled at any time to institute against the Issuer or its directors, officers, successors or assigns, or join in any institution against the Issuer of any bankruptcy, examinership, reorganisation, arrangement, insolvency, winding-up or liquidation proceedings, or for the appointment of a liquidator, administrator, receiver or any other insolvency official in relation to the Issuer or in relation to the whole or any substantial part of the undertakings of the Issuer.

14. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

The Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee and providing for their indemnification in certain circumstances, including, among others, provisions relieving the Security Trustee from taking enforcement proceedings or enforcing the Security unless indemnified and/or secured and/or pre-funded to its satisfaction. The Note Trustee and the Security Trustee are also entitled to be paid their costs and expenses in priority to any interest payments to Noteholders.

The Note Trustee and the Security Trustee and their related companies are entitled to enter into business transactions with the Issuer, the Cash Manager, the Seller and/or the related companies of any of them and to act as Note Trustee or Security Trustee for the holders of any new Notes and/or any other person who is a party to any Transaction Document or whose obligations comprise the Security and/or any of its subsidiary or associated companies without accounting for any profit resulting therefrom.

Neither the Note Trustee nor the Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets that comprise the Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Note Trustee or the Security Trustee, as applicable.

Furthermore, the Note Trustee and the Security Trustee will be relieved of liability for making searches or other enquiries in relation to the assets comprising the Security. Neither the Note Trustee nor the Security Trustee has any responsibility in relation to the legality and the enforceability of the trust arrangements and the related Security. Neither the Note Trustee nor the Security Trustee will be obliged to take any action which might result in its incurring personal liabilities. Neither the Note Trustee nor the Security Trustee is obliged to monitor or investigate the performance of any other person under the Transaction Documents, and is entitled to assume, until it has actual knowledge to the contrary, that all such persons are properly performing their duties, unless it receives express notice to the contrary.

Neither the Note Trustee nor the Security Trustee will be responsible for any deficiency that may arise because it is liable to tax in respect of the proceeds of any Security.

15. REPLACEMENT OF NOTES

If Registered Definitive Notes are lost, stolen, mutilated, defaced or destroyed, the Noteholder can replace them at the specified office of the Principal Paying Agent subject to all applicable laws and stock exchange requirements. The Noteholder will be required both to pay the expenses of producing a replacement and to comply with the Issuer's, the Registrar's and the Principal Paying Agent's reasonable requests for evidence and indemnity.

If a Global Note is lost, stolen, mutilated, defaced or destroyed, the Issuer will procure the delivery of a replacement Global Note to the registered holder upon receipt of satisfactory evidence and surrender of any defaced or mutilated Global Note. A replacement will only be made upon payment of the expenses for a replacement and compliance with the Issuer's, Registrar's and Principal Paying Agent's reasonable requests as to evidence and indemnity.

Defaced or mutilated Note Certificates must be surrendered before replacements will be issued.

16. NOTICE TO NOTEHOLDERS

16.1 Publication of notice

Any notice to Noteholders will be validly given if such notice is:

- (a) sent to them by first class mail (or its equivalent) or (if posted to a non-UK address) by airmail at the respective addresses on the Register;
- (b) published in the *Financial Times*; or
- (c) published in accordance with the rules of the London Stock Exchange,

or, if any such newspaper set out above will cease to be published or timely publication therein will not be practicable, in a leading English language daily newspaper having general circulation in the United Kingdom, **provided that** if, at any time, the Issuer procures that the information concerned in such notice will be published on the relevant screen, publication in the newspapers set out above or such other newspaper or newspapers will not be required with respect to such information.

16.2 Date of publication

Any notices so published will be deemed to have been given on the fourth day after the date of posting or, as the case may be, on the date of such publication or, if published more than once on different dates, on the first date on which publication will have been made in the newspaper or newspapers in which (or on the relevant screen on which) publication is required.

16.3 Global Notes

While the Notes are represented by Global Notes, any notice to Noteholders will be validly given if such notice is provided in accordance with Condition 16.1 (*Publication of notice*) or (at the option of the Issuer) if delivered to Euroclear and/or Clearstream, Luxembourg. Any notice delivered to Euroclear and/or Clearstream, Luxembourg and/or such alternative Clearing System will be deemed to be given on the day of delivery.

16.4 Note Trustee's discretion to select alternative method

The Note Trustee will be at liberty to sanction some other method of giving notice to the Noteholders or any class or category of them if, in its opinion, such other method is reasonable having regard to market

practice then prevailing and to the requirements of the London Stock Exchange on which the Notes are then admitted for trading and **provided that** notice of such other method is given to the Noteholders in such manner as the Note Trustee will require.

17. NON-RESPONSIVE RATING AGENCY

- (a) In respect of the exercise of any power, duty, trust, authority or discretion as contemplated hereunder or in relation to the Rated Notes and any of the Transaction Documents, the Note Trustee and the Security Trustee shall be entitled but not obliged to take into account any written confirmation or affirmation (in any form acceptable to the Note Trustee and the Security Trustee) from the relevant Rating Agencies that the then current ratings of the Rated Notes will not be reduced, qualified, adversely affected or withdrawn thereby (a "**Rating Agency Confirmation**").
- (b) If a Rating Agency Confirmation or other response by a Rating Agency is a condition to any action or step under any Transaction Document and a written request for such Rating Agency Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and the Security Trustee, as applicable) and:
- (i) (A) one or more Rating Agencies (each 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 has been received and such request elicits no statement by such Rating Agency that such Rating Agency Confirmation or response could not be given; and
 - (ii) the Issuer has otherwise received no indication from that Rating Agency that its then current ratings of the Rated Notes would be reduced, qualified, withdrawn or put on negative watch as a result of such action, step or matter,

then such condition to receive a Rating Agency Confirmation or response from each Rating Agency shall be modified so that there shall be no requirement for the Rating Agency Confirmation or response from a 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 (x) a written request for such Rating Agency Confirmation has been delivered to each Rating Agency by or on behalf of the Issuer and (y) each of the events in paragraphs (b)(i) and (b)(ii), has occurred and the Note Trustee and the Security Trustee shall be entitled to rely on such certificate without further enquiry or liability.

18. GOVERNING LAW AND JURISDICTION

The Transaction Documents and all non-contractual obligations arising out of or in connection with them are and the Notes are governed by English law unless specifically stated to the contrary. The Scottish Declaration of Trust, the Scottish Supplemental Charge and certain provisions in the Transaction Documents relating to property situated in Scotland and all non-contractual obligations arising out of or in connection with them are governed by Scots law. Unless specifically stated to the contrary:

- (a) the courts of England are to have non-exclusive jurisdiction to settle any disputes (including any disputes relating to non-contractual obligations arising out of or in connection with these conditions) which may arise out of or in connection with the Notes and the Transaction Documents; and
- (b) the Issuer and the other parties to the Transaction Documents irrevocably submit to the non-exclusive jurisdiction of the courts of England.

19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person will have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this will not affect any right or remedy of a third party which exists or is available apart from that Act.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions (the "**Certificate Conditions**", and any reference to a "**Certificate Condition**" will be construed accordingly) of the Certificates (then in issue) in the form (subject to amendment) in which they will be set out in the Trust Deed.

1. GENERAL

The 50 Class S1 certificates (the "**Class S1 Certificates**"), the 50 Class S2 certificates (the "**Class S2 Certificates**") and together with the Class S1 Certificates, the "**Class S Certificates**") and the Class Y Certificates (the "**Class Y Certificates**" and, together with the Class S Certificates, the "**Certificates**") (then in issue) of Gemgarto 2023-1 PLC (the "**Issuer**") are constituted by a trust deed (the "**Trust Deed**") entered into on or about 13 December 2023 (the "**Closing Date**") and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee (in such capacity, the "**Note Trustee**") for the registered holders for the time being of the Certificates (the "**Certificateholders**").

Any reference in these Certificate Conditions to a Class of Notes or of Noteholders shall be a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class Z Notes, as the case may be, or to the respective holders thereof. Any reference in these Certificate Conditions to a Class of Certificate or of Certificateholders shall be a reference to the Class S Certificates or the Class Y Certificates or to the respective holders thereof and shall be deemed to apply only when Certificates are in issue. Where Certificates are not in issue, references in these Conditions to Certificates and Certificateholders shall, except where the context requires otherwise, be deemed to refer to Senior Deferred Consideration and Residual Deferred Consideration and persons entitled to Senior Deferred Consideration and Residual Deferred Consideration. Any reference in these Certificate Conditions to the "**Rated Notes**" shall be a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes. Any reference in these Certificate Conditions to the "**Unrated Notes**" shall be a reference to the Class G Notes and the Class Z Notes. Any reference to "**Notes**" shall be a reference to the Rated Notes and Unrated Notes. The Security for the Certificates is created pursuant to, and on the terms set out in, the Deed of Charge. By the Agency Agreement, provision is made for, among other things, the payment of amounts in respect of 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 the other Transaction Documents.

Copies of the Trust Deed, the Deed of Charge, the Agency Agreement and each of the other Transaction Documents are available for inspection during normal business hours at the registered office of the Issuer, being at 10th Floor, 5 Churchill Place, London E14 5HU and the specified office for the time being of the Principal Paying Agent, being at 125 Old Broad Street, Fifth Floor, London EC2N 1AR.

The holders of any Class of Certificates are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Trust Deed, the Deed of Charge, the Agency Agreement and each of the other Transaction Documents relating to each Class of Certificates.

The Certificates are not issuable in bearer form.

2. INTERPRETATION

2.1 Definitions

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Certificate Conditions will bear the meanings given to them in the Master Definitions Schedule set out in Schedule 1 (*Master Definitions Schedule*) to the Incorporated Terms Memorandum made between the parties to the Transaction Documents on or about the Closing Date (as modified and/or supplemented and/or restated from time to time, the "**Master Definitions Schedule**"), a copy of each of which may be obtained as described above.

2.2 Interpretation

These Certificate Conditions shall be construed in accordance with the principles of construction set out in the Incorporated Terms Memorandum.

3. FORM, DENOMINATION, REGISTER, TITLE AND TRANSFERS

3.1 Form and denomination

Each Class of Certificates will initially be represented by a global certificate in registered form (a "**Global Certificate**").

For so long as any of the Certificates are represented by a Global Certificate, transfers and exchanges of beneficial interests in such Global Certificate and entitlement to payments thereunder will be effected subject to and in accordance with the rules and procedures from time to time of Euroclear Bank S.A./N.V. ("**Euroclear**") or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), as appropriate. The Global Certificate will be deposited with and registered in the name of a nominee of a common safekeeper for Euroclear and Clearstream, Luxembourg.

The Class Y Certificates will initially be offered and sold outside the U.S. to non-U.S. persons pursuant to Regulation S under the United States Securities Act of 1933, as amended (the "**Securities Act**") and are represented by one or more global registered notes in fully registered form without coupons attached.

Global Certificates will be exchanged for individual certificates in definitive registered form (an "**Individual Certificate**" or a "**Definitive Certificate**") only if any of the following applies:

- (a) in the case of the Global Certificates, 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 Certificates or 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 the Principal 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 definitive registered form.

If Individual 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.

Individual 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 Individual Certificates.

3.2 Register

The Registrar will maintain the register (the "**Register**") in respect of the Certificates in accordance with the provisions of the Agency Agreement. In these Certificate Conditions, the "**Holder**" of a Certificate means the person in whose name such Certificate is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof).

3.3 Title

Title to a Global Certificate shall pass by and upon registration in the Register. Each Holder will (except as otherwise required by law) be treated by the Issuer, the Note Trustee, the Security Trustee, the Agent Bank and any Agent as the absolute owner of such Certificate for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Global Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Global Certificate), and no person will be liable for so treating such holder.

Title to an Individual Certificate shall only pass by and upon registration of the transfer in the Register.

The 100 Class Y Certificates are divisible by one and can be transferred in integrals of one.

The 50 Class S1 Certificates are divisible by one and can be transferred in integrals of one.

The 50 Class S2 Certificates are divisible by one and can be transferred in integrals of one.

3.4 Transfers

Individual Certificates may be transferred upon the surrender of the relevant Individual Certificates, with the endorsed form of transfer duly completed and executed, at the specified office of the Registrar, together with such evidence as the Registrar may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer. All transfers of Individual Certificates are subject to any restrictions on transfer set out on the Individual Certificates and the detailed regulations concerning transfers in 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.

Within five Business Days of such surrender of an Individual Certificate, the Registrar will register the transfer in question and deliver a new Individual Certificate of a like principal amount to the Certificates transferred to each relevant holder at its specified office or (at the request and risk of any such relevant holder) by uninsured first class mail (and by airmail if the holder is overseas) to the address specified for such purpose by such relevant holder.

The transfer of an Individual Certificate will be effected without charge by or on behalf of the Issuer by the Registrar but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature that may be levied or imposed in connection with such transfer.

Certificateholders may not require transfers of Certificates to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Certificates.

4. STATUS, PRIORITY AND SECURITY

4.1 Status

- (a) The Certificates constitute direct, secured and (subject to the limited recourse provision in Certificate Condition 12.17 (*Limited recourse*)) unconditional obligations of the Issuer.
- (b) The Senior Deferred Consideration ranks pro rata and *pari passu* with the payment of interest on the Class A Notes as provided in these Certificate Conditions and the Transaction Documents.
- (c) The Residual Deferred Consideration ranks pro rata and *pari passu* without preference or priority among its holders in relation to payment of the Residual Deferred Consideration at all times, but subordinate to items (i) to (xxiv) of the Pre-Enforcement Revenue Priority of Payments and subordinate to items (i) to (xiii) of the Post-Enforcement Priority of Payments, as provided in these Certificate Conditions and the Transaction Documents.

4.2 Conflict between the Classes of Certificates

- (a) The Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the holders of each Class of the Notes and each Class of Certificates equally (and at all times to have regard to and be subject always to the Senior Deferred Consideration Entrenched Rights and the Retained Interest Entrenched Rights) with regard to all rights, powers, trusts, authorities, duties and discretions of the Note Trustee under these Certificate Conditions or any of the Transaction Documents (except where expressly provided otherwise), but requiring the Note Trustee where there is a conflict of interests between one or more Classes of Notes and/or the Certificates in any such case to have regard (except as expressly provided otherwise and at all times to have regard to and be subject always to the Senior Deferred Consideration Entrenched Rights and the Retained Interest Entrenched Rights) to the interests of the holders of the Class of Notes and/or Certificates ranking in priority to the other relevant Classes of Notes or Certificates in the Post-Enforcement Priority of Payments (other than the Class S Certificates or Senior Deferred Consideration, in respect of which the Note Trustee or, as the case may be, the Security Trustee will have regard only as to the Senior Deferred Consideration Entrenched Rights).
- (b) The Trust Deed also contains provisions limiting the powers of any Class of Noteholders or Class of Certificateholders, among other things, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution (and at all times to have regard to and be subject always to the Senior Deferred Consideration Entrenched Rights and the Retained Interest Entrenched Rights) according to the effect thereof on the interests of holders of the Class or Classes of Notes and/or Certificates ranking in priority thereto. Except in certain circumstances described in Certificate Condition 12 (*Meetings of Certificateholders, modifications and waiver*), 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, the Senior Deferred Consideration Entrenched Rights and the Retained Interest Entrenched Rights) on the holders of all other Classes of Notes and all other Classes of Certificates, in each case irrespective of the effect thereof on their respective interests.
- (c) Subject to the Retained Interest Entrenched Rights, the Retention Holder will not be entitled to convene, count in the quorum or pass resolutions (including Extraordinary Resolutions and Ordinary Resolutions) in respect of any Notes or Certificates comprising the Retained Interest. Any Ordinary Resolution or

Extraordinary Resolution passed by any Class of Noteholders will be binding on the Retention Holder (other than any resolutions in respect of a Retained Interest Entrenched Right unless the Retention Holder has consented) if passed in accordance with the Conditions.

- (d) The Class S Certificateholder or persons entitled to the Senior Deferred Consideration shall only be entitled to convene meetings of the Class S Certificateholders or persons entitled to the Senior Deferred Consideration and/or pass resolutions in respect of the Class S Certificates or the Senior Deferred Consideration in relation to matters affecting a Senior Deferred Consideration Entrenched Right. Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding on the Class S Certificateholder or the persons entitled to receive the Senior Deferred Consideration (other than in respect of affecting a Senior Deferred Consideration Entrenched Right unless the Class S Certificateholder or the persons entitled to the Senior Deferred Consideration has consented in writing) if passed in accordance with the Conditions.
- (e) Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding on the Class Y Certificateholders or the persons entitled to the Residual Deferred Consideration (save in respect of a Basic Terms Modification) if passed in accordance with the Conditions.
- (f) As long as any Notes or Certificates are outstanding but subject to Certificate Condition 12.4, the Note Trustee and the Security Trustee shall have no regard to the interests of the other Secured Creditors.

4.3 Security

As security for, among other things, the payment of all monies payable in respect of the Certificates, the Issuer has entered into the Deed of Charge and will enter into the Scottish Supplemental Charge creating the Security in favour of the Security Trustee for itself and on trust for, inter alios, the Note Trustee and the Certificateholders.

The Noteholders, the Certificateholders and the other Secured Creditors will share in the benefit of the Security upon and be subject to the terms and conditions of the Deed of Charge and the Scottish Supplemental Charge.

5. COVENANTS

Save with the prior written consent of the Note Trustee or unless provided in or contemplated under these Conditions, Certificate Conditions or any of the Transaction Documents to which the Issuer is a party or unless such action is in connection with a Refinancing undertaken in accordance with the Refinancing Option Deed Poll, the Issuer will not, so long as any Certificate remains outstanding:

5.1 Negative pledge

create or permit to subsist any mortgage, standard security, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law), upon the whole or any part of its assets (including any uncalled capital) or its undertakings, present or future;

5.2 Disposal of assets

sell, assign, transfer, lend, lease or otherwise dispose of, or deal with, or grant any trust, option or present or future right to acquire all or any of, its properties, assets or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do any of the foregoing;

5.3 Equitable interest

permit any person other than itself and the Security Trustee (as to itself and on behalf of the Secured Creditors) to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

5.4 Bank accounts

have an interest in any bank account, other than an Issuer Account, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;

5.5 Restrictions on activities

carry on any business other than as described in the Prospectus (as revised, supplemented and/or amended from time to time) relating to the issue of the Certificates and the related activities described therein or as contemplated in the Transaction Documents relating to the issue of the Certificates;

5.6 Borrowings

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or obligation of any person other than as contemplated in the Transaction Documents;

5.7 Merger

consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

5.8 Waiver or consent

permit the validity or effectiveness of any of the Transaction Documents to which it is a party or the priority of the security interests created thereby to be amended, terminated, postponed, waived or discharged, or agree to any amendment of, 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 other person whose obligations form part of the Security to be released from such obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;

5.9 Employees or premises

have any employees or premises or subsidiaries, any subsidiary undertaking (as defined in the Companies Act 1985 and the Companies Act 2006 (as applicable));

5.10 Dividends and 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 or alter any rights attaching to its shares as at the date of the Deed of Charge;

5.11 Purchase Notes or Certificates

purchase or otherwise acquire any Notes or Certificates;

5.12 Corporation tax

prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the TSC Regulations; or

5.13 VAT

apply to become part of any group with any other company or group of companies for the purposes of Sections 43 to 43D of the VATA 1994 and the Value Added Tax (Groups: eligibility) Order 2004 (SI 2004/1931), or such act, regulation, order, statutory instrument or directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal any of the same.

6. CERTIFICATE PAYMENTS

6.1 Right to Certificate Payments

Each Certificate represents a pro rata entitlement of the Certificateholder to receive the relevant Certificate Payments by way of deferred consideration for the purchase by the Issuer of the Mortgage Portfolio on the Closing Date.

A Certificate Payment shall be payable in respect of the Certificates on each Payment Date.

For the purposes of these Certificate Conditions:

- (a) "**Certificate Payment**" means (i) the Class S1 Certificate Payment or the Class S2 Certificate Payment (as applicable) and (ii) the Class Y Certificate Payment or the Residual Deferred Consideration (as applicable).
- (b) "**Certificate Payment Amount**" means, for a Certificate on any date on which amounts are to be applied in accordance with the applicable Priority of Payments, the Certificate Payment for that date, divided by the number of Certificates of that Class then in issue.
- (c) "**Senior Deferred Consideration**" means the Class S1 Certificate Payment or the Class S2 Certificate Payment, as the case may be.
- (d) "**Class S1 Certificate Payment**" means, on any date of determination:
 - (i) prior to the delivery of an Enforcement Notice and in respect of each Payment Date prior to (and including) the Step-Up Date, an amount equal to:

$$\frac{A \times B \times C}{D}$$

where,

A = 0.0008

B = the aggregate Current Balance of the Mortgage Loans in the Mortgage Portfolio as of the Calculation Date immediately preceding the relevant Payment Date

C = the number of days in the relevant Interest Period

D = 365

with the total figure rounded downwards to the nearest £0.01; and

- (ii) following the delivery of an Enforcement Notice, for any date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, any Class S1 Certificate Payment calculated in accordance with paragraph (i) above which has accrued but is unpaid on the date of the Enforcement Notice.

(e) "**Class S2 Certificate Payment**" means, on any date of determination:

- (i) prior to the delivery of an Enforcement Notice and in respect of each Payment Date following the Step-Up Date, an amount equal to:

$$\frac{A \times B \times C}{D}$$

where,

A = 0.001

B = the aggregate Current Balance of the Mortgage Loans in the Mortgage Portfolio as of the Calculation Date immediately preceding the relevant Payment Date

C = the number of days in the relevant Interest Period

D = 365

with the total figure rounded downwards to the nearest £0.01; and

- (ii) following the delivery of an Enforcement Notice, for any date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, any Class S2 Certificate Payment calculated in accordance with paragraph 6.1(e)(i) above which has accrued but is unpaid on the date of the Enforcement Notice.

(f) "**Class S Certificate Payment**" means the Class S1 Certificate Payment or the Class S2 Certificate Payment (as applicable).

(g) "**Class Y Certificate Payment**" and "**Residual Deferred Consideration**" means, on any date of determination:

- (i) prior to the delivery of an Enforcement Notice, in respect of each Payment Date from (and including) the Closing Date, the amount by which Available Revenue Receipts exceeds the amounts required to satisfy items (i) to (xxiv) of the Pre-Enforcement Revenue Priority of Payments on that Payment Date; and

- (ii) following the delivery of an Enforcement Notice, for any date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, the amount by which amounts available for payment in accordance with the Post-Enforcement Priority of Payments exceeds the amounts required to satisfy items (i) to (xiii) of the Post-Enforcement Priority of Payments on that date.

6.2 Determination Certificate Payment

The Cash Manager shall on each Calculation Date determine the Certificate Payments payable on the immediately following Payment Date (if any) and the Certificate Payment Amounts payable in respect of each Class of Certificates on such Payment Date.

6.3 Notification of Certificate Payment and Certificate Payment Amount

The Cash Manager shall cause the Certificate Payments and Certificate Payment Amounts (if any) for each Class of Certificates for each Payment Date to be notified to the Issuer, the Note Trustee, the Registrar and the Principal Paying Agent (as applicable) and to be published in accordance with Certificate Condition 15 (*Notice to Certificateholders*) as soon as possible after their determination and in no event later than two Business Days prior to the immediately succeeding Payment Date.

6.4 Notifications to be final

All notifications, certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Certificate Condition 6 by the Cash Manager will (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Cash Manager, the Principal Paying Agent, the Registrar, the Note Trustee and all Certificateholders, and (in the absence of wilful default, gross negligence or fraud) no liability to the Issuer or the Certificateholders will attach to the Cash Manager in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6.5 Termination of Certificate Payments

When all Class S Certificate Payments and Class Y Certificate Payments (or payments of Senior Deferred Consideration and Residual Deferred Consideration, as applicable) (if any) (as set out in Certificate Condition 6.2 (*Determination Certificate Payment*)) and including any Deferred Senior Consideration that may be due in respect of the Class S Certificates or Senior Deferred Consideration as a result of payment deferral in accordance with Certificate Condition 6.7 (*Subordination by deferral*) have been made, no further Certificate Payments will be made by the Issuer and the Certificates shall be cancelled.

6.6 Determinations and reconciliation

Condition 6.8 (*Determinations and reconciliation*) of the Notes shall have effect in relation to the Class Y Certificates or the Residual Deferred Consideration as if set out in full herein.

6.7 Subordination by deferral

If, on any Payment Date, the Issuer has insufficient funds to make payment in full of any Class S Certificate Payment or Senior Deferred Consideration (as applicable) (which shall, for the purposes of this Certificate Condition 6.7, include any Deferred Senior Consideration from prior Payment Dates, each as defined under this Certificate Condition 6.7) payable in respect of the Class S Certificates or Senior Deferred Consideration 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 Payment Date the payment of some or all of the relevant payment due (such deferred amount, the "**Deferred Senior Consideration**") in respect of the Class S Certificates or Senior Deferred Consideration to the extent only of any insufficiency of funds.

As soon as practicable after becoming aware that any part of a Class S Certificate Payment or Senior Deferred Consideration will be deferred or that a previous Deferred Senior Consideration will be made in accordance with this Certificate Condition 6.7, the Issuer will give notice thereof to the Class S Certificateholder or the persons entitled to Senior Deferred Consideration in accordance with Certificate

Condition 15 (*Notice to Certificateholders*). Any deferral of a Class S Certificate Payment or Senior Deferred Consideration (a "**Deferred Payment**") or further deferral of a Deferred Payment in accordance with this Certificate Condition 6.7 will not constitute an Event of Default. The provisions of this Certificate Condition 6.7 shall cease to apply on the Final Redemption Date, or any earlier date on which the Class S Certificates or right to Senior Deferred Consideration is cancelled or the Class S Certificates are required to be redeemed in full, at which time all Deferred Senior Consideration shall become due and payable.

7. PAYMENTS

7.1 Payment of Certificate Payment Amounts

Payments of Certificate Payment Amounts will be made by Sterling cheque, drawn on a designated bank, or upon application by a holder of the relevant Certificate to the specified office of the Principal Paying Agent not later than the fifth Business Day before the Record Date, by transfer to a designated account maintained by the payee with a designated bank and (in the case of final cancellation) upon surrender (or, in the case of part payment only, endorsement) of the relevant Global Certificate or Individual Certificate at the specified office of the Principal Paying Agent.

7.2 Laws and regulations

Payments of any Certificate Payment Amounts are subject in all cases to (a) any fiscal or other laws and regulations applicable thereto, and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto ("**FATCA**"). Certificateholders will not be charged commissions or expenses on payments.

7.3 Change of agents

The initial Principal Paying Agent and the Registrar and their respective initial specified offices are listed at the end of these Certificate Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent or the Registrar and to appoint additional or other Principal Paying Agents. The Issuer will at all times maintain a Principal Paying Agent with a specified office in London and a Registrar with a specified office in London. Except where otherwise provided in the Trust Deed or the Agency Agreement, the Issuer will cause at least 30 days' notice of any change in or addition to the Principal Paying Agent or the Registrar or their specified offices to be given in accordance with Certificate Condition 15 (*Notice to Certificateholders*) and will notify the Rating Agencies of any such change or addition.

7.4 No payment on non-Business Day

Where payment is to be made by transfer to a designated account, payment instructions (for value the due date or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed: (a) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Certificate is surrendered (or, in the case of part payment only, endorsed) at the specified office of the Principal Paying Agent; and (b) (in the case of payments of interest payable other than on redemption) on the due date for payment. A holder of a Certificate will not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for a payment not being a Business Day, or (ii) a cheque mailed in accordance with this Certificate Condition 7.4 arriving after the due date for payment or being lost in the mail.

7.5 Record date

Each payment in respect of a Certificate (then in issue) will be made to the persons shown as the holder in the Register (a) where the Certificate is in global form, at the close of the Business Day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the due date for such payment, or (b) where the Certificate is in definitive form, at the opening of business in the place of the Registrar's specified office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Certificate is to be made by cheque, the cheque will be mailed to the address shown as the address of the holder in the Register at the opening of business on the relevant Record Date.

8. PRESCRIPTION

Claims against the Issuer for Certificate Payment Amounts will be prescribed and become void if the relevant Global Certificates or Individual Certificates are not surrendered for payment within a period of ten years from the relevant date in respect thereof. After the date on which a payment under a Certificate becomes void in its entirety, no claim may be made in respect thereof. In this Certificate Condition 8, the "**relevant date**", in respect of a payment under a Certificate, is the date on which the payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of those payments under all the Certificates due on or before 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 so received or notice to that effect is duly given to Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*).

9. TAXATION

All payments in respect of the Certificates will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or the Principal Paying Agent is required by applicable law (including in connection with the rules commonly referred to as FATCA) to make any payment in respect of the Certificates subject to any such withholding or deduction. In that event, subject to Condition 7.9 (*Optional redemption for tax and other reasons*), the Issuer or the Principal Paying Agent will make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted. No Principal Paying Agent nor the Issuer will be obliged to make any additional payments to Certificateholders in respect of such withholding or deduction.

The occurrence of the Issuer or the Principal Paying Agent being required to make a withholding or deduction in the circumstances outlined in the previous paragraph will not constitute an Event of Default.

10. EVENTS OF DEFAULT

10.1 Certificates

The Note Trustee, in its absolute discretion, may (and if so requested in writing by the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class or if so directed by or pursuant to an Extraordinary Resolution of the holders of the Most Senior Class, will), subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction, deliver a notice (an "**Enforcement Notice**") to the Issuer and the Security Trustee of an Event of Default (as defined below) declaring (in writing) all Classes of Certificates to be due and repayable as provided in the Trust Deed (and they will forthwith become due and repayable) (with a copy of such Enforcement Notice being sent simultaneously to the Back-up Servicer Facilitator, the Transaction Account Bank, the

Servicer and the Cash Manager) at any time after the occurrence of any of the following events which is continuing or unwaived:

- (a) non-payment of interest and/or principal due in respect of the Most Senior Class of Notes and such non-payment continues for a period of 14 Business Days in the case of interest and seven Business Days in the case of principal;
- (b) non-payment of interest and/or principal due in respect of any Class of Notes or non-payment of any amounts due in respect of the Certificates on the Final Redemption Date (or any other date on which the Notes are due to be redeemed in full);
- (c) failure by the Issuer to perform or observe any of its other obligations under the Conditions, these 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 hereinafter mentioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied;
- (d) 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;
- (e) 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 Notes;
- (f) 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 Most Senior Class of Notes, or (ii) the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account its contingent and prospective liabilities), or (iii) the Issuer is deemed unable to pay its debts within the meaning of Section 123(1) or (2) of the Insolvency Act 1986, or (iv) the Issuer is adjudicated or found to be bankrupt or insolvent;
- (g) 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 are 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
- (h) 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 Following service of an Enforcement Notice

For the avoidance of doubt, upon any Enforcement Notice being given by the Note Trustee in accordance with Certificate Condition 10.1 (*Certificates*), the Certificate Payment for the relevant Class of Certificates pursuant to the Certificates will immediately become due and payable.

11. ENFORCEMENT

11.1 General

The Note Trustee may, in its discretion and without notice at any time and from time to time, take such steps and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Certificates, the Trust Deed (including these Certificate Conditions or the Conditions) or any of the other Transaction Documents to which it is a party and may, in its discretion and without notice, at any time after the Security has become enforceable (including after the service of an Enforcement Notice in accordance with Certificate Condition 10 (*Events of default*)), instruct the Security Trustee to take such steps as it may think fit to enforce the Security. The Note Trustee will not be bound to take such steps or institute such proceedings unless:

- (a) (subject in all cases to restrictions contained in the Trust Deed to protect the interests of any higher-ranking Class of Noteholders) it will have been so directed by an Extraordinary Resolution of the Most Senior Class then outstanding or so requested in writing by the holders of at least one-quarter in aggregate Principal Amount Outstanding of the Notes and/or Certificates of the Most Senior Class; and
- (b) it will have been indemnified and/or secured and/or pre-funded to its satisfaction.

The Security Trustee will not be bound to take such steps or take any such other action unless it is so directed by the Note Trustee and indemnified and/or secured and/or pre-funded to its satisfaction.

Amounts available for distribution after enforcement of the Security will be distributed in accordance with the terms of the Deed of Charge.

11.2 Preservation of assets

If the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes or the Certificates, the Security Trustee will not be entitled to dispose of any of the Charged Property 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 Certificates (and all persons ranking in priority to the holders of the Notes and the Certificates); or (b) the Security Trustee is of the opinion, which shall be binding on the Secured Creditors, 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 at the expense of the Issuer for the purpose of giving such advice), that the cashflow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing (i) to the Noteholders and the Certificateholders (and all persons ranking in priority to the Noteholders and the Certificateholders 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 Certificateholders (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 may institute any proceedings against the Issuer to enforce its rights under or in respect of the Certificates, the Trust Deed, the Deed of Charge or any other Transaction Document unless (a) the Security Trustee has become bound to institute proceedings and has failed to do so within a reasonable period of becoming so bound, and (b) such failure is continuing. Notwithstanding the foregoing and notwithstanding any other provision of the Trust Deed, the right of any Certificateholder to receive Certificate Payment Amounts on or after the due date, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Certificateholder.

12. MEETINGS OF CERTIFICATEHOLDERS, MODIFICATIONS AND WAIVER

12.1 Meetings of Certificateholders

- (a) The Trust Deed contains provisions for convening meetings (including by way of conference call and by use of a videoconference platform) of Certificateholders of each Class and, in certain cases, more than one Class to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any provision of these Certificate Conditions, the Conditions or the provisions of any of the Transaction Documents.
- (b) The Trust Deed also provides that, notwithstanding any other provision of 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 (and no such modification or waiver may otherwise be made) which is adverse to the holder of the Retained Interest where a corresponding modification or waiver is not made which affects all holders of the relevant Class or Classes of Notes and/or Certificates (the "**Retained Interest Entrenched Rights**"), unless the Retention Holder has consented in writing to such modification or waiver.
- (c) For the purposes of these Certificate Conditions, "**Most Senior Class**" means:
 - (i) the Class A Notes;
 - (ii) if there are no Class A Notes then outstanding, the Class B Notes;
 - (iii) if there are no Class A Notes or Class B Notes then outstanding, the Class C Notes;
 - (iv) if there are no Class A Notes, Class B Notes or Class C Notes then outstanding, the Class D Notes;
 - (v) if there are no Class A Notes, Class B Notes, Class C Notes or Class D Notes then outstanding, the Class E Notes;
 - (vi) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes then outstanding, the Class F Notes;

- (vii) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class F Notes then outstanding, the Class G Notes;
- (viii) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes or Class G Notes then outstanding, the Class Z Notes; or
- (ix) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class G Notes, the Class Z Notes, then outstanding, the Class Y Certificates or the Residual Deferred Consideration.

The Class S Certificates or the Senior Deferred Consideration shall not at any time constitute the Most Senior Class.

12.2 Most Senior Class, limitations on other Noteholders and Certificateholders

- (a) Other than in relation to a Basic Terms Modification, which requires an Extraordinary Resolution of the holders of each affected Class of Notes then outstanding and/or persons entitled to Senior Deferred Consideration and Residual Deferred Consideration (other than the Senior Deferred Consideration, unless the matter is also a Senior Deferred Consideration Entrenched Right), as applicable and other than where an Extraordinary Resolution is required under Certificate Condition 12.6 or the consent of the Retention Holder, the persons entitled to Residual Deferred Consideration or the persons entitled to Senior Deferred Consideration are required (as described below):
 - (i) an Extraordinary Resolution passed at any meeting of the holders of the Most Senior Class shall be binding on such Noteholders and/or such persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration, and all other Classes of Noteholders and all other persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration, irrespective of the effect it has upon them;
 - (ii) an Extraordinary Resolution passed at any meeting of a Class of Noteholders or persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration shall be binding on such Class of Noteholders or such persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration and all other Classes of Noteholders and persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration ranking junior to such Class of Noteholders or persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration in the Post-Enforcement Priority of Payments, irrespective of the effect it has upon them;
 - (iii) no Extraordinary Resolution of any Class of Noteholders or of persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration shall take effect for any purpose unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class;
 - (iv) an Extraordinary Resolution passed at any meeting of a Class of Noteholders shall be binding on the Class Y Certificateholders or the persons entitled to Residual Deferred Consideration if passed in accordance with the Conditions;
 - (v) an Extraordinary Resolution passed at any meeting of a Class of Noteholders or persons entitled to Senior Deferred Consideration or the Residual Deferred Consideration shall be binding on the persons entitled to Senior Deferred Consideration other than any resolution in respect of Senior Deferred Consideration Entrenched Rights which shall only be binding on the persons entitled to Senior Deferred Consideration if the persons entitled to Senior Deferred Consideration have consented to such modification or waiver; and

- (vi) an Extraordinary Resolution passed at any meeting of a Class of Noteholders or persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration shall be binding on the Retention Holder other than any resolution in respect of Retained Interest Entrenched Rights which shall only be binding on the Retention Holder if the Retention Holder has consented to such modification or waiver.
- (b) No Extraordinary Resolution of the holders of a Class of Notes and/or of persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration which would have the effect of sanctioning a Basic Terms Modification in respect of any Class of Notes or of any persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration shall take effect unless it has been sanctioned by an Extraordinary Resolution of the holders of each affected Class of Notes then outstanding and/or the persons entitled to the Senior Deferred Consideration and Residual Deferred Consideration (as applicable) which are affected by such Basic Terms Modification (other than the persons entitled to the Senior Deferred Consideration, unless the matter is also a Senior Deferred Consideration Entrenched Right).
- (c) No Ordinary Resolution that is passed by any persons entitled to the Senior Deferred Consideration or the Residual Deferred Consideration shall take effect for any purpose while any of the Notes remain outstanding unless it shall have been sanctioned by an Ordinary Resolution of the holders of the Most Senior Class, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class.
- (d) An Ordinary Resolution passed by any persons entitled to the Senior Deferred Consideration or the Residual Deferred Consideration shall be binding on the persons entitled to Residual Deferred Consideration (save in respect of a Basic Terms Modification) if passed in accordance with the Certificate Conditions.
- (e) An Ordinary Resolution passed by the holders of any Class of Notes shall be binding on the Class S Certificateholder or the persons entitled to Senior Deferred Consideration other than any resolution in respect of Senior Deferred Consideration Entrenched Rights which shall only be binding on the persons entitled to Senior Deferred Consideration if the persons entitled to Senior Deferred Consideration have consented to such modification or waiver.
- (f) An Ordinary Resolution passed by the holders of any Class of Notes shall be binding on the Retention Holder other than any resolution in respect of Retained Interest Entrenched Rights, which shall only be binding on the Retention Holder if the Retention Holder has consented to such modification or waiver.

12.3 Quorum

- (a) Subject as provided below, the quorum at any meeting of Noteholders of any Class or Classes of Notes, or Certificateholders of any Class or Classes of Certificates, for passing an Ordinary Resolution will be one or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Certificates then outstanding or in issue, as applicable.
- (b) Subject as provided below, the quorum at any meeting of Noteholders and/or Certificateholders of any Class of any Notes or Certificates for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Class of Notes and/or Certificates then outstanding or in issue, as applicable.
- (c) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any meeting of any holders of any Class of Notes or holders of any Class of Certificates for passing an Extraordinary Resolution to (i) sanction a modification of the date of maturity of any Class of the Notes or Certificates, (ii) sanction a modification of the date of payment of principal or interest or amounts due in respect of

any Class of the Notes or Certificates, (iii) sanction a modification of the amount of principal or the rate of interest payable in respect of any Class of the Notes or, where applicable, of the method of calculating the amount of any principal or interest payable in respect of any Class of the Notes, or of the method of calculating the amounts payable in respect of any Class of the Certificates, (iv) alter the currency in which payments under any Class of the Notes or Certificates are to be made, (v) alter the quorum or majority required in relation to a resolution or a meeting of holders of any Class of the Notes or Certificates, (vi) sanction any scheme or proposal for the sale, conversion or cancellation of any Class of the Notes or the Certificates, (vii) alter the priority of payment of interest or principal in respect of any Class of the Notes or amounts in respect of any Class of Certificates and (viii) change the definition of a "Basic Terms Modification" **provided that** any amendment made in accordance with Certificate Condition 12.6 shall not constitute a Basic Terms Modification and any modification relating to the Senior Servicing Fee Cap shall not constitute a Basic Terms Modification, (each a "**Basic Terms Modification**"), shall be one or more persons holding or representing in the aggregate not less than 75 per cent. of the aggregate Principal Amount Outstanding of each affected Class or Classes of Notes and/or Certificates then outstanding or in issue, as applicable. For the avoidance of doubt, a proposal to sanction a reduction in the principal amounts due on a Class of Notes and/or any Senior Deferred Consideration and/or the Residual Deferred Consideration shall require the sanction of the holders of the relevant Class of Notes or Certificates to be so reduced, and shall not require the consent of other Classes of Notes or Certificates.

- (d) The quorum at any adjourned meeting will be:
- (i) for an Ordinary Resolution, one or more persons present and holding or representing not less than 10 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Certificates then outstanding or in issue, as applicable; and
 - (ii) subject as provided below, for an Extraordinary Resolution, one or more persons present and holding or representing in the aggregate not less than 25 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Certificates then outstanding or in issue, as applicable; and
 - (iii) for a Basic Terms Modification, one or more persons present and holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of each affected Class or Classes of Notes and/or Certificates then outstanding or in issue, as applicable.

12.4 The Note Trustee may or, in the case of paragraphs (c), (d) and (e) below shall, at any time and from time to time, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) but without the consent or sanction of the Noteholders, the Certificateholders or any other Secured Creditors agree with the Issuer and any other parties in making or sanctioning any modification (other than in respect of a Basic Terms Modification, Senior Deferred Consideration Entrenched Right or Retained Interest Entrenched Right in the case of paragraphs (a) and (c) to (e) below):

- (a) to the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document which, in the opinion of the Note Trustee will not be materially prejudicial to the interests of the Noteholders of any Class or the interests of the Certificateholders of any Class, or the Note Trustee or the Security Trustee; or
- (b) to the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document if, in the opinion of the Note Trustee, such modification is of a formal, minor or technical nature or to correct a manifest error or is made to comply with mandatory provisions of law; or

- (c) to the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document for the purposes of making any changes which the Issuer has certified to the Note Trustee and/or the Security Trustee (upon which certificate the Note Trustee and the Security Trustee shall rely without enquiry or liability) are necessary to facilitate a Refinancing; or
- (d) that would result in the Issuer entering into any new and/or amended bank account agreement or collection account agreement (including where the unsecured, unsubordinated and unguaranteed debt obligations of the Transaction Account Bank, the Standby Account Bank or Collection Accounts Provider are downgraded below any relevant rating level as set out in the relevant Transaction Document, and the Issuer is required to take certain remedial action (as set out in the relevant Transaction Documents) in order to maintain the ratings of the Notes at their then current ratings); or
- (e) that would result in the Issuer entering into any new and/or amended interest rate swap agreement (including where a swap downgrade event occurs under the Interest Rate Swap Agreement, and the Issuer is required to take certain remedial action (as set out in the relevant Transaction Documents) in order to maintain the ratings of the Notes at their then current ratings); or
- (f) that is required to effect the appointment of a Successor Servicer (including, but not limited to, the Issuer entering into any new and/or amended servicing agreement) provided that the conditions to the appointment of that Successor Servicer set out in the Servicing Agreement are satisfied,

and provided that in the case of amendments pursuant to paragraphs (c) and/or (d) and/or (e) above that neither the Note Trustee nor the Security Trustee shall be obliged to agree to any such new agreement and/or amendment (including, for the avoidance of doubt, any new appointment made thereunder) which, in the sole opinion of the Note Trustee or the Security Trustee, would have the effect of (i) 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 (ii) increasing the obligations or duties, or decreasing the protections, of the Note Trustee and/or the Security Trustee under the Transaction Documents and/or the Conditions and/or the Certificate Conditions.

12.5 The Note Trustee may, and may direct the Security Trustee to, without the consent or sanction of the Noteholders, the Certificateholders or the other Secured Creditors and without prejudice to its rights in respect of any further or other breach or Event of Default, from time to time and at any time, but only if and in so far as in the sole opinion of the Note Trustee (acting in accordance with the Trust Deed) the interests of the Noteholders of each Class or the Certificateholders of each Class will not be materially prejudiced thereby, authorise or waive any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to the Conditions, the Certificate Conditions or any of the Transaction Documents by any party thereto or determine that any Event of Default shall not be treated as such, provided that the Note Trustee shall not exercise any powers conferred on it by this Certificate Condition 12.5 in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class or by a direction under Certificate Condition 10 (*Events of default*) but so that no such direction shall affect any waiver, authorisation or determination previously given or made.

12.6 The Note Trustee with the 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) shall, without the consent or sanction of the Noteholders, the Certificateholders or any of the other Secured Creditors, concur with the Issuer (and direct the Security Trustee to concur) in making any modifications (other than in respect of a Basic Terms Modification or a Senior Deferred Consideration Entrenched Right or a Retained Interest Entrenched Right) to the Transaction Documents and/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 (or, where applicable, any other transaction parties) to:

- (a) comply with, or implement or reflect, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time;
- (b) comply with, implement or reflect any changes in the requirements (including, but not limited to, risk retention, transparency and/or investor due diligence) of, or to enable the Issuer or any other transaction party to comply with an obligation under, the UK Securitisation Regulation or the EU Securitisation Regulation, together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements, in each case as amended, varied or substituted from time to time after the Closing Date;
- (c) enable the Notes to be (or to remain) listed on the London Stock Exchange;
- (d) comply with FATCA;
- (e) comply with any changes in the requirements of the UK CRA Regulation after the Closing Date including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation or regulations or official guidance in relation thereto; and
- (f) change the reference rate or the base rate that then applies in respect of the Notes to an alternative base rate (including where such base rate may remain linked to SONIA but may be calculated in a different manner), (any such rate, which may include an alternative screen rate, an "**Alternative Base Rate**") and make such other amendments as are necessary or advisable in the commercially reasonable judgement of the Issuer to facilitate such change (a "**Base Rate Modification**"), provided that the Issuer provides a certificate to the Note Trustee and the Security Trustee certifying (such certificate, a "**Base Rate Modification Certificate**") that:
 - (i) such Base Rate Modification is being undertaken due to:
 - (A) an alternative manner of calculating a SONIA-based rate being introduced and becoming a standard means of calculating interest for similar transactions;
 - (B) a material disruption to SONIA, an adverse change in the methodology of calculating SONIA or SONIA ceasing to exist or be published;
 - (C) the insolvency or cessation of business of the SONIA administrator (in circumstances where no successor SONIA administrator has been appointed);
 - (D) a public statement by the SONIA administrator that it will cease publishing SONIA permanently or indefinitely (in circumstances where no successor SONIA administrator has been appointed that will continue publication of SONIA);
 - (E) a public statement by the supervisor of the SONIA administrator that SONIA has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
 - (F) a public statement by the supervisor of the SONIA administrator that means SONIA may no longer be used or that its use is subject to restrictions or adverse consequences; or

- (G) the reasonable expectation of the Issuer that any of the events specified in paragraphs (A) to (F) above will occur or exist within six months of the proposed effective date of such Base Rate Modification; and
- (ii) such Alternative Base Rate is:
 - (A) a base rate published, endorsed, approved or recognised by the Federal Reserve or the Bank of England, any regulator in the United States, the United Kingdom or the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);
 - (B) a base rate utilised in a material number of publicly listed new issues of Sterling-denominated asset-backed floating rate notes prior to the effective date of such Base Rate Modification; or
 - (C) such other base rate as the Issuer reasonably determines (to preserve, so far as reasonably and commercially practicable, what would have been the expected Floating Rate of Interest applicable to the Class A Notes) or which is proposed by any holder of the Most Senior Class of Notes then outstanding; and
- (g) change the base rate that then applies in respect of any Interest Rate Swap Agreement to an alternative base rate as is necessary or advisable in the commercially reasonable judgement of the Issuer (or the Servicer on its behalf) and the Interest Rate Swap Counterparty solely as a consequence of a Base Rate Modification and solely for the purpose of aligning the base rate of any Interest Rate Swap Agreement to the base rate of the Notes following such Base Rate Modification (a "**Swap Rate Modification**"), provided that the Servicer, on behalf of the Issuer, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and it has been drafted solely to such effect (such certificate being a "**Swap Rate Modification Certificate**").

The Note Trustee and the Security Trustee shall be entitled to rely on a Base Rate Modification Certificate and a Swap Rate Modification Certificate absolutely without liability and enquiry.

For the avoidance of doubt, the Issuer (or the Servicer on its behalf) may propose an Alternative Base Rate on more than one occasion, provided that the conditions set out in this paragraph (g) are satisfied,

(each a "**Proposed Amendment**") and subject to:

- (i) receipt by the Note Trustee and the Security Trustee of a certificate (upon which they may rely without liability or enquiry) issued by the Issuer signed by two directors of the Issuer certifying to the Note Trustee and the Security Trustee that the requested modifications in relation to any Proposed Amendment are to be made solely for the purpose of enabling the Issuer to satisfy such obligations under any Proposed Amendment and have been drafted solely to such effect, and in the case of a Proposed Amendment under paragraph (a) above shall include a memorandum addressed to the Note Trustee and the Security Trustee for the benefit of Noteholders, by a reputable law firm confirming that the Proposed Amendment seeks to address the non-compliance set out in paragraph (a) above and each of the Note Trustee and the Security Trustee shall be entitled to rely on such certificate and memorandum without enquiry or liability; and

- (ii) the Issuer certifying in writing to the Note Trustee and the Security Trustee (upon which certificate the Note Trustee and the Security Trustee may rely absolutely and without liability or enquiry) that:
 - (A) the Issuer has provided at least 30 calendar days' notice to the Noteholders and Certificateholders of each Class of the proposed modification in accordance with Condition 16 (*Notice to Noteholders*) and Certificate Condition 15 (*Notice to Certificateholders*) and by publication on Bloomberg on the "Company Filings" screen relating to the Notes and Certificates; and
 - (B) Noteholders or Certificateholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding and persons entitled to at least 10 per cent. in aggregate of the share of Residual Deferred Consideration 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 the Class Y Certificates (then in issue) may be held) within such notification period notifying the Issuer that such Noteholders or persons entitled to Residual Deferred Consideration do not consent to the modification.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding or persons entitled to at least 10 per cent. of the share of Residual Deferred Consideration have notified the Issuer, in accordance with the notice provided above and the then current practice of any applicable clearing system through which such Notes or Class Y Certificates (then in issue) may be held within the notification period referred to above, that they object to the proposed modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding and/or of the Class Y Certificates or of persons entitled to the Residual Deferred Consideration, as applicable, is passed in favour of such modification in accordance with the Trust Deed.

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 or the relevant Certificateholder's holding of the Class Y Certificates or entitlement to the Residual Deferred Consideration.

Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification pursuant to this Certificate Condition 12.6 which (in the sole opinion of the Note Trustee and/or the Security Trustee) would have the effect of:

- (A) exposing the Note Trustee (and/or the Security Trustee) to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or
- (B) increasing the obligations or duties, or decreasing the protections of the Note Trustee (and/or the Security Trustee) in the Transaction Documents and/or the Certificate Conditions.

Notwithstanding anything to the contrary in the Trust Deed or the other Transaction Documents, when implementing any Proposed Amendment pursuant to this Certificate Condition 12.6, the Note Trustee shall not consider the interests of the Noteholders, the Certificateholders or any other Secured Creditor (other than itself (and the Security Trustee) as provided above) or any other person and each of the Note Trustee and the Security Trustee and shall be entitled to rely, without investigation, on any certificate or legal memorandum provided to it by the Issuer pursuant to this Certificate Condition 12.6 as evidence that the Proposed Amendments are made solely for the purpose of enabling the Issuer to satisfy any such obligation applicable to it, and have been drafted solely to such effect and shall not be liable to any Noteholder, Certificateholder or other Secured Creditor for so acting or relying irrespective of whether

any such modification is or may be materially prejudicial to the interests of the Noteholders of any Class, the Certificateholders of any Class or any other Secured Creditor or any other person.

Only modifications which comply with this Certificate Condition 12.6 may be made pursuant to this Certificate Condition 12.6. Any other modifications may only be made pursuant to Certificate Condition 12.4 or Certificate Condition 12.9 and the Trust Deed.

- 12.7 Any such modification, waiver, authorisation or determination by the Note Trustee and/or the Security Trustee, as applicable, in accordance with these Certificate Conditions, the Conditions or Transaction Documents shall be binding on the persons entitled to the Senior Deferred Consideration and the Residual Deferred Consideration, unless the Note Trustee or, as the case may be, the Security Trustee agrees otherwise, any such modification shall be notified by the Issuer to the Certificateholders as soon as practicable thereafter in accordance with Certificate Condition 15 (*Notice to Certificateholders*).
- 12.8 Any modification to the Transaction Documents and the Certificate Conditions shall be notified by the Issuer in writing to the Rating Agencies.
- 12.9 In connection with any such substitution of principal debtor referred to in Condition 7.9 (*Optional redemption for tax and other reasons*) or Certificate Condition 12.16 (*Issuer substitution condition*), the Note Trustee may agree, without the consent of the Noteholders, the Certificateholders or the other Secured Creditors, to a change of the laws governing the Certificates, these Certificate Conditions and/or any of the Transaction Documents, provided that such change would not, in the opinion of the Note Trustee, be materially prejudicial to the interests of the Noteholders of any Class or the Certificateholders of any Class.
- 12.10 In determining whether a proposed action will not be materially prejudicial to the interests of the Noteholders of any Class or Certificateholders of any Class thereof, the Note Trustee may, among other things, have regard to whether the Rating Agencies have confirmed in writing to the Issuer or any other party to the Transaction Documents that any proposed action will not result in the withdrawal or reduction of, or entail any other adverse action with respect to, the then current 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 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 Security Trustee, the Note Trustee, the 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 Certificateholders or any other person, whether by way of contract or otherwise.
- 12.11 Where, in connection with the exercise or performance by each of them of any right, power, trust, authority, duty or discretion under or in relation to these 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 (acting on the instructions of the Note Trustee) is required to have regard to the interests of the Noteholders of any Class or Certificateholders of any Class or Classes, it shall (a) have regard (except as expressly provided otherwise and at all times subject to the Senior Deferred Consideration Entrenched Rights and the Retained Interest Entrenched Rights) to the general interests of the Noteholders or Certificateholders of such Class or Classes but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Certificateholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders or Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof, and the Note Trustee or, as the case may be, the Security

Trustee shall not be entitled to require, nor shall any Noteholder 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 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 Class of Certificates (except where expressly provided otherwise) but requiring the Note Trustee and the Security Trustee where there is a conflict of interest between one or more Classes of Notes and/or Class of Certificates in any such case to have regard (except as expressly provided otherwise) to the interests of the holders of the Class or Classes of Notes or Certificates ranking in priority to the other relevant Classes of Notes or Certificates in the Post-Enforcement Priority of Payments (other than the Class S Certificates or the persons entitled to the Senior Deferred Consideration, in respect of which the Note Trustee or, as the case may be, the Security Trustee will have regard only as to the Senior Deferred Consideration Entrenched Rights).

12.12 "**Ordinary Resolution**" means, in respect of the holders of any of the Classes of Notes or Certificates:

- (a) a resolution passed at a meeting of Noteholders and/or Certificateholders duly convened and held in accordance with the Trust Deed (including by way of conference call and by use of a videoconference platform) and these Conditions by a clear majority of the Eligible Persons voting thereat on a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll (calculated on the basis of the aggregate Principal Amount Outstanding of the relevant Class of Notes and/or Certificates held by such Eligible Persons);
- (b) a resolution in writing signed by or on behalf of the Noteholders and/or Certificateholders of a clear majority of the aggregate Principal Amount Outstanding of the Notes and/or Certificates, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant class of Noteholders and/or Certificateholders of the relevant Class; or
- (c) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Noteholders and/or Certificateholders holding a clear majority in aggregate Principal Amount Outstanding of the relevant Class of Notes or Class of Certificates.

12.13 "**Extraordinary Resolution**" means, in respect of the holders of any of the Classes of Notes and/or Certificates:

- (a) a resolution passed at a meeting of Noteholders and/or Certificateholders duly convened and held in accordance with the Trust Deed (including by way of conference call and by use of a videoconference platform) and these Certificate Conditions by at least 75 per cent. 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 75 per cent. of the votes cast on such poll (calculated on the basis of the aggregate Principal Amount Outstanding of the relevant Class of Notes and/or Certificates held by such Eligible Persons);
- (b) a resolution in writing signed by or on behalf of the Noteholders and/or Certificateholders of at least 75 per cent. of the aggregate Principal Amount Outstanding of the Notes and/or the Certificates, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Class of Noteholders and/or Certificateholders of the relevant Class; or
- (c) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Noteholders and/or Certificateholders

holding at least 75 per cent. in aggregate Principal Amount Outstanding of the relevant Class of Notes and/or the Certificates.

12.14 Details of any Extraordinary Resolution and any Ordinary Resolution passed in accordance with the provisions of the Trust Deed shall be notified to each of the Rating Agencies by the Principal Paying Agent on behalf of the Issuer.

12.15 The Certificates will not have a Principal Amount Outstanding. However, for the purposes of the voting and quorum provisions, and the provisions concerning the giving of directions in writing to the Note Trustee or the Security Trustee, set out in the Conditions, the Certificate Conditions, the Deed of Charge and the Trust Deed any reference to the Principal Amount Outstanding of the Class S Certificates and the Class Y Certificates shall be deemed to be £1,000,000 in respect of each Class of Certificate.

12.16 Issuer substitution condition

The Note Trustee may agree, subject to such amendment of these Certificate Conditions and of any of the Transaction Documents, and to such other conditions as the Note Trustee may require and subject to the terms of the Trust Deed, but without the consent of the Certificateholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Certificates and in respect of the other secured obligations, provided that (a) the conditions set out in the Trust Deed are satisfied including, inter alia, that 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 Condition 5 (*Covenants*) and (b) a legal opinion or memorandum in respect of whether the substituted issuer is required to be a sponsored structured finance vehicle for the purposes of the Ring-Fencing Rules has been delivered in a form and substance satisfactory to the Note Trustee and which is capable of being relied on by the Note Trustee. In the case of a substitution pursuant to this Certificate Condition 12.16, the Note Trustee may in its absolute discretion agree, without the consent of the Certificateholders, to a change in law governing 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 of any Class and the Certificateholders of each Class.

12.17 Limited recourse

If at any time following:

- (a) the occurrence of either:
 - (i) the Final Redemption Date or any earlier date upon which all of the Notes of each Class are due and payable; or
 - (ii) the delivery by the Note Trustee of an Enforcement Notice; and
- (b) Realisation of the Charged Property and application in full of any amounts available to pay amounts due and payable under the Certificates in accordance with the applicable Priority of Payments,

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable Priority of Payments, to pay in full all amounts then due and payable in respect of any Class of Certificates then the amount remaining to be paid (after such application in full of the amounts first referred to in paragraph (b) above) in respect of such Class of Certificates (and any Class of Certificates junior to that Class of Certificates) will, on the day following such application in full of the amounts referred to in paragraph (b) above, cease to be due and payable by the Issuer. "**Realisation**" means in relation to any Charged Property, the deriving to the fullest extent practicable,

of proceeds from or in respect of such Charged Property including (without limitation) through sale or through performance by an obligor.

None of the Certificateholders, the Note Trustee, the Security Trustee or any other Secured Creditor (nor any other person acting on behalf of any of them) will be entitled at any time to institute against the Issuer or its directors, officers, successors or assigns, or join in any institution against the Issuer of, any bankruptcy, examinership, reorganisation, arrangement, insolvency, winding-up or liquidation proceedings or for the appointment of a liquidator, administrator, receiver or any other insolvency official in relation to the Issuer or in relation to the whole or any substantial part of the undertakings of the Issuer.

13. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

The Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee and providing for their indemnification in certain circumstances, including, among others, provisions relieving the Security Trustee from taking enforcement proceedings or enforcing the Security unless indemnified and/or secured and/or pre-funded to its satisfaction. The Note Trustee and the Security Trustee are also entitled to be paid their costs and expenses in priority to any interest payments to Noteholders.

The Note Trustee and the Security Trustee and their related companies are entitled to enter into business transactions with the Issuer, the Cash Manager, the Seller and/or the related companies of any of them and to act as Note Trustee or Security Trustee for the holders of any new Notes and/or any other person who is a party to any Transaction Document or whose obligations are comprised in the Security and/or any of its subsidiary or associated companies without accounting for any profit resulting therefrom.

Neither the Note Trustee nor the Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Note Trustee or the Security Trustee, as applicable.

Furthermore, the Note Trustee and the Security Trustee will be relieved of liability for making searches or other enquiries in relation to the assets comprising the Security. Neither the Note Trustee nor the Security Trustee has any responsibility in relation to the legality and the enforceability of the trust arrangements and the related Security. Neither the Note Trustee nor the Security Trustee will be obliged to take any action which might result in its incurring personal liabilities. Neither the Note Trustee nor the Security Trustee is obliged to monitor or investigate the performance of any other person under the Transaction Documents and is entitled to assume, until it has actual knowledge to the contrary, that all such persons are properly performing their duties, unless it receives express notice to the contrary.

Neither the Note Trustee nor the Security Trustee will be responsible for any deficiency that may arise because it is liable to tax in respect of the proceeds of any Security.

14. REPLACEMENT OF CERTIFICATES

If Individual Certificates are lost, stolen, mutilated, defaced or destroyed, the Certificateholder can replace them at the specified office of the Principal Paying Agent subject to all applicable laws. The Certificateholder will be required both to pay the expenses of producing a replacement and to comply with the Issuer's, the Registrar's and the Principal Paying Agent's reasonable requests for evidence and indemnity.

If a Global Certificate is lost, stolen, mutilated, defaced or destroyed, the Issuer will procure the delivery of a replacement Global Certificate to the registered holder upon receipt of satisfactory evidence and surrender of any defaced or mutilated Global Certificate. A replacement will only be made upon payment

of the expenses for a replacement and compliance with the Issuer's, Registrar's and Principal Paying Agent's reasonable requests as to evidence and indemnity.

Defaced or mutilated Global Certificates or Individual Certificates must be surrendered before replacements will be issued.

15. NOTICE TO CERTIFICATEHOLDERS

15.1 Publication of notice

Any notice to Certificateholders will be validly given if such notice is:

- (a) sent to them by first class mail (or its equivalent) or (if posted to a non-UK address) by airmail at the respective addresses on the Register; or
- (b) published in the *Financial Times*,

or, if any such newspaper set out above will cease to be published or timely publication therein will not be practicable, in a leading English language daily newspaper having general circulation in the United Kingdom **provided that** if, at any time, the Issuer procures that the information concerned in such notice will be published on the relevant screen, publication in the newspapers set out above or such other newspaper or newspapers will not be required with respect to such information.

15.2 Date of publication

Any notices so published will be deemed to have been given on the fourth day after the date of posting, or as the case may be, on the date of such publication or, if published more than once on different dates, on the first date on which publication will have been made in the newspaper or newspapers in which (or on the relevant screen on which) publication is required.

15.3 Global Certificates

While the Certificates are represented by Global Certificates, any notice to Certificateholders will be validly given if such notice is provided in accordance with Certificate Condition 15.1 (*Publication of notice*) or (at the option of the Issuer) if delivered to Euroclear and/or Clearstream, Luxembourg. Any notice delivered to Euroclear and/or Clearstream, Luxembourg and/or such alternative Clearing System will be deemed to be given on the day of delivery.

15.4 Note Trustee's discretion to select alternative method

The Note Trustee will be at liberty to sanction some other method of giving notice to the Certificateholders or any class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the quotation systems on or by which the Certificates are then quoted and/or traded and **provided that** notice of such other method is given to the Certificateholders in such manner as the Note Trustee will require.

16. GOVERNING LAW AND JURISDICTION

The Transaction Documents and all non-contractual obligations arising out of or in connection with them are and the Certificates are governed by English law unless specifically stated to the contrary. The Scottish Declaration of Trust, the Scottish Supplemental Charge and certain provisions in the Transaction Documents relating to property situated in Scotland and all non-contractual obligations arising out of or in connection with them are governed by Scots law. Unless specifically stated to the contrary:

- (a) the courts of England are to have non-exclusive jurisdiction to settle any disputes (including any disputes relating to non-contractual obligations arising out of or in connection with these Certificate Conditions) which may arise out of or in connection with the Certificates and the Transaction Documents; and
- (b) the Issuer and the other parties to the Transaction Documents irrevocably submit to the non-exclusive jurisdiction of the courts of England.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person will have any right to enforce any term or Certificate Condition of the Certificates under the Contracts (Rights of Third Parties) Act 1999, but this will not affect any right or remedy of a third party which exists or is available apart from that Act.

FURTHER INFORMATION RELATING TO THE REGULATION OF MORTGAGES IN THE UK

Regulation of the UK Residential Mortgage Market

In the United Kingdom, regulation of residential mortgage business under the FSMA came into force on 31 October 2004 (the "**Regulation Effective Date**"). Subject to certain exemptions, entering into a regulated mortgage contract as a lender, arranging or advising in respect of a regulated mortgage contract or administering a regulated mortgage contract (or agreeing to do any of those activities) are (subject to applicable exemptions) regulated activities under the FSMA and the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (as amended) (the "**RAO**") requiring authorisation and permission from the FCA.

The original definition of a 'regulated mortgage contract' was such that if a mortgage contract was entered into or varied, such that a new contract was entered into on or after the Regulation Effective Date but before 21 March 2016, it will be a regulated mortgage contract under the RAO if (a) the lender provided credit to an individual or to trustees, (b) the obligation of the borrower to repay to be secured by a first legal mortgage on land (or in Scotland, a first ranking Standard Security on land) (other than timeshare accommodation) in the UK, and (c) at least 40 per cent. of that land was used, or was intended to be used, as or in connection with a dwelling by the borrower or (in the case of credit provided to trustees) by an individual who is a beneficiary of the trust or by a related person. A related person (in relation to a borrower, or in the case of credit provided to trustees, a beneficiary of the trust) is: (1) that person's spouse or civil partner; (2) a person (whether or not of the opposite sex) whose relationship with that person has the characteristics of the relationship between husband and wife; or (3) that person's parent, brother, sister, child, grandparent or grandchild.

The current definition of a "**Regulated Mortgage Contract**" is such that if a mortgage contract was entered into on or after 21 March 2016, the contract will be a Regulated Mortgage Contract if, at the time it is entered into, the following conditions are met: (a) the borrower is an individual or trustee; (b) the contract provides for the obligation of the borrower to repay to be secured by a mortgage on land; and (c) at least 40 per cent. of that land is used, or is intended to be used: (i) in the case of credit provided to an individual as or in connection with a dwelling; or (ii) in the case of credit provided to a trustee which is not an individual as or in connection with a dwelling by an individual who is a beneficiary of the trust, or by a related person. In relation to a contract entered into before 11pm on 31 December 2020, 'land' means land in the United Kingdom or within the territory of an EEA State and in relation to a contract entered into on or after 11pm on 31 December 2020, 'land' means land in the United Kingdom.

On and from the Regulation Effective Date, subject to any exemption, persons carrying on any specified regulated mortgage-related activities by way of business must be authorised under the FSMA. The specified activities currently are: (a) entering into a Regulated Mortgage Contract as lender; (b) administering a Regulated Mortgage Contract ("administering" in this context broadly means notifying borrowers of changes in mortgage payments and/or taking any necessary steps for the purposes of collecting payments due under the mortgage loan); (c) advising in respect of Regulated Mortgage Contracts; and (d) arranging Regulated Mortgage Contracts. Agreeing to carry on any of these activities is also a regulated activity. If requirements as to the authorisation of lenders and brokers are not complied with, a Regulated Mortgage Contract will be unenforceable against the borrower except with the approval of a court and the unauthorised person may commit a criminal offence. An unauthorised person who carries on the regulated mortgage activity of administering a Regulated Mortgage Contract that has been validly entered into may commit an offence, although this will not render the contract unenforceable against the borrower. The regime under the FSMA regulating financial promotions covers the content and manner of the promotion of agreements relating to qualifying credit and by whom such promotions can be issued or approved. In this respect, the FSMA regime not only covers financial promotions of Regulated Mortgage Contracts but also promotions of certain other types of secured credit agreements under which the lender is a person (such as the Seller) who carries on the regulated activity of entering into a Regulated Mortgage Contract. Failure to comply with the financial promotion regime (with regard to 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.

The Seller, the Legal Title Holder and Servicer hold authorisation and permission to enter into a Regulated Mortgage Contract as lender and to administer Regulated Mortgage Contracts and (where applicable) to advise in respect of Regulated Mortgage Contracts. Subject to certain exemptions, brokers will be required to hold authorisation and permission to arrange and, where applicable, to advise in respect of Regulated Mortgage Contracts. The Issuer is not and does not propose to be an authorised person under the FSMA. Under Article 62 of the RAO, the Issuer does not require authorisation in order to acquire legal or beneficial title to a Regulated Mortgage Contract. The Issuer does not carry on the regulated activity of administering Regulated Mortgage Contracts by having them administered pursuant to an administration agreement by an entity having the required FCA authorisation and permission. If such an administration agreement terminates, however, the Issuer will be required to arrange for mortgage administration to be carried out by a replacement administrator having the required FCA authorisation and permission, and will have a period of not more than one month (beginning with the day on which such agreement terminates) in which to do so.

The Issuer will not itself be an authorised person under FSMA. However, in the event that a mortgage is varied, such that a new contract is entered into and that contract constitutes a Regulated Mortgage Contract, then the arrangement of, advice on, administration of and entering into of such variation would need to be carried out by an appropriately authorised entity. In addition, no variation has been or will be made to the Mortgage Loans and no Further Advance or Product Switch has been or will be made in relation to a Mortgage Loan, where it would result in the Issuer arranging or advising in respect of administering or entering into a Regulated Mortgage Contract or agreeing to carry on any of these activities, if the Issuer would be required to be authorised under the FSMA to do so.

The FCA's Mortgages and Home Finance: Conduct of Business sourcebook ("**MCOB**"), which sets out the FCA's rules for regulated mortgage activities, came into force on 31 October 2004. These rules cover, among other things, certain pre-origination matters such as financial promotion and pre-application illustrations, pre-contract and start-of-contract and post-contract disclosure, contract changes, charges, and arrears and repossessions.

A borrower who is a private person may be entitled to claim damages for loss suffered as a result of any contravention by an authorised person of an FCA rule, and may set off the amount of the claim against the amount owing by the borrower under the loan or any other loan that the borrower has taken (or exercise analogous rights in Scotland).

Any regulated activities carried on by an entity that is not authorised under the FSMA would be in breach of the general prohibition on conducting unauthorised regulated activities in Section 19 FSMA and would be a criminal offence. In addition to criminal offences, the FCA may take civil action against a firm which breaches Section 19 FSMA with, potentially, the imposition of unlimited fines. Therefore, to the extent that the Issuer or the Servicer does not ensure that it acts with the necessary authorisation under the FSMA, there is a risk that such action will result in criminal or civil sanctions against the Issuer or the Servicer. However, this will not render the contract unenforceable against the borrower.

The Seller will give the Mortgage Loan Warranties to the Issuer in the Mortgage Sale Agreement. These include, among other things, that each relevant Mortgage Loan and its Related Security is enforceable (subject to certain exceptions). The Mortgage Sale Agreement and Servicing Agreement provide that in respect of a breach of a Mortgage Loan Warranty (which, if capable of remedy, is not remedied within the specified time) that has a material adverse effect, the Issuer and, following the delivery of an Enforcement Notice, the Security Trustee may require the Seller to repurchase the relevant Mortgage Loan in exchange for payment of a repurchase price following re-assignment by the Issuer to the Seller of the relevant Mortgage Loan and its Related Security.

FCA Consumer Duty

The FCA has published final rules on the introduction of the Consumer Duty on regulated firms, which aims to set a higher level of consumer protection in retail financial markets. The FCA published its final rules on the Consumer Duty in July 2022, which provide that the Consumer Duty applied from 31 July 2023 for products and services that remain open to sale or renewal and will apply from 31 July 2024 for closed products and services.

The Consumer Duty applies to the regulated activities and ancillary activities of all firms authorised under the FSMA, where such firms carry on certain specified activities with consumers.

There are three main elements to the Consumer Duty, comprising, (1) the new consumer principle that requires firms to act to deliver good outcomes for retail consumers, (2) the cross-cutting rules supporting the consumer principle, and (3) the four outcomes relating to the (i) quality of firms' products and services, (ii) price and value, (iii) consumer understanding and (iv) consumer support.

The Consumer Duty applies at the origination of a product and throughout its subsistence. In the case of a mortgage loan, the Consumer Duty will apply at origination and throughout the period the mortgage loan is outstanding. The cross-cutting rules include an obligation for firms to act in good faith and requires firms to avoid causing foreseeable harm to the consumers as well as a requirement for firms to enable and support retail customers in the customer's pursuit of their financial objectives. The outcomes include an obligation to ensure that the product (for example, a mortgage loan) provides fair value and price to the retail customer. These obligations (and the remainder of the Consumer Duty) must be assessed on a regular basis throughout the life of the product.

The Consumer Duty applies in respect of Regulated Mortgage Contracts (as well as loans falling within the consumer credit regime). It applies to product manufacturers and distributors, which include purchasers of in-scope mortgage loans, as well as to firms administering or servicing those mortgage loans. Although the Consumer Duty does not apply retrospectively to past business, the FCA will require firms to apply the Consumer Duty to existing products on a forward-looking basis. If (for example) the obligations relating to fair value or not causing harm are not met in relation to the Mortgage Portfolio, it could adversely affect the amounts received or recoverable in relation to the Mortgage Portfolio. This may adversely affect the ability of the Issuer to make payments in full on the Notes when due. It is not yet fully possible to predict the precise effect of the new Consumer Duty on the Mortgage Loans with any certainty, however the FCA has its usual enforcement powers, such as issuing fines and securing redress for consumers, in relation to breaches of the Consumer Duty.

Distance Marketing Regulations

The Financial Services (Distance Marketing) Regulations 2004 (the "**Distance Marketing Regulations**") apply to contracts for financial services entered into on or after 31 October 2004 by a "consumer" within the meaning of the Distance Marketing Regulations and by means of distance communication (i.e. without any substantive simultaneous physical presence of the lender and the borrower).

The Distance Marketing Regulations require suppliers of financial services by way of distance communication to provide certain information to consumers. This information generally has to be provided before the consumer is bound by the contract and includes, but is not limited to, general information in respect of the supplier and the financial service, the contractual terms and conditions, and whether or not there is a right of cancellation.

A Regulated Mortgage Contract under the FSMA, if originated by a UK lender (who is authorised by the FCA) from an establishment in the UK, will not be cancellable under the Distance Marketing Regulations but will be subject to related pre-contract disclosure requirements in MCOB. Failure to comply with MCOB pre-contract disclosure rules could result in, among other things, disciplinary action by the FCA and claims for damages under Section 138D of FSMA for breach of the applicable rules.

Certain other agreements for financial services (including consumer buy-to-let mortgage loans) will be cancellable under the Distance Marketing Regulations if the borrower does not receive prescribed information at the prescribed time. Where the credit agreement is cancellable under the Distance Marketing Regulations, the borrower may send notice of cancellation at any time before the expiry of the 14 days beginning with: (a) the day after the day on which the contract is made (where all of the prescribed information has been provided prior to the contract being entered into); or (b) the day after the day on which the last of the prescribed information is provided (where all of the prescribed information was not provided prior to the contract being entered into).

Compliance with the Distance Marketing Regulations may be secured by way of injunction (interdict in Scotland), obtained by an enforcement authority, granted on such terms as the court thinks fit to ensure such compliance, and certain breaches of the Distance Marketing Regulations may render the originator or intermediaries (and their respective relevant officers) liable to a fine.

If the borrower cancels the contract under these Distance Marketing Regulations, then:

- (a) the borrower is liable to repay the principal and any other sums paid by or on behalf of the lender to the borrower under or in relation to the cancelled contract, within 30 calendar days beginning with the day of the borrower sending notice of cancellation or, if later, the lender receiving notice of cancellation;
- (b) the borrower is liable to pay interest, or any early repayment charges and other applicable charges for services actually provided in accordance with the contract only if: (i) the amount is in proportion to the extent of the service provided (in comparison to the full coverage of the contract) and the amount is not such that it could be construed as a penalty; (ii) the borrower received certain prescribed information at the prescribed time about the amounts payable; and (iii) the lender did not commence performance of the contract before the expiry of the relevant cancellation period (unless requested to do so by the borrower); and
- (c) any security provided in relation to the contract is to be treated as never having had effect.

Consumer Rights Act 2015

The Consumer Rights Act 2015 (the "**CRA**") provides that a consumer (which would include a Borrower under all or almost all of the Mortgage Loans) may challenge a term in an agreement on the basis that it is "unfair" under the CRA, and, therefore, not binding on the consumer (although the rest of the agreement will remain enforceable if it is capable of continuing in existence without the unfair term) and provide that a regulator may take action to stop the use of terms that are considered to be unfair.

The CRA will not generally affect terms which define the main subject matter of the contract, such as the borrower's obligation to repay the principal under a loan (provided that these terms are written in plain and intelligible language and are drawn adequately to the consumer's attention), but may affect terms that are not considered to be terms which define the main subject matter of the contract, such as the lender's power to vary the interest rate and certain terms imposing early repayment charges and mortgage exit administration fees.

For example, if a term permitting the lender to vary the interest rate (as the Legal Title Holder is permitted to do) were found to be unfair, the borrower would not be liable to pay interest at the increased rate or, to the extent that the borrower has paid it, would be able, as against the lender, or any assignee (such as the Issuer), to claim repayment of the extra interest amounts paid or to set off the amount of the claim against the amount owing by the borrower under the loan or any other loan that the borrower has taken with the lender (or exercise analogous rights in Scotland).

The main provisions of 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 1994 and the Unfair Terms in Consumer Contracts Regulations 1995 (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: (a) take into account the nature of the subject matter of the contract; (b) refer to all the circumstances existing when the term was agreed; and (c) 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 nevertheless be regarded as unfair.

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

Regulatory developments

The broad and general wording of CRA makes any assessment of the fairness of terms largely subjective and makes it difficult to predict whether or not a term would be held by a court to be unfair. It is therefore possible that any Mortgage Loans which have been made to Borrowers covered by the CRA may contain unfair terms that may result in the possible unenforceability of the terms of the underlying loans.

The provisions in the CRA governing unfair contractual terms came into force on 1 October 2015. The Unfair Contract Terms and Consumer Notices Regulation Guide (UNFCOG in the FCA handbook) explains the FCA's policy on how it uses its powers under the CRA and the 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 Consumer Rights Act are regarded to be "effectively the same as those of the UTCCR" (save in applying the consumer notices and negotiated terms). The document further notes that "the extent of continuity in unfair terms legislation means that existing case law generally, and that of the Court of Justice of the European Union particularly, is for the most part as relevant to the Act as it was the UTCCRs". In general, the interpretation of the UTCCR and the CRA is open to some doubt, particularly in light of sometimes conflicting reported case law between the English courts and the CJEU. The broad and general wording of the CRA makes any assessment of the fairness of terms largely subjective and makes it difficult to predict whether or not a term would be held by a court to be unfair. It is therefore possible that any Mortgage Loans which have been made to Borrowers covered by the CRA may contain unfair terms that may result in the possible unenforceability of the terms of the underlying loans.

On 19 December 2018, the FCA published finalised guidance: "Fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015" (FG 18/7), outlining factors the FCA consider firms should have regard to when drafting and reviewing variation terms in consumer contracts. This follows developments in case law, including at the Court of Justice of the EU (the "CJEU"). The finalised guidance relates to all financial services consumer contracts entered into since 1 July 1995. The FCA stated that firms should consider both this guidance and other rules that apply when they draft and use variation terms in their consumer contracts. The FCA stated that the finalised guidance will apply to FCA authorised persons and their appointed representative in relation to any consumer contracts which contain variation terms.

See "*Risk Factors – Legal and Regulatory Risks relating to the Mortgage Loans – Mortgage Loans are subject to certain legal and regulatory risks – CRA*" for details on the effect that any change in guidance issued by the regulators or changes in legislation may have on the Issuer and other transaction parties.

Consumer Protection from Unfair Trading Regulations 2008

The Consumer Protection from Unfair Trading Regulations 2008 (the "**CPUTR**"), came into force on 26 May 2008. The CPUTR prohibit certain practices which are deemed "unfair" within the terms of the CPUTR. Breach of the CPUTR does not (of itself) render an agreement void or unenforceable, but is a criminal offence punishable by a fine and/or imprisonment. The possible liabilities for misrepresentation or breach of contract in relation to the underlying credit agreements may result in irrecoverable losses on amounts to which such agreements apply. Most of the provisions of the Consumer Protection (Amendment) Regulations 2014 came into force on 1 October 2014 and amended the CPUTR. In certain circumstances, these amendments to the CPUTR give consumers a right to redress for misleading or aggressive commercial practices (as defined in the CPUTR), including a right to unwind agreements.

Repossessions

A protocol for mortgage repossession cases in England and Wales came into force on 19 November 2008 (the "**Pre-Action Protocol**") which sets out the steps that judges will expect any lender to take before starting a claim. A number of mortgage lenders have confirmed that they will delay the initiation of repossession action for at least three months after a borrower, who is an owner-occupier, is in arrears. The application of such a moratorium may be subject to the wishes of the relevant borrower and may not apply in cases of fraud. The Pre-Action Protocol is addressed to residential mortgage lenders and may have adverse effects in markets experiencing above-average levels of possession claims.

In addition, MCOB rules for Regulated Mortgage Contracts prevent the lender from: (a) repossessing the property unless all other reasonable attempts to resolve the position have failed, or a change in the product type; and (b) automatically capitalising a payment shortfall.

Home Owner and Debtor Protection (Scotland) Act 2010

The Home Owner and Debtor Protection (Scotland) Act 2010 (the "**2010 Act**") came into effect in Scotland on 30 September 2010. Part 1 of the 2010 Act contains provisions imposing additional requirements on heritable creditors (the Scottish equivalent to mortgagees) in relation to the enforcement of standard securities over residential property in Scotland. The 2010 Act amends the sections of the Conveyancing and Feudal Reform (Scotland) Act 1970 which permitted a heritable creditor to proceed to sell the secured property where the formal notice calling up the Standard Security had expired without challenge (or where a challenge had been made but not upheld). In terms of the 2010 Act, the heritable creditor is now required to obtain a court order to exercise its power of sale, unless the borrower and any other occupier have surrendered the property voluntarily. In addition, the 2010 Act requires the heritable creditor in applying for a court order to demonstrate that it has taken various preliminary steps to resolve the borrower's position, as well as imposing further procedural requirements.

See "*Repossessions*" above for additional factors for investor consideration in relation to the Tailored Support Guidance.

Breathing Space Regulations

The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 (SI 2020/1311) ("**Breathing Space Regulations**") (which came into force on 4 May 2021) gives eligible individuals in England and Wales with problem debt the right to legal protection from their creditors, including almost all enforcement action, during a period of "breathing space". A standard breathing space gives an individual in England and Wales with problem debt legal protection from creditor action for up to 60 days to receive debt advice; and a mental health crisis breathing space gives an individual in England and

Wales protection from creditor action for the duration of their mental health crisis treatment (which is not limited in duration) plus an additional 30 days following the end of such treatment.

However, the Breathing Space Regulations do not apply to payments on principal and interest, except for arrears which are uncapitalised at the date of the application under the Breathing Space Regulations and interest, fees or any other charges on those arrears. Interest can still be charged on the principal secured debt during the breathing space period, but not on the arrears. Any mortgage arrears incurred during any breathing space period are not protected from creditor action. The Borrower must continue to make mortgage payments in respect of any mortgage secured against their primary residence (save in respect of arrears accrued prior to the moratorium) during the breathing space period; otherwise the relevant debt adviser may cancel the breathing space period.

In February 2021, the FCA issued a policy statement (PS21/1) on the application of the Breathing Space Regulations, in which they confirmed that no changes are currently being made to the rules under MCOB, in relation to how mortgage lenders should treat a "breathing space" as an indicator of payment difficulties. The FCA's view is that this is something that firms should take into account, but should not be treated more specifically than other potential indicators of payment difficulties.

In Scotland, eligible individuals are currently afforded similar legal protection under the Bankruptcy (Scotland) Act 2016, although the moratorium period of 6 months is longer than in England and Wales and does not make any accommodation for mental health crisis. The Scottish Government has however introduced The Bankruptcy and Diligence (Scotland) Bill which, if enacted, will permit regulations to be made for the introduction of a similar form of moratorium in Scotland as currently exists under the Breathing Space Regulations. It is anticipated that the Bill will come into force by summer 2024, although regulations on the proposed moratorium will likely follow later.

FCA response to the cost of living crisis

On 16 June 2022, the FCA sent a "Dear CEO" letter which stated that the FCA consider that the Mortgages Tailored Support Guidance published on 25 March 2021 (the **Mortgages Tailored Support Guidance**) which was issued to address exceptional circumstances arising out of coronavirus, is also relevant for borrowers in financial difficulties due to other circumstances such as the rising cost of living. Therefore, if a borrower indicates that they are experiencing or reasonably expect to experience payment difficulties due to the rising cost of living, the FCA have said that lenders should offer prospective forbearance to enable them to avoid, reduce, or manage any payment shortfall that would otherwise arise. This includes borrowers who have not yet missed a payment.

The Mortgages Tailored Support Guidance emphasises the MCOB requirement that a lender must not repossess a property unless all other reasonable attempts to resolve the position have failed. It further states that mortgage lenders must also establish and implement clear, effective and appropriate policies and procedures for the fair and appropriate treatment of borrowers whom the lender understands, or reasonably suspects, to be particularly vulnerable. The Mortgages Tailored Support Guidance also confirms the FCA's expectation that action to seek possession should be a last resort.

In addition, the FCA proposed that lenders considering or resuming possession proceedings, should support and enable borrowers to disclose circumstances that might make them particularly vulnerable to repossession action at this time - and to consider whether additional care may be required as a result.

On 13 March 2023, the FCA published finalised guidance: "*Guidance for firms supporting their existing mortgage borrowers impacted by the rising cost of living*" (FG23/2). The FCA stated that the purpose of the finalised guidance was to ensure that lenders are clear about the effect of the FCA rules and the range of options lenders have to support their customers including those who are facing higher interest rates alongside the rising cost of living. The FCA have said that the guidance clarifies the effect of their existing rules and principles and is not intended to set new expectations or requirements of lenders or to repeat the position set out in other documents such as the expectations around repossessions or the treatment of vulnerable customers. It explains how lenders

can support borrowers in, or at risk of, payment difficulty and confirms the flexibility lenders have under FCA rules and guidance to support borrowers in different ways.

In March 2021, the FCA stated that as the more immediate impacts of coronavirus begin to subside, they were considering whether they will need to make any permanent changes to their forbearance regimes for mortgages and credit in light of the Mortgages Tailored Support Guidance. This could include updating the rules and guidance in MCOB and incorporating elements of the Mortgages Tailored Support Guidance. On 25 May 2023, the FCA launched consultation CP23/13 setting out how they plan to incorporate aspects of the Mortgages Tailored Support Guidance into MCOB and withdraw the Mortgages Tailored Support Guidance. The FCA are also proposing targeted additional changes to support consumers in financial difficulty. The FCA expect their new rules to come into force in the first half of 2024 and propose to withdraw the Mortgages Tailored Support Guidance at the same time.

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

Mortgage Charter

On 26 June 2023, the HM Treasury published the 'Mortgage Charter' in light of the current pressures on households following interest rate rises and the cost-of-living crisis. The Mortgage Charter states that the UK's largest mortgage lenders and the FCA have agreed with the Chancellor a set of standards that they will adopt when helping their regulated mortgage borrowers worried about high interest rates (the "**Mortgage Charter**"). Kensington Mortgage Company Limited are signatories to the Mortgage Charter and have agreed that, among other things, a borrower will not be forced to leave their home without their consent unless in exceptional circumstances, in less than a year from their first missed payment. In addition, lenders will permit borrowers who are up to date with their payments to: (i) switch to interest-only payments for six months (the "**MC Interest-only Agreement**"); or (ii) extend their mortgage term to reduce their monthly payments and give borrowers the option to revert to their original term within six months by contacting their lender (the "**MC Extension Agreement**"). These options can be taken by borrowers who are up to date with their payments without a new affordability check or affecting their credit score. The Mortgage Charter commitments do not apply to buy-to-let mortgages.

With effect on and from 30 June 2023, the FCA has amended the Mortgages and Home Finance: Conduct of Business Sourcebook (MCOB) to allow (rather than require) lenders to give effect to the MC Interest-only Agreement and the MC Extension Agreement. The amendments made by the FCA do not apply to second ranking mortgages or bridging loans. The FCA announced that it intends to review the impact of the rule changes within 12 months.

The charter is currently voluntary and adhering to it will be a decision for lenders to make individually.

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

Financial Ombudsman Service

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

Complaints brought before the Ombudsman for consideration must be decided on a case-by-case basis, with reference to the particular facts of any individual case. Each case would first be adjudicated by an adjudicator. Either party to the case may appeal against the adjudication. In the event of an appeal, the case proceeds to a final

decision by the Ombudsman. The Ombudsman is required to make decisions on the basis of, among other things, the principles of fairness, and may order a money award to a complaining borrower.

Scotland Act 2016

The UK Government has 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. Since 6 April 2018, the rates and thresholds for income tax that apply to the non-savings and non-dividend income of Scottish taxpayers have, for the first time, differed from those applied throughout the rest of the UK. At that time, the basic rate of tax was split into three tiers (a starter rate, a basic rate and an intermediate rate). The higher and top rates of tax have also both increased, most recently in April 2023 to 42% and 47% respectively. The changes mean that certain taxpayers in Scotland pay a higher level of tax than borrowers in the same income bracket in England and Wales.

Land Registration Reform in Scotland

The majority of the provisions of 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 transfer to the Issuer of legal title to the Scottish Loans and their Related Security pursuant to the Mortgage Sale Agreement (a "**Scottish Sasine Sub Security**")), or (ii) the recording of an assignation of a standard security (which would extend to any assignation granted by the Seller in favour of the Issuer in respect of Scottish Mortgages in the Portfolio recorded in the General Register of Sasines, pursuant to the terms of the Mortgage Sale Agreement (a "**Scottish Sasine Transfer**")).

The relevant provisions of the 2012 Act relating to the recording of standard securities came into force on 1 April 2016. As of this date, the General Register of Sasines is now closed to the recording of standard securities. As a result of this, if a Scottish Sasine Sub Security is granted by the Issuer this may lead to higher legal costs and a longer period being required to complete registration than would previously have been the case. 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 Registers of Scotland have reserved the right to consult further on this issue in the future).

As noted above, such events will only occur following a trigger event to perfect legal title of the loans and, given that the proportion of residential properties in Scotland which remain recorded in the General Register of Sasines continues to decline, and the Registers of Scotland estimate that, in December 2020, around 69% of property titles in Scotland were registered in the Land Register of Scotland, it is likely that, in relation to the current portfolio, only a minority of the Scottish Mortgages will be recorded in the General Register of Sasines.

Flexible Mortgage Loans

As described under "*Risk Factors – Legal and Regulatory Risks relating to the Structure and the Notes – The Legal Title Holder will initially retain legal title to the Mortgage Loans*", the Seller will make an equitable assignment of the relevant Mortgage Loans and Related Security to the Issuer (or, in the case of Scottish Mortgage Loans and Related Security, will enter into the Scottish Declaration of Trust pursuant to which it will hold its beneficial interest in the Scottish Mortgage Loans on trust for the Issuer, with legal title being retained by the Legal Title Holder). Therefore, the rights of the Issuer may be subject to the direct rights of the Borrowers against the Legal Title Holder, including rights of set-off (or analogous rights under Scots law) existing prior to notification to the Borrowers of the assignment of the Mortgage Loans and Related Security.

Further, there may be circumstances in which:

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

UNITED KINGDOM TAX CONSEQUENCES

The following is a summary of the Issuer's understanding of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of HM Revenue and Customs ("HMRC"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, listed Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom. This description of United Kingdom tax consequences applies to the Notes only.

United Kingdom withholding tax

The Notes issued by the Issuer which carry a right to interest will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange (within the meaning of Section 1005 of the Income Tax Act 2007 for the purposes of Section 987 of the Act). While the Notes are and continue to be quoted Eurobonds, payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

Securities will be treated as "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom Official List (within the meaning of Part VI of the FSMA) or they are officially listed, in accordance with provisions corresponding to those generally applicable in EEA states, in a country outside the United Kingdom in which there is a recognised stock exchange.

The London Stock Exchange is a recognised stock exchange, and accordingly the Notes will constitute quoted Eurobonds provided they carry a right to interest and are and continue to be included in the United Kingdom Official List and admitted to trading on the regulated market of that Exchange.

In all other cases, interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

Other rules relating to United Kingdom withholding tax

Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in "*United Kingdom withholding tax*" above.

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax as outlined above.

Where interest has been paid under deduction 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", "discount", "premium" and "principal" above mean "interest", "discount", "premium" and "principal" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest", "discount" and "premium" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation. Noteholders should seek their own professional advice with regard to the withholding tax treatment of any payment on the Notes which does not constitute "interest", "discount" and "premium" or "principal" as those terms are understood in United Kingdom tax law.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an Issuer and does not consider the tax consequences of any such substitution.

Foreign Account Tax Compliance

Pursuant to certain provisions of the Code, commonly known as "**FATCA**", a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the U.S. to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or a relevant IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, under U.S. Treasury regulations and Internal Revenue Service guidance, FATCA withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" in the Federal Register and Notes that are issued on or prior to the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register generally would be "grandfathered" for the purposes of FATCA withholding unless materially modified after such date (including by reason of substitution of the Issuer). Potential investors should consult their own tax advisers regarding how these rules may apply to any investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts to a holder of Notes as a result of such withholding.

CERTAIN ERISA AND RELATED CONSIDERATIONS

The Notes are not designed for, and may not be purchased or held by or on behalf of, any "employee benefit plan" as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), that is subject to Title I of ERISA, any "plan" as defined in Section 4975(e)(1) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), that is subject to Section 4975 of the Code, or any person or entity the underlying assets of which include, or are deemed under the U.S. Department of Labor regulation at 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA, or otherwise for the purposes of ERISA or Section 4975 of the Code to include, assets of such an employee benefit plan or plan by reason of such employee benefit plan's or plan's investment in the person or entity (each of the foregoing, a "**Benefit Plan Investor**"). Each purchaser of a Note (or any interest therein) will be deemed to have represented, warranted and agreed that it is not, and is not acting on behalf of (and for so long as it holds a Note or any interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or 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 the provisions of Section 406 of ERISA or Section 4975 of the Code ("**Similar Law**"), or, if it is a governmental, church or non-U.S. plan that is subject to any Similar Law, the acquisition, holding and disposition of such Note (or any interest therein) will not constitute or result in a violation of any such Similar Law.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Lead Manager has, in the Subscription Agreement, agreed with the Issuer (subject to certain conditions) to subscribe and pay for:

- (a) £476,487,000 of the Class A Notes at the issue price of 100 per cent. of the aggregate principal amount of the Class A Notes;
- (b) £38,338,000 of the Class B Notes at the issue price of 99.71 per cent. of the aggregate principal amount of the Class B Notes;
- (c) £10,954,000 of the Class C Notes at the issue price of 98.70 per cent. of the aggregate principal amount of the Class C Notes;
- (d) £10,954,000 of the Class D Notes at the issue price of 97.16 per cent. of the aggregate principal amount of the Class D Notes;
- (e) £5,477,000 of the Class E Notes at the issue price of 97.66 per cent. of the aggregate principal amount of the Class E Notes;
- (f) £2,738,000 of the Class F Notes at the issue price of 96.02 per cent. of the aggregate principal amount of the Class F Notes;
- (g) £2,738,000 of the Class G Notes at the issue price of 95.07 per cent. of the aggregate principal amount of the Class G Notes; and
- (h) £5,477,000 of the Class Z Notes at the issue price of 95.07 per cent. of the aggregate principal amount of the Class Z Notes,

being the Notes other than those Notes forming part of the Retained Interest, as at the Closing Date.

The Lead Manager is entitled to be released and discharged from its obligations in relation to any agreement to issue and purchase Notes under the Subscription Agreement in certain circumstances prior to payment to the Issuer.

The Lead Manager may purchase Notes from the Issuer, as principal, from time to time for resale to investors and other purchasers at a fixed offering price or in individually negotiated transactions at negotiated prices which may vary among different purchasers and may be greater than the initial issue price of the relevant Notes.

The Issuer may withdraw, cancel or modify the offering contemplated hereby without notice and may reject offers to purchase Notes in whole or in part.

Under the Subscription Agreement, the Issuer has agreed to indemnify the Lead Manager against certain liabilities (including liabilities under the Securities Act) or to contribute to payments the Lead Manager may be required to make in respect thereof in connection with the establishment of the Transaction and the issue of Notes under the Transaction. The Issuer has also agreed to reimburse the Lead Manager for certain other expenses in connection with the establishment of the Transaction and the issue of Notes under the Transaction.

The Lead Manager may, from time to time, purchase and sell Notes in the secondary market, but it is not obligated to do so, and there can be no assurance that there will be a secondary market for the Notes or liquidity in the secondary market if one develops. From time to time, the Lead Manager may make a market in the Notes.

The Lead Manager and its respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer and the Lead Manager has not provided any legal, accounting,

regulatory or tax advice with respect to the offering contemplated hereby and the Issuer has consulted its own legal, accounting, regulatory and tax advisers to the extent it deemed appropriate. The Lead Manager and its respective affiliates have, directly or indirectly, performed investment and commercial banking or financial advisory services for the Issuer for which they have received customary fees and commissions, and they expect to provide these services to the Issuer and its affiliates in the future, for which they also expect to receive customary fees and commissions.

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.

By its purchase of the Notes, as applicable, each purchaser of the Notes (each initial purchaser, together with each subsequent transferee are referred to herein as the "**Purchaser**", which term for the purposes of this section will be deemed to include any interests in the Notes, including book-entry interests) will be deemed to have represented and agreed that if the Purchaser purchased the Notes during the initial syndication of the Notes, the investor (i) either (A) is not a Risk Retention U.S. person or (B) it has obtained a U.S. Risk Retention Consent, (ii) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Notes and (iii) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. person, rather than a Risk Retention U.S. person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules).

Transfer restrictions

As a result of the following restrictions, purchasers of Notes are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Notes or person wishing to transfer an interest from one Global Note to another or from global to definitive form or vice versa, will be deemed to or will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

- (a) it is outside the U.S. and is not a U.S. person and it is not purchasing (or holding) the Notes for the account or benefit of a U.S. person;
- (b) that the Notes are being offered and sold in a transaction not involving a public offering in the U.S. within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any applicable U.S. state securities laws and may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. persons except as set forth in this section;
- (c) it agrees that the Issuer has no obligation to register the Notes under the Securities Act;
- (d) that, unless it holds an interest in a Note, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is one year after the later of the last Closing Date for the Notes and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (A) to the Issuer or any affiliate thereof, (B) outside the U.S. in compliance with Rule 903 or Rule 904 under the Securities Act or (C) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;
- (e) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the transfer and resale restrictions referred to in paragraph (d) above, if then applicable;
- (f) that Notes will be represented by one or more Global Notes;

- (g) that if it should resell or otherwise transfer the Notes prior to the expiration of the Distribution Compliance Period, it will do so only (A) outside the U.S. in compliance with Rule 903 or 904 of Regulation S under the Securities Act and (B) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Notes represented by a Global Note and Registered Definitive Note will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"NEITHER THIS NOTE NOR BENEFICIAL INTERESTS HEREIN HAVE BEEN OR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THE ISSUER HAS NOT BEEN REGISTERED AND DOES NOT INTEND TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

BY PURCHASING OR OTHERWISE ACQUIRING ANY BENEFICIAL INTEREST IN THIS GLOBAL NOTE, EACH OWNER OF SUCH BENEFICIAL INTEREST WILL BE DEEMED TO HAVE AGREED FOR THE BENEFIT OF THE ISSUER THAT IF IT SHOULD DECIDE TO DISPOSE OF ITS BENEFICIAL INTERESTS REPRESENTED BY THIS GLOBAL NOTE, SUCH INTERESTS MAY BE OFFERED, RESOLD OR OTHERWISE TRANSFERRED ONLY PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE LAWS OF ANY STATE OF THE U.S. ACCORDINGLY, ANY TRANSFER OF THE NOTES PRIOR TO THE TERMINATION OF THE DISTRIBUTION COMPLIANCE PERIOD MAY ONLY BE MADE TO A NON-U.S. PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT.

BY ITS ACQUISITION AND HOLDING OF THIS REG S NOTE (OR ANY INTEREST HEREIN), EACH HOLDER OF THIS NOTE (OR ANY INTEREST HEREIN) WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT: (I) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), (A) AN "**EMPLOYEE BENEFIT PLAN**" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO TITLE I OF ERISA, (B) A "PLAN" AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), THAT IS SUBJECT TO SECTION 4975 OF THE CODE, (C) ANY PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE, OR ARE DEEMED UNDER THE U.S. DEPARTMENT OF LABOR REGULATION AT 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, OR OTHERWISE FOR THE PURPOSES OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE TO INCLUDE, THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN BY REASON OF SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE PERSON OR ENTITY (EACH OF THE FOREGOING, A "**BENEFIT PLAN INVESTOR**") OR (D) 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 THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"); OR (II) IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY SIMILAR LAW, THE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY SUCH SIMILAR LAW. ANY PURPORTED PURCHASE OR TRANSFER OF THIS NOTE OR ANY INTEREST HEREIN THAT DOES NOT COMPLY WITH THE FOREGOING WILL BE NULL AND VOID *AB INITIO*";

- (h) if the Seller intends to rely upon the exemption provided by Section 20 of the U.S. Credit Risk Retention Requirements regarding non-US transactions in respect of the related Notes, and if the purchaser purchased the Notes during the initial syndication of the Notes, it (A) either (1) is not a Risk Retention U.S. person or (2) has obtained a U.S. Risk Retention Consent, (B) is acquiring such Note or a beneficial

interest therein for its own account and not with a view to distribute such Notes and (C) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Credit Risk Retention Requirements (including acquiring such Note through a non-Risk Retention U.S. person, rather than a Risk Retention U.S. person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules); and

- (i) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it will promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Selling restrictions

U.S.

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the U.S. or other relevant jurisdictions and Notes may not be offered, sold, resold or delivered directly or indirectly within the U.S. or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from registration requirements of the Securities Act and any applicable state or local securities laws. Accordingly, the Notes are being offered outside the United States to persons other than U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In connection with any Note, the Lead Manager has represented and agreed that it will not offer, sell or deliver any such Notes within the U.S. or to, or for the account or benefit of, U.S. persons (i) as part of its distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Class of Notes of which such Notes are a part, as determined and certified by the Lead Manager, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue, and except in either case in accordance with under the Securities Act. The Lead Manager has further agreed that it will send to each dealer to which it sells any Note during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of such Regulation S Note within the U.S. or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the completion of the offering of a Class of Notes, an offer or sale of any Note within the U.S. by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of sales to UK retail investors

The Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus in relation thereto to any retail investor in the United Kingdom.

For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) as amended, varied, superseded or substituted from time to time ("**EUWA**"); or

- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or
- (c) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation,

and the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

The Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Prohibition of sales to EEA retail investors

The Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area.

For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II;
- (b) 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
- (c) not a qualified investor as defined in the EU Prospectus Regulation,

and the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

General

The Lead Manager has agreed that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Seller, the Legal Title Holder, the Note Trustee nor the Security Trustee will have any responsibility therefor. Furthermore, they will not directly or indirectly offer, sell or deliver any Notes or distribute or publish any form of application, Prospectus, advertisement or other offering material except under circumstances that will, to the best of their knowledge and belief, result in compliance with any applicable laws and regulations, and all offers, sales and deliveries of Notes by them will be made on the same terms.

None of the Issuer, the Seller, the Legal Title Holder, the Note Trustee, the Security Trustee or the Lead Manager represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

The Lead Manager will, unless prohibited by applicable law, furnish to each person to whom it offers or sells Notes a copy of the Prospectus as then amended or supplemented or, unless delivery of the Prospectus is required by applicable law, inform each such person that a copy will be made available upon request. The Lead Manager is not authorised to give any information or to make any representation not contained in the Prospectus in connection with the offer and sale of Notes to which the Prospectus relates.

This Prospectus may be used by the Lead Manager for offers and sales related to market-making transactions in the Notes. The Lead Manager may act as principal or agent in these transactions. These sales will be made at prices relating to prevailing market prices at the time of sale. The Lead Manager does not have any obligation to make a market in the Notes, and any market-making may be discontinued at any time without notice. The Lead Manager is participating in the initial distribution of the Notes.

GENERAL INFORMATION

Authorisation

The issue of the Notes has been authorised by resolution of the board of directors of the Issuer passed on 24 November 2023. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Clearing and settlement

The Notes are expected to be accepted for clearance through Clearstream, Luxembourg and Euroclear.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus, which may have or have had in the recent past, a significant effect on the financial position or profitability of the Issuer.

Accounts

The Issuer was incorporated on 16 August 2023 and accordingly has not yet prepared statutory accounts within the meaning of the Companies Act 2006 (as amended). So long as Notes are listed on the Official List and are traded on the regulated market of the London Stock Exchange, the most recently published audited annual accounts of the Issuer from time to time will be available at the specified office of the Principal Paying Agent in London. The Issuer will not publish interim accounts.

Since the date of its incorporation, the Issuer has not entered into any contracts or arrangements not being in the ordinary course of business.

Auditors

The auditors of the Issuer are PricewaterhouseCoopers LLP, a limited liability partnership registered in England and Wales with registered number OC303525 and its registered office at 1 Embankment Place, London, WC2N 6RH.

Significant or material change

Since the date of its incorporation, there has been no material adverse change in the financial position or prospects and no significant change in the financial or trading position of Holdings or the Issuer.

Further information available to Noteholders

From the date of this Prospectus and for so long as any Class of Notes issued by the Issuer may be admitted to the Official List, copies of the following documents may, when published, be inspected at the registered office of the Issuer and from the specified office of the Principal Paying Agent during usual business hours, on any weekday (public holidays excepted) and electronic copies of such documents can be inspected in electronic form online at <https://www.secrep.co.uk/> and at <https://www.secrep.eu>:

- (a) the memorandum and articles of association of each of the Issuer and Holdings;
- (b) a copy of the Prospectus; and

- (c) each of the following documents:
- (i) the Account Bank Agreement;
 - (ii) the Agency Agreement;
 - (iii) the Cash Management Agreement;
 - (iv) the Corporate Services Agreement;
 - (v) the Deed of Charge;
 - (vi) the Incorporated Terms Memorandum;
 - (vii) the Interest Rate Swap Agreement(s);
 - (viii) the Issuer Security Power of Attorney;
 - (ix) the Legal Title Holder Security Power of Attorney;
 - (x) the Scottish Deed of Release;
 - (xi) the KMC/BUK Mortgage Sale Agreement;
 - (xii) the Mortgage Sale Agreement;
 - (xiii) the Portfolio Option Deed Poll;
 - (xiv) the Refinancing Option Deed Poll;
 - (xv) the Retention Holder Deed Poll;
 - (xvi) the Risk Retention Letter;
 - (xvii) the Scottish Declaration of Trust (in the form annexed to the Mortgage Sale Agreement);
 - (xviii) the Scottish Supplemental Charge (in the form annexed to the Deed of Charge);
 - (xix) the Servicer Power of Attorney;
 - (xx) the Servicing Agreement;
 - (xxi) the Main Collection Account Agreement;
 - (xxii) the F Collection Account Agreement;
 - (xxiii) the F Collection Account Accession Agreement;
 - (xxiv) the R Collection Account Agreement;
 - (xxv) the R Collection Account Accession Agreement;
 - (xxvi) the Main Collection Account Declaration of Trust;
 - (xxvii) the F Collection Account Declaration of Trust;

- (xxviii) the F Collection Account Supplemental Deed of Declaration of Trust;
- (xxix) the R Collection Account Declaration of Trust;
- (xxx) the R Collection Account Supplemental Deed of Declaration of Trust;
- (xxxi) the Share Trust Deed;
- (xxxii) the Standby Account Bank Agreement;
- (xxxiii) the Trust Deed; and
- (xxxiv) the Sponsor Administration Agreement.

Under the terms of the Transaction Documents, the Transaction has been structured so that the income and/or repayments in respect of the securitised assets backing the issue of Notes by the Issuer have the characteristics that demonstrate capacity to produce funds to service, on a timely basis, any payments due and payable on the Notes.

This Prospectus will be made available in electronic form on the website of the regulated market of the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is: 635400VBSEGPUXLYKP64.

UK Securitisation Regulation reporting

The Issuer and the Retention Holder (as SSPE and sponsor, respectively, within the meaning of the UK Securitisation Regulation), have agreed that the Issuer is designated as the reporting entity (the "**Reporting Entity**") as required under Article 7(2) of the UK Securitisation Regulation.

The Reporting Entity has undertaken in the Cash Management Agreement:

- (a) that it will fulfil the requirements of Article 7 of the UK Securitisation Regulation and the UK Article 7 Technical Standards and Article 7 of the EU Securitisation Regulation and the EU Article 7 Technical Standards (in each case, as if it were applicable to the Reporting Entity and as in force on the Closing Date) either itself or shall procure that such requirements are fulfilled on its behalf;
- (b) that it will procure that:
 - (i) on a monthly basis, the Monthly Servicer Report will be made available to the Issuer, the Reporting Agent, the Cash Manager and the Sponsor Administrator;
 - (ii) on a monthly basis, the Monthly Investor Report will be published;
 - (iii) on a quarterly basis, the Quarterly Servicer Report will be made available to the Issuer, the Reporting Agent, the Cash Manager and the Sponsor Administrator;
 - (iv) on a quarterly basis, the Quarterly Report, SR Quarterly Report, the BOE Quarterly Loan Level Data Tape and the SR Quarterly Loan Level Data Tape will be published; and
 - (v) on a quarterly basis and, where required, without delay, any inside information required to be made available pursuant to Article 7(1)(f) of the UK Securitisation Regulation and the UK

Article 7 Technical Standards and information on any significant event required to be made available pursuant to Article 7(1)(g) of the UK Securitisation Regulation and the UK Article 7 Technical Standards will be published; and

- (c) that:
- (i) it will procure that the information referred to above is made available to the Noteholders, persons entitled to receive the Senior Deferred Consideration and the Residual Deferred Consideration, the FCA, the Bank of England, the PRA and/or the Pensions Regulator and, upon request, to potential investors and that it is provided in a manner consistent with the requirements of Article 7(2) of the UK Securitisation Regulation by means of the Securitisation Repository at <https://www.secrep.co.uk/>; and
 - (ii) it will provide information to and comply with written confirmation requests of the Securitisation Repository, as required under the UK Securitisation Repository Operational Standards,

subject always to any requirement of law and provided that: (A) the Reporting Entity will not be in breach of such undertaking if the Reporting Entity fails to so comply due to events, actions or circumstances beyond the Reporting Entity's control; and (B) the Reporting Entity is only required to do so to the extent that the disclosure requirements under Article 7 of the UK Securitisation Regulation and the UK Article 7 Technical Standards remain in effect.

EU Securitisation Regulation reporting

The Issuer and the Retention Holder (as SSPE and sponsor, respectively, within the meaning of the EU Securitisation Regulation) have agreed that the Issuer will act as if it is the designated entity for the purposes of Article 7(2) of the EU Securitisation Regulation as such regulation is in force as at the Closing Date.

The Issuer hereby contractually agrees to procure that:

- (a) on a monthly basis, the Monthly Servicer Report will be made available to the Issuer, the Reporting Agent, the Cash Manager and the Sponsor Administrator;
- (b) on a monthly basis, the Monthly Investor Report will be published;
- (c) on a quarterly basis, the Quarterly Servicer Report will be made available to the Issuer, the Reporting Agent, the Cash Manager and the Sponsor Administrator;
- (d) on a quarterly basis, the Quarterly Report, SR Quarterly Report, the BOE Quarterly Loan Level Data Tape and the SR Quarterly Loan Level Data Tape will be published; and
- (e) on a quarterly basis and, where required, without delay, any inside information required to be made available pursuant to Article 7(1)(f) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (in each case, as if it were applicable to the Reporting Entity and as in force on the Closing Date) and any information required to be reported pursuant to Article 7(1)(g) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (in each case, as if it were applicable to the Reporting Entity and as in force on the Closing Date) is prepared and published without delay (for the purposes of Article 5(1)(e) of the EU Securitisation Regulation) not taking into account any relevant national measures, as if such requirements were applicable to it,

in each case:

- (i) as such articles and/or requirements under the EU Securitisation Regulation and the EU Article 7 Technical Standards described in paragraphs (a) to (e) above are interpreted and applied solely on the Closing Date (and, for the avoidance of doubt, the Issuer (as SSPE within the meaning of the EU Securitisation Regulation) will not be under any obligation to comply with any amendments to applicable EU technical standards, guidance or policy statements introduced in relation to paragraphs (a) to (e) above after the Closing Date);
- (ii) in the form or template prescribed under the EU Securitisation Regulation and the EU Article 7 Technical Standards as at the Closing Date only or as otherwise adopted by the Issuer as SSPE within the meaning of the EU Securitisation Regulation (following consultation with the Retention Holder and the Servicer) from time to time; and
- (iii) until such time when the Issuer (as SSPE within the meaning of the EU Securitisation Regulation) is able to certify to the Note Trustee that a competent EU authority has confirmed that the satisfaction of the requirements detailed in paragraphs (a) to (c) above under the heading 'UK Securitisation Regulation Reporting' relating to the UK Securitisation Regulation will also satisfy the requirements of Article 7 of the EU Securitisation Regulation due to the application of an equivalence regime or similar analogous concept;

subject always to any requirement of law and provided that:

- (A) the Issuer (as SSPE within the meaning of the EU Securitisation Regulation) will not be in breach of such obligation if it fails to so comply due to events, actions or circumstances beyond its control; and
- (B) the Issuer (as SSPE within the meaning of the EU Securitisation Regulation) is only required to comply with such obligation to the extent that the disclosure requirements under Article 7 of the EU Securitisation Regulation and EU Article 7 Technical Standards (in each case, as in force as at the Closing Date) remain in effect.

The Issuer undertakes that it will procure that the information referred to in paragraphs (a) to (e) above is made available to the Noteholders, the EU competent authorities and, upon request to potential investors in the Notes at the relevant Securitisation Repository Website.

The undertakings referred to in paragraphs (a) to (e) above are subject always to any requirement of law, and provided that: (x) the Issuer will not be in breach of such undertaking if the Issuer fails to so comply due to events, actions or circumstances beyond the Issuer's control; and (y) the Issuer is only required to do so to the extent that the relevant disclosure requirements under Article 7 of the EU Securitisation Regulation and EU Article 7 Technical Standards (in each case, as in force as at the Closing Date) remain in effect.

GLOSSARY

Set forth below in this glossary are the definitions of certain defined terms used in this Prospectus.

"Account Bank Agreement"	The Account Bank Agreement entered into on or about the Closing Date between, among others, the Issuer, the Transaction Account Bank and the Security Trustee which provides for the operation of the Issuer Accounts named therein.
"Accrued Interest"	In respect of a Mortgage Loan as at any date (the " relevant date "), the aggregate of all interest accrued but not yet due and payable on that Mortgage Loan from (and including) the Monthly Payment Date immediately preceding the relevant date to (but excluding) the relevant date.
"Actual Ratings Confirmation"	Written confirmation from each Rating Agency that the relevant amendment, action, determination or appointment will not result in the reduction, qualification, suspension or withdrawal of the then current ratings assigned to any outstanding notes rated by that Rating Agency, provided however that it is understood that the Rating Agencies will be under no obligation to provide an Actual Ratings Confirmation.
"Agency Agreement"	The agency agreement entered into on the Closing Date as amended, restated, supplemented or otherwise modified or replaced and in effect from time to time among the Issuer, the Note Trustee, the Security Trustee, the Principal Paying Agent, the Registrar and the Agent Bank.
"Agent Bank"	Elavon Financial Services DAC, UK Branch, in its capacity as the Agent Bank at its Specified Office initially appointed pursuant to the Agency Agreement, or such other person for the time being acting as Agent Bank under the Agency Agreement.
"Agents"	The Principal Paying Agent, the Registrar and the Agent Bank initially appointed pursuant to the Agency Agreement or, if applicable, any successor agents.
"Applicable Law"	(a) All applicable laws, rules, regulations, ordinances, directives, treaties and statutes, authorisations, permits, licences, notices, instructions and decrees of any relevant regulatory authority or any judgment or judicial practice of any court and any other legally binding requirement of any regulatory authority or government authority having jurisdiction with respect to a Transaction Party; and (b) in the context of the Mortgage Portfolio, any guidance and principles set out in the MCOB and guidance from any relevant regulatory authority, only to the extent such guidance or principles do not conflict with any of the matters referred to in paragraph (a) above.
"Appointee"	Any custodian, agent, delegate, nominee, attorney or manager or any other person appointed by the Note Trustee under the Trust Deed or the Security Trustee under the Deed of Charge.
"Arranger"	Barclays Bank PLC, acting through its investment bank or its affiliates, in its capacity as arranger under the Subscription Agreement.

"**Arrears of Interest**" In respect of a Mortgage Loan as at any date, interest (other than Capitalised Interest or Accrued Interest) on that Mortgage Loan which is currently due and payable and unpaid on that date.

"**Article 7 ITS**" The Commission Implementing Regulation (EU) 2020/1225 including any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission.

"**Article 7 RTS**" The Commission Delegated Regulation (EU) 2020/1224 including any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission.

"**Asset Backed Notes**" The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes.

"**Authorised Investments**" (a) Sterling gilt-edged investments and Sterling demand or time deposits, certificates of deposit and short-term debt obligations (which may include deposits in any account which earns a rate of interest related to SONIA but which may not, for the avoidance of doubt, consist, in whole or in part, actually or potentially, of tranches of other asset-backed securities, credit-linked notes, swaps or other derivatives instruments or synthetic securities) with a maturity date prior to the next Payment Date where the issuing or guaranteeing entity or the entity with which the investments are made, at a minimum, satisfies the rating criteria of the Rating Agencies set out in the table below (or such other lower short-term or long-term rating by the relevant Rating Agency which would not affect the then current rating of the Rated Notes):

<u>Short-Term</u>		<u>Long-Term (if available)</u>	
<u>Moody's</u>	<u>DBRS</u>	<u>Moody's</u>	<u>DBRS</u>
P-1	R-1 (middle)	A2	AA (low)

(b) such other arrangements as are otherwise notified to the Rating Agencies where there is no reduction, qualification or withdrawal by any rating agency of then current ratings of the Most Senior Class of Rated Notes as a consequence thereof and which are "financial assets" within the meaning of regulation 2(1) of The Taxation of Securitisation Companies Regulations 2006 (as amended).

"**Available Funds**" Available Principal Receipts and Available Revenue Receipts.

"**Available Principal Receipts**" In respect of a Payment Date, an amount, calculated by the Cash Manager on the Calculation Date immediately preceding such Payment Date, equal to the sum of:

- (a) Principal Receipts received in respect of the Mortgage Loans in the Mortgage Portfolio in respect of the immediately preceding Calculation Period;
- (b) all other principal amounts standing to the credit of the Principal Ledger on the Transaction Account including any Available Principal Receipts

previously credited to the Principal Ledger on a Payment Date in accordance with the applicable Pre-Enforcement Principal Priority of Payments;

- (c) all amounts credited to the Principal Deficiency Sub-Ledgers pursuant to items (vii), (ix), (xi), (xiii), (xv), (xvii) and (xix) of the Pre-Enforcement Revenue Priority of Payments;
- (d) if the Notes are being redeemed in accordance with Condition 7.4 (*Mandatory Redemption in full or in part pursuant to the exercise of the Portfolio Purchase Option*), Condition 7.5 (*Mandatory Redemption in full pursuant to the exercise of the Refinancing Option*), Condition 7.6 (*Mandatory Redemption in full pursuant to the exercise of the Clean-up Purchase Option*), Condition 7.7 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*), Condition 7.8 (*Mandatory Redemption of the Notes following the exercise of a Regulatory Change Event Option*) or Condition 7.9 (*Optional redemption for tax and other reasons*) on the relevant Optional Redemption Date, then all amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund;
- (e) following the service of an Enforcement Notice, all amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund; and
- (f) all Liquidity Reserve Fund Excess Amounts.

"Available Revenue Receipts"

In respect of a Payment Date, an amount, calculated by the Cash Manager on the Calculation Date immediately preceding such Payment Date, equal to the sum of:

- (a) Revenue Receipts received by the Issuer on the Mortgage Loans in the Mortgage Portfolio for the immediately preceding Calculation Period;
- (b) interest payable to the Issuer on the Transaction Account and all income from Authorised Investments, which will be received on or prior to the relevant Payment Date;
- (c) amounts to be received from the Interest Rate Swap Counterparty under the Interest Rate Swap Agreement (other than Swap Collateral Excluded Amounts), any Swap Termination Payments (other than such Swap Termination Payments applied or to be applied by the Issuer in the purchase of one or more replacement Interest Rate Swap) recovered by the Issuer under the Interest Rate Swap Agreement and any Swap Replacement Premium (other than such Swap Replacement Premium applied or to be applied by the Issuer in making any Swap Termination Payment due from it to the Interest Rate Swap Counterparty);
- (d) any amounts standing to the credit of the General Reserve Fund (but only to the extent necessary after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (f) of this definition of Available Revenue Receipts and amounts standing to the credit of the Liquidity Reserve Fund under paragraph (e) of this definition of Available Revenue Receipts)) to make a General Reserve Fund Payment;

- (e) following the occurrence of a Liquidity Reserve Fund Trigger Event, any amounts standing to the credit of the Liquidity Reserve Fund (but only to the extent necessary after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (f) of this definition of Available Revenue Receipts)) to pay Senior Revenue Amounts;
- (f) any Principal Addition Amounts to be applied as Available Revenue Receipts in accordance with item (ii) of the Pre-Enforcement Principal Priority of Payments to pay a Revenue Shortfall;
- (g) following redemption in full of the Class F Notes, all amounts standing to the credit of the General Reserve Fund; and
- (h) any other income received by the Issuer during the immediately preceding Calculation Period other than Available Principal Receipts.

"Back-up Servicer Facilitator"..... CSC Capital Markets UK Limited, or any other person or persons for the time being acting as back-up servicer provider to the Issuer under the Servicing Agreement.

"Barclays Bank UK Regulatory Sub-Group" Barclays Bank UK PLC and any subsidiary undertakings and/or other entities which are incorporated in Barclays Bank UK PLC's calculations of its sub-consolidated capital requirements in accordance with the Capital Regulations.

"Barclays Bank UK Solus" Barclays Bank UK PLC, in its capacity as an 'institution', regulated by the PRA on an individual basis pursuant to the Capital Regulations.

"Block Voting Instruction" An English language document issued by the Principal Paying Agent in which:

- (a) it is certified that on the date thereof Notes and/or any Certificates (then in issue) (not being Notes and/or Certificates (as applicable) in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction) are blocked in an account with a clearing system and that no such Notes and/or such Certificates (then in issue) 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 any Certificates (then in issue) ceasing with the agreement of the Principal Paying Agent to be so blocked and the giving of notice by the Principal Paying Agent to the Issuer of the necessary amendment to the Block Voting Instruction;
- (b) it is certified that each holder of such Notes and/or such Certificates (then in issue) has instructed the Principal Paying Agent that the vote(s) attributable to the Notes and/or any Certificates (then in issue) 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 thereof, neither revocable nor capable of amendment;

- (c) the aggregate principal amount or aggregate total amount of the Notes and/or the number of any Certificates (then in issue) so blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
- (d) one or more persons named in such Block Voting Instruction (each hereinafter called a "**proxy**") is or are authorised and instructed by the Principal Paying Agent to cast the votes attributable to the Notes and/or any Certificates (then in issue) so listed in accordance with the instructions referred to in paragraph (c) above as set out in such Block Voting Instruction, provided that no such person shall be named as a proxy:
 - (i) whose appointment has been revoked and in relation to whom the Principal 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
 - (ii) who was originally appointed to vote at a meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the meeting when it is resumed.

"BOE Quarterly Loan Level Data Tape"	An anonymised individual loan-level data tape in respect of the Mortgage Portfolio in the form required by the Bank of England for the purpose of the Bank of England's Sterling monetary framework in respect of each Calculation Period which the Reporting Agent shall prepare and make available to the Cash Manager on a quarterly basis by no later than the last Business Day of the calendar month in which a Payment Date falls.
"Borrower"	In relation to a Mortgage Loan, the individual or individuals specified as such in the relevant Mortgage Loan Agreement, together with the individual or individuals (if any) from time to time assuming an obligation to repay such Mortgage Loan or any part of it.
"Business Day"	A day (other than a Saturday or Sunday or a public holiday) on which banks are open for general business in London.
"Buy-to-Let Mortgage Loans"	Mortgage loans which are intended for Borrowers who wish to use the relevant mortgage loan as a means to purchase or refinance residential property which is not the Borrower's main dwelling, including for the purpose of letting to third parties.
"Calculation Date"	The date falling three Business Days before each Payment Date.
"Calculation Period"	As at any date of determination, the immediately preceding three Collection Periods or, in the case of the first Calculation Period, the date from and excluding the Cut-Off Date to and including the last day of the Collection Period immediately preceding such date of determination.

"Capital Regulations"	At any time, the laws, regulations, requirements, standards, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities and/or loss-absorbing capacity for credit institutions of either: (a) the PRA; and/or (b) any other national or European authority, in each case then in effect in the United Kingdom (or in such other jurisdiction in which the Seller may be organised or domiciled) and applicable to Barclays Bank UK Solus or the Barclays Bank UK Regulatory Sub-Group, as the case may be, including CRD IV and related technical standards.
"Capitalised"	In respect of a fee, an interest amount or any other amount means that amount which is added to the Current Balance of a Mortgage Loan.
"Capitalised Interest"	In respect of a Mortgage Loan as at any date, interest which is overdue in respect of that Mortgage Loan and which as at that date has been added to the Current Balance of that Mortgage Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower (excluding for the avoidance of doubt any Arrears of Interest which have not been so Capitalised on that date).
"Cash Management Agreement"	The cash management agreement entered into on or about the Closing Date between, among others, the Cash Manager, the Issuer, the Servicer and the Security Trustee, which provides for the management of revenue and payment obligations and the administration of the Issuer Accounts.
"Cash Manager"	U.S. Bank Global Corporate Trust Limited in its capacity as cash manager, or such other person or persons for the time being acting as cash manager pursuant to the terms of the Cash Management Agreement.
"Certificate of Title"	A solicitor's, licensed conveyancer's or (in Scotland) qualified conveyancer's report or certificate of title obtained by or on behalf of the Seller in respect of each Mortgaged Property substantially in the form of the pro forma set out in the Standard Documentation.
"Change"	Has the meaning given to it in the Servicing Agreement.
"Charged Property"	The property, assets, rights and undertakings of the Issuer which from time to time are expressed to be mortgaged, charged, assigned, pledged or otherwise encumbered to, or in favour of, the Security Trustee for itself and for the other Secured Creditors under or pursuant to the Deed of Charge.
"Clearing Systems"	Euroclear and Clearstream, Luxembourg and includes in respect of any Note and/or any Certificate (then in issue) any clearing system on behalf of which such Note and/or any Certificate (then in issue) is held or which is the holder or (directly or through a nominee) registered owner of a Note and/or a Certificate (then in issue), in either case whether alone or jointly with any other Clearing System(s).
"Collection Accounts"	The F Collection Account, the R Collection Account and the Main Collection Account, as applicable, and a "Collection Account" means any of them.
"Collection Accounts Provider"	Barclays Bank PLC (or such other replacement bank or financial institution as may be appointed from time to time in accordance with the Transaction Documents) in its capacity as provider of the Collection Account.

"Collection Accounts Provider Downgrade Event"	The Collection Accounts Provider fails to maintain the Collection Accounts Provider Required Ratings from at least one of the Rating Agencies.
"Collection Accounts Provider Required Ratings"	The required ratings of the Collection Accounts Provider as set out in the section entitled " <i>Triggers Tables – Rating Triggers Table</i> ".
"Collection Period"	The period from, and including, the first day of each month to, and including, the last day of each month.
"Common Safekeeper" ..	A common safekeeper for Euroclear and Clearstream, Luxembourg.
"Corporate Services Agreement"	The corporate services agreement entered into on or about the Closing Date between, among others, the Issuer and the Corporate Services Provider, for the provision by the Corporate Services Provider of certain corporate services.
"Corporate Services Provider"	CSC Capital Markets UK Limited, or any other person or persons for the time being acting as corporate services provider to the Issuer and Holdings under the Corporate Services Agreement.
"Custody Agreement"	The custody agreement entered into between the Issuer and any custodian in connection with the opening of a securities collateral account as required by the terms of the Interest Rate Swap Agreement.
"CPR"	The constant rate of scheduled and unscheduled repayments on the Mortgage Loans in the Mortgage Portfolio for the relevant period relative to the aggregate Current Balance of such Mortgage Loans.
"CRD"	Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as amended.
"CRD IV"	The legislative package consisting of the CRD and the CRR.
"CRR"	Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as amended.
"Current Balance"	In relation to any Mortgage Loan, as at any given date, the balance of that Mortgage Loan to which the Seller applies the relevant interest rate at which interest on that Mortgage Loan accrues, and which is the aggregate (without double-counting) of: <ul style="list-style-type: none"> (a) the original principal amount advanced to the relevant Borrower and any further amount advanced to the relevant Borrower under that Mortgage Loan on or before that given date secured or intended to be secured by the Related Security; and (b) any interest, legal expense, fee, charge, premium or payment which has been properly Capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent and added to the amounts secured or intended to be secured by that Mortgage Loan and the Related Security,

as at the end of the London Business Day immediately preceding that given date, less any repayment or payment of any of the foregoing made on or before the end of the London Business Day immediately preceding that given date.

- "Current LTV"** The LTV Ratio as at the Portfolio Reference Date.
- "Cut-Off Date".....** 31 October 2023.
- "Data Protection Legislation".....** Means:
- (a) prior to 25 May 2018, the Data Protection Act 1998; and
 - (b) on and from 25 May 2018, the GDPR and the Data Protection Act 2018,
- and all other applicable data protection and data privacy laws and regulations.
- "DBRS" or "DBRS Morningstar".....** Means:
- (a) for the purpose of identifying which DBRS entity has assigned the credit rating to the Rated Notes, DBRS Ratings Limited and any successor to that rating activity; and
 - (b) in any other case, any entity that is part of DBRS Morningstar, which is either registered or not under the UK CRA Regulation, as it appears from the last available list published by the FCA on the Financial Services Register, or any other applicable regulation.
- "Deed of Charge".....** The deed of charge entered into on or about the Closing Date between, *inter alios*, the Issuer and the Security Trustee, and each supplement entered into in connection therewith.
- "Deemed Ratings Confirmation"** A certification in writing by an authorised signatory of the Issuer to the Security Trustee and the Note Trustee stating that the Issuer has sent a written request for an Actual Ratings Confirmation to each Rating Agency and each of the following events has occurred:
- (a)
 - (i) a Non-Responsive Rating Agency has, in response to the request for an Actual Ratings Confirmation, indicated that it does not consider such Actual Ratings Confirmation or response necessary in the circumstances or that it does not, as a matter of practice or policy, provide such Actual Ratings Confirmation or response; or
 - (ii) within 30 days of delivery of such request, no Actual Ratings Confirmation or response is received and/or such request elicits no statement by such Rating Agency that such Actual Ratings Confirmation or response could not be given; and
 - (b) one Rating Agency has given an Actual Ratings Confirmation or response based on the same facts.
- "Direct Debit"** A payment made pursuant to the Direct Debiting Scheme.

"Direct Debiting Scheme"	The scheme for the manual or automated debiting of bank accounts operated in accordance with the detailed rules of certain members of the Association for Payment Clearing Services.
"Distribution Compliance Period"	The period that ends 40 days after the completion of the distribution of the relevant Class of Notes.
"Dodd-Frank Act"	The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.
"Early Repayment Charge"	Any charge or fee which a Borrower is required to pay in accordance with the Mortgage Conditions applicable to the relevant Mortgage Loan in the event that that Borrower repays all or part of the relevant Mortgage Loan before a specified date (other than, for the avoidance of doubt, any redemption fees).
"EBA"	European Banking Authority.
"EIOPA"	European Insurance and Occupational Pensions Authority.
"Eligible Person"	Any one of the following persons who shall be entitled to attend and vote at a meeting: <ul style="list-style-type: none"> (a) a bearer of any Voting Certificate; and (b) a proxy specified in any Block Voting Instruction.
"Enforcement Procedures"	The procedures for the enforcement of Mortgages relating to Mortgage Loans in the Mortgage Portfolio undertaken by the Servicer from time to time in accordance with the Servicing Procedures, as may be varied or amended from time to time.
"English Mortgage"	A first ranking legal mortgage over an English Property.
"English Mortgage Loan"	A Mortgage Loan secured by an English Mortgage.
"English Property"	A Mortgaged Property situated in England or Wales.
"ESMA"	The European Securities and Markets Authority.
"EU Article 7 Technical Standards"	The Article 7 RTS and the Article 7 ITS.
"EU Quarterly Report" .	A quarterly investor report prepared by the Reporting Agent and published as required by and in accordance with Article 7(1)(e) of the EU Securitisation Regulation and the EU Article 7 Technical Standards for the purposes of Article 5(1)(e) of the EU Securitisation Regulation not taking into account any relevant national measures, as if such requirement was applicable to it and as in force on the Closing Date.
"Event of Default"	Any of the events specified in Condition 11 (<i>Events of default</i>).
"Exception Loan"	The Mortgage Loan listed in Appendix 2 (<i>Exception Loan</i>) to the Mortgage Sale Agreement which on the relevant date of origination did not fully comply with the Lending Criteria.

"Fast-track Mortgage Loan"	A Mortgage Loan which is approved by a lender without proof of income of the Borrower at the time of the making of the loan.
"F Collection Account" ..	The collection account (into which cash or cheque payments from Borrowers in relation to the mortgage loans will be paid) in the name of Kensington Mortgage Company Limited held with the Collection Accounts Provider with sort code 20-19-90 and account number 53683419; or (x) such additional or replacement account(s) as may be established from time to time so long as these accounts are subject to a declaration of trust in favour of the Issuer, the relevant account holding bank has the rating referred to in clause 5 (<i>Change of Bank or Mortgage Administrator</i>) of the F Collection Account Agreement and such account holding bank enters into an agreement on substantially the same terms as the F Collection Account Agreement, or (y) such other additional or replacement account(s) as may be established from time to time in accordance with the Transaction Documents.
"F Collection Account Accession Agreement" ...	The accession agreement in respect of the F Collection Account Agreement dated on or about the Closing Date between, <i>inter alios</i> , KMC, the Issuer and the Note Trustee.
"F Collection Account Agreement"	The agreement so named dated 17 December 2015 between, <i>inter alios</i> , the Issuer and the Collection Accounts Provider.
"F Collection Account Declaration of Trust"	The declaration of trust dated 17 December 2015 created in favour of the Issuer (amongst others) in respect of KMC's interest in the F Collection Account to the extent that interest relates to the Mortgage Loans in the Mortgage Portfolio.
"F Collection Account Supplemental Deed of Declaration of Trust"	The deed dated on or about the Closing Date between KMC, the Issuer and the Note Trustee and which is supplemental to the F Collection Account Declaration of Trust.
"FCA"	The UK Financial Conduct Authority as successor to the FSA, or any successor regulatory body or authority.
"Financial Services Register "	A public record of firms, individuals and other bodies that are, or have been, regulated by the PRA and/or FCA.
"Fitch"	Fitch Ratings Ltd, and any successor to its ratings business.
"Fixed Amount"	Has the meaning given to it in the confirmation evidencing the terms of the initial Interest Rate Swap under the Interest Rate Swap Agreement.
"Fixed Rate Mortgage Loan"	A Mortgage Loan which is subject to a fixed interest rate for a specified period of time and which at the expiration of that period reverts to being a Floating Rate Mortgage.
"Flexible Feature Payments"	Any payments in respect of any Further Advances or other flexible features in relation to the Mortgage Loans in the Mortgage Portfolio.
"Flexible Mortgage Loan"	Any Mortgage Loans which are subject to a range of options that may be selected by Borrowers and that give such Borrowers greater flexibility in the timing and amount of payments made under the Mortgage Loans as well as access to additional advances under the Mortgage Loans.

"Floating Rate Mortgage Loan"	A Mortgage Loan which is subject to a variable rate of interest that is linked to the Kensington Standard Rate.
"FSA"	Financial Services Authority and any successor thereto, including the FCA.
"FSMA"	The Financial Services and Markets Act 2000, as amended by the Financial Services Markets Act 2023.
"Further Advance"	In relation to a Mortgage Loan, any advance of further money to the relevant Borrower following the making of the initial advance of monies in respect of such Mortgage Loan (the "Initial Advance") which is secured by the same Mortgage as the Initial Advance.
"GDPR"	Regulation (EU) 2016/679 as it forms part of domestic law by virtue of the EUWA.
"General Reserve Fund"	The reserve fund that the Issuer will be required to establish in the Transaction Account which will be credited with an amount advanced under the proceeds of the relevant Notes as at the Closing Date and thereafter, the proceeds of Available Revenue Receipts up to an amount equal to the General Reserve Fund Required Amount.
"General Reserve Ledger"	The ledger of the Transaction Account so named and maintained by the Cash Manager in the books of the Issuer pursuant to the Cash Management Agreement to record amounts standing to the credit of the General Reserve Fund at any time.
"Help to Buy Mortgage Loan"	Either a shared equity mortgage loan made available from 1 April 2013 by the UK government to borrowers for the purchase of new homes, or a mortgage loan guaranteed by a guarantee provided by the UK government from 1 October 2013 for mortgage loans made to borrowers allowing up to a 95 per cent. loan-to-value ratio (or an equivalent mortgage loan or guarantee made available or provided by the Scottish government).
"Holdings"	Gemgarto 2023-1 Holdings Limited, a private limited company incorporated in England and Wales (registered number 15075661) with its registered office at 5 Churchill Place, 10th Floor, London E14 5HU.
"ICSDs"	Euroclear and/or Clearstream, Luxembourg, as applicable.
"IFRS"	International Financial Reporting Standards (IFRS) are accounting standards issued by the IFRS Foundation and the International Accounting Standards Board.
"Incorporated Terms Memorandum"	The incorporated terms memorandum signed by, among others, the Issuer and the Seller for the purpose of identification on or about the Closing Date.
"Indexed LTV Ratio"	The ratio of the Current Balance of the relevant Mortgage Loan divided by the indexed valuation of the relevant Mortgaged Property based on the Nationwide House Price Index since the date of that latest valuation until the quarter in which the Cut-Off Date fell.
"Initial Purchase Price" .	That portion of the purchase price paid by the Issuer to the Seller on the Closing Date in consideration for the assignment by the Seller to the Issuer of Mortgage

Loans on the Closing Date, in each case in accordance with the Mortgage Sale Agreement.

"Insolvency Event" In respect of a person:

- (a) an order is made or an effective resolution passed for the winding-up of that person or the appointment of a liquidator or administrator over that person (except, in any such case, a winding-up or dissolution for the purpose of a reconstruction or amalgamation, the terms of which have been previously approved by the Security Trustee);
- (b) that person ceases or threatens to cease to carry on its business or stops payment or threatens to stop payment of its debts or is deemed unable to pay its debts within the meaning of Section 123(a), (b), (c) or (d) of the Insolvency Act 1986 (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amounts of its liabilities (taking into account, for both these purposes, contingent and prospective liabilities) or otherwise becomes insolvent; and
- (c)
 - (i) proceedings are initiated against that person under any applicable liquidation, insolvency, composition, arrangement, reorganisation (other than a reorganisation where the relevant entity is solvent) or other similar laws (including, but not limited to, application or pending application for an administration order or presentation of a petition for a winding-up order), except where these proceedings are being contested in good faith;
 - (ii) an administration order being granted or, an administrative or other receiver, administrator, liquidator, monitor or other similar official is appointed in relation to the whole or any substantial part of the undertaking or assets of that person;
 - (iii) a bank insolvency order or a bank administration order is made pursuant to the Banking Act 2009;
 - (iv) a distress, execution, diligence or other process is enforced upon the whole or any substantial part of the undertaking or assets of that person and in any of the foregoing cases it is not discharged within 30 London Business Days; or
 - (v) that person initiates or consents to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, reorganisation or other similar laws or makes a conveyance or assignment or assignation for the benefit of its creditors generally.

"Insurance Contracts" ... The insurance contracts or policies described in the Mortgage Sale Agreement and any other additional, substitute or replacement insurance contract or policy arranged by or on behalf of the Seller from time to time and in which the Seller has an interest relating to the Mortgage Loans.

"Interest Only Mortgage Loan"	A Mortgage Loan where the relevant Mortgage Conditions require that the Borrower makes monthly payments of interest but not of principal (ignoring, for these purposes, any temporary waiver or deferral of the payment of principal that may be granted to a Borrower from time to time) and when the Mortgage Loan matures, the entire principal amount of the Mortgage Loan is still outstanding and the Borrower must repay that amount in one lump sum.
"Interest Rate Swap"	Each swap transaction evidenced by a confirmation under the Interest Rate Swap Agreement.
"Interest Rate Swap Agreement"	The ISDA Master Agreement and schedule thereto entered into between the Issuer and Barclays Bank PLC as the Interest Rate Swap Counterparty on or about 28 November 2023 (or with any other Interest Rate Swap Counterparty on any later date), each as amended or supplemented from time to time, relating to the Interest Rate Swap and any confirmations thereunder, and any credit support annex or other credit support document entered into at any time among the Issuer and Barclays Bank PLC or any other such Interest Rate Swap Counterparty (as applicable) and/or any credit support provider.
"Interest Rate Swap Counterparty"	Barclays Bank PLC, in its capacity as interest rate swap counterparty under the Interest Rate Swap Agreement, or such other person for the time being acting as interest rate swap counterparty under the Interest Rate Swap Agreement.
"Interest Rate Swap Counterparty Default" ..	Means: <ul style="list-style-type: none"> (a) the occurrence of an event of default (as defined in the Interest Rate Swap Agreement) where the Interest Rate Swap Counterparty is the defaulting party (as defined in the Interest Rate Swap Agreement); (b) the occurrence of an additional termination event (as defined in the Interest Rate Swap Agreement) as a result of the failure by the Interest Rate Swap Counterparty to remedy a swap downgrade event in accordance with the Interest Rate Swap Agreement where the relevant Interest Rate Swap Counterparty is the sole affected party (as defined in the Interest Rate Swap Agreement); or (c) if applicable, the additional tax representation (as defined in the Interest Rate Swap Agreement) proving to be incorrect or misleading in any material respect as a result of any action and/or any omission to take action by the Interest Rate Swap Counterparty which could have prevented such breach of representation.
"Interest Rate Swap Excluded Termination Amount"	In relation to the Interest Rate Swap Agreement, the amount of any Swap Termination Payment due and payable to the Interest Rate Swap Counterparty as a result of an Interest Rate Swap Counterparty Default in respect of the Interest Rate Swap Counterparty less the Swap Replacement Premium (if any) received by the Issuer upon entry by the Issuer into an agreement to replace such Interest Rate Swap Agreement which has terminated as a result of such Interest Rate Swap Counterparty Default.
"Investment Company Act"	The Investment Company Act of 1940, as amended.

"Irrecoverable VAT"	Any amount in respect of VAT which a person (or the representative member of the VAT group of which such person is a member) has incurred and in respect of which that person (or any member of the same VAT group of which such person is a member) is not able to recover (by way of credit, repayment, refund or otherwise) from any relevant Tax Authority pursuant to and determined in accordance with any relevant law.
"ISDA Master Agreement"	The ISDA 2002 Master Agreement published by the International Swaps and Derivatives Association, Inc.
"Issuer"	Gemgarto 2023-1 PLC, a public limited liability company incorporated in England and Wales (registered number 15075707), with its registered office at 10th Floor, 5 Churchill Place, London E14 5HU.
"Issuer Accounts"	The Transaction Account, the Swap Collateral Account and any additional accounts of the Issuer as may, from time to time, be opened in accordance with the terms of the Account Bank Agreement, the Standby Account Bank Agreement, or any Custody Agreement (as applicable) and maintained pursuant to the terms of the Account Bank Agreement or the Standby Account Bank Agreement or any Custody Agreement (as applicable), the Cash Management Agreement and the Deed of Charge.
"Issuer Profit Amount" .	Subject to the applicable Priority of Payments, an amount up to £300 paid on each Payment Date, which shall be credited to the Issuer Profit Ledger for the Issuer to retain as a profit for entering into the Transaction.
"Issuer Profit Ledger" ...	The ledger of the Transaction Account so named and maintained by the Cash Manager in the books of the Issuer pursuant to the provisions of the Cash Management Agreement to record amounts retained by the Issuer as profit.
"Issuer Security Power of Attorney"	The power of attorney granted by the Issuer on or about the Closing Date in favour of the Security Trustee, substantially in the form set out in Schedule 1 (<i>Form of Issuer Security Power of Attorney</i>) to the Deed of Charge.
"Kensington Standard Rate"	An interest rate reset quarterly for the subsequent quarterly period and applied monthly (a forward-looking calculation), as the sum of (i) the Bank of England base rate (subject to a floor of zero) and (ii) a lender funding cost adjustment of between 0.00 per cent. and 1.00 per cent.
"KMC/BUK Mortgage Sale Agreement"	The mortgage sale agreement dated on or about the Closing Date between Barclays Bank UK PLC as the seller and KMC as the purchaser.
"LCR Regulation"	Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No. 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions.
"Lead Manager"	Barclays Bank PLC, acting through its investment bank or its affiliates.
"Legal Title Holder"	Kensington Mortgage Company Limited, in its capacity as legal title holder.
"Legal Title Holder Security Power of Attorney"	The power of attorney granted by the Legal Title Holder on or about the Closing Date in favour of the Issuer, substantially in the form set out in Schedule 7 (<i>Form of Legal Title Holder Security Power of Attorney</i>) to the Deed of Charge.

of Legal Title Holder Security Power of Attorney) to the Mortgage Sale Agreement.

"Lending Criteria".....	The lending criteria of the Seller and which, as at the Closing Date, are set out in the Mortgage Sale Agreement and/or such other criteria as would be acceptable to a Prudent Mortgage Lender.
"Liabilities"	In respect of any person, any fees, losses, damages, costs, charges, awards, claims, demands, expenses (including legal fees and expenses), judgments, decrees, interest on judgments or decrees, amounts paid in settlements, obligations, penalties, assessments, actions, suits or any other liabilities whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges and all legal fees and disbursements incurred in defending or disputing any of the foregoing and including any Irrecoverable VAT or similar tax charged or chargeable in respect thereof but excluding any tax payable on net income, profits or gains).
"LIBOR"	London interbank offered rate.
"Liquidity Reserve Fund"	The reserve fund that the Issuer will be required to establish in the Transaction Account which will be credited with the proceeds of Available Revenue Receipts up to an amount equal to the Liquidity Reserve Fund Required Amount.
"Liquidity Reserve Fund Trigger Event"	Where on any Payment Date, the amount standing to the credit of the General Reserve Fund falls below 0.50 per cent. of the Principal Amount Outstanding of the Asset Backed Notes as at the immediately preceding Calculation Date.
"Liquidity Reserve Ledger"	The ledger of the Transaction Account so named and maintained by the Cash Manager in the books of the Issuer pursuant to the Cash Management Agreement to record amounts standing to the credit of the Liquidity Reserve Fund at any time.
"Listing Rules"	The rules published by the FCA and contained in the Listing Rules sourcebook.
"London Business Day"	A day (other than a Saturday or Sunday or public holiday) on which banks are generally open for business in London.
"London Stock Exchange"	At any time the London Stock Exchange plc or any other person which at that time administers and manages the relevant primary market in the United Kingdom upon which the Notes are formally admitted for public trading.
"Long-Term DBRS Rating"	At any time, with respect to an entity: <ul style="list-style-type: none">(a) its Critical Obligations Rating;(b) if no Critical Obligations Rating has been assigned by DBRS, the higher of (i) the solicited public issuer rating assigned by DBRS to such entity or (ii) the solicited public rating assigned by DBRS to such entity's long-term senior unsecured debt obligations; or(c) if no such solicited public rating has been assigned by DBRS, the corresponding DBRS Equivalent Rating.
"Losses"	All realised losses on the Mortgage Loans in the Mortgage Portfolio.

"LTV Ratio"	In respect of the Seller's decision as to whether to make a mortgage loan to a prospective borrower or a further advance to a current borrower, the ratio of the outstanding balance of such mortgage loan (including capitalised interest and capitalised fees), or the aggregate of the outstanding balance of the mortgage loan to which such further advance relates and the outstanding balance of the further advance, to the lower of the purchase price or valuation of the mortgaged property securing such mortgage loan as determined by the relevant valuation by the Seller.
"Main Collection Account Agreement"	The agreement so named dated on or about the Closing Date between, <i>inter alios</i> , the Issuer and the Collection Accounts Provider.
"Main Collection Account Declaration of Trust"	The declaration of trust dated on or about the Closing Date created in favour of the Issuer in respect of KMC's interest in the Main Collection Account.
"Main Collection Account"	means the accounts in the name of Kensington Mortgage Company Limited held with the Collection Accounts Provider with account number 93538540 or such additional or replacement account(s) as may be established from time to time so long as these accounts are subject to a declaration of trust in favour of the Issuer, the relevant account holding bank has the rating referred to in Clause 5 (<i>Change of Bank or Servicer</i>) of the Main Collection Account Agreement and such account holding bank enters into an agreement on substantially the same terms as the Main Collection Account Agreement, or (y) such other additional or replacement account(s) as may be established from time to time in accordance with the Transaction Documents.
"Master Definitions Schedule"	The master definitions schedule set out in Schedule 1 (<i>Master Definitions Schedule</i>) to the Incorporated Terms Memorandum, which is a schedule of definitions used in the Transaction Documents.
"MH/CP Documentation"	An affidavit, declaration, consent or renunciation granted in terms of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 (as amended) and/or, as applicable, the Civil Partnership Act 2004 in connection with a Scottish Mortgage relating to a Scottish Mortgage Loan or its relevant Scottish Property.
"Monthly Calculation Date"	The 21st day of each month or, if such day is not a Business Day, the immediately following Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not) and where such Monthly Calculation Date falls in the same month as a Payment Date, Monthly Calculation Date shall mean the date falling three Business Days before the relevant Payment Date.
"Monthly Calculation Period"	As at any date of determination, the period commencing on (and including) the first calendar day of each calendar month and ending on (and including) the last calendar day of each calendar month.
"Monthly Investor Report"	A monthly investor report substantially in the form scheduled to the Cash Management Agreement detailing, inter alia, certain aggregated loan data in relation to the Mortgage Portfolio. Such report shall be prepared by the Cash Manager and made available electronically to the Servicer, Issuer, Security Trustee, Seller, the Sponsor Administrator and the Rating Agencies through its website at https://pivot.usbank.com by no later than each Monthly Reporting Date, provided that it receives the Monthly Servicer Report no later than the Servicer Reporting Date.

"Monthly Loan Level Data Tape"	An anonymised individual loan-level data tape in respect of the Mortgage Portfolio in the format required by the Reporting Agent in respect of each Collection Period (in accordance with Article 7(1)(a) of the EU Securitisation Regulation and UK Securitisation Regulation and in the form prescribed under the EU Securitisation Regulation and UK Securitisation Regulation, respectively or as otherwise adopted by the Issuer from time to time) which shall be delivered by the Servicer to the Issuer and the Reporting Agent, by no later than each Servicer Reporting Date.
"Monthly Payment"	In respect of a Mortgage Loan, the amount which the applicable Mortgage Conditions require a Borrower to pay on a Monthly Payment Date in respect of such Mortgage Loan.
"Monthly Payment Date"	In respect of a Mortgage Loan, the date in each month on which the relevant Borrower is required to make a payment of interest and, if applicable, principal, in respect of such Mortgage Loan, as required by the applicable Mortgage Conditions.
"Monthly Reporting Date"	In relation to each Collection Period, the last Business Day of that calendar month.
"Monthly Servicer Report"	A monthly report in relation to the Mortgage Loans in the Mortgage Portfolio prepared by the Servicer and made available to the Issuer, the Reporting Agent, the Sponsor Administrator and the Cash Manager on or before each Servicer Reporting Date.
"Moody's"	Moody's Investors Service Ltd and any successor to its rating business.
"Mortgage"	An English Mortgage or a Scottish Mortgage.
"Mortgage Conditions" ..	In relation to a Mortgage Loan, the terms and conditions applicable to that Mortgage Loan and its Related Security at any time, as varied by the relevant Mortgage Loan Agreement and the relevant Mortgage Deed, and any variation or supplement thereto.
"Mortgage Deed"	In relation to a Mortgage, the deed or standard security creating such Mortgage including, unless the context otherwise requires, the Mortgage Conditions applicable to that Mortgage.
"Mortgage Loan"	Any mortgage loan originated by the Seller, and re-acquired by the Seller from BBUKPLC in accordance with the KMC/BUK Mortgage Sale Agreement and sold by the Seller to the Issuer in accordance with the Mortgage Sale Agreement.
"Mortgage Loan Agreement"	In relation to any Mortgage Loan, the agreement, facility letter or accepted offer of advance pursuant to which the monies secured by the relevant Mortgage were advanced to the Borrower (as varied from time to time in accordance with the applicable Mortgage Conditions and including any modifying agreement within the meaning of Section 82 of the Consumer Credit Act 1974 insofar as it relates to that Mortgage Loan).
"Mortgage Loan Files" ..	In relation to a Mortgage Loan, the file or files (including files kept in microfiche format or similar electronic data retrieval system) containing, among other things, correspondence between the Borrower and the Legal Title Holder and including

the mortgage documentation applicable to that Mortgage Loan, each letter of offer for that Mortgage Loan, the Valuation Report (if applicable) and, to the extent available, the solicitor's or licensed conveyancer's, or (in Scotland) qualified conveyancer's, Certificate of Title.

"Mortgage Loan Guarantee" Each guarantee in support of the obligations of a Borrower under a Mortgage Loan.

"Mortgage Portfolio" The portfolio of Mortgage Loans and their Related Security assigned by the Seller to the Issuer on or prior to the Closing Date, particulars of which are set out in the Mortgage Sale Agreement, but excluding any such Mortgage Loan and its Related Security which has been redeemed in full on or before the Closing Date, and (subject where applicable to the subsisting rights of redemption of the Borrowers) all right, title, interest and benefit of the Seller in and to:

- (a) all sums of principal, interest and any other sum payable or to become payable under such Mortgage Loans after the relevant Cut-Off Date, all arrears of interest and other sums payable (but not paid by the Cut-Off Date) in respect of any period before such date and the right to demand, sue for, recover, receive and give receipts for all such sums and other sums payable (but not paid before such date) in respect of any period before such date and the right to demand, sue for, recover, receive and give receipts for all such sums;
- (b) the benefit of all securities for such principal monies and interest and other sums payable, the benefit of all consents to mortgage, ranking agreements and deeds of postponement signed by occupiers and/or owners of the Mortgaged Properties, the benefit of all related MH/CP Documentation, the benefit of and the right to sue on all covenants and undertakings in favour of the Seller in each such Mortgage Loan and the benefit of any guarantee, indemnity or surety contract in respect of any such Mortgage Loan and the right to exercise all powers of the Seller in relation to each such Mortgage Loan;
- (c) all the estate and interest in the Mortgaged Properties in favour of the Seller, subject to redemption or cesser;
- (d) to the extent that they are assignable, all causes and rights of action of the Seller against any person in connection with any report, valuation, opinion, certificate, consent or other statement of fact or opinion given in connection with any such Mortgage Loan or any such Mortgaged Property or received by the Seller in connection with the origination of any such Mortgage Loan;
- (e) all proceeds from the enforcement of such Mortgage Loans and their Related Security;
- (f) all right, title, interest and benefit of the Seller (both present and future) in, to and under the Third Party Building Policies (including the right to demand, sue for, receive and recover the proceeds of any claims); and
- (g) all right, title, interest and benefit of the Seller (both present and future) in, to and under the Insurance Contracts to the extent they relate to the

Mortgage Portfolio (including the right to demand, sue for, receive and recover the proceeds of any claims).

"Mortgage Sale Agreement" The mortgage sale agreement entered into on the Closing Date between the Seller, the Issuer and the Security Trustee, which provides for the assignment of Mortgage Loans to the Issuer, as amended, restated, supplemented or otherwise modified or replaced and in effect from time to time and including any documents ancillary thereto.

"Mortgaged Property"... Means:

- (a) in relation to any English Mortgage Loan, the freehold, leasehold or commonhold property in England and Wales subject to the relevant Mortgage securing repayment of the relevant English Mortgage Loan; and
- (b) in relation to any Scottish Mortgage Loan, the heritable or long leasehold property in Scotland subject to the relevant Mortgage securing repayment of the relevant Scottish Mortgage Loan,

and (in each case) all rights and security attached or appurtenant or related thereto and all buildings and fixtures and fittings thereon which are subject to the Mortgage securing repayment of such Mortgage Loan.

- "Most Senior Class"**
- (a) The Class A Notes;
 - (b) if there are no Class A Notes then outstanding, the Class B Notes;
 - (c) if there are no Class A Notes or Class B Notes then outstanding, the Class C Notes;
 - (d) if there are no Class A Notes, Class B Notes or Class C Notes then outstanding, the Class D Notes;
 - (e) if there are no Class A Notes, Class B Notes, Class C Notes or Class D Notes then outstanding, the Class E Notes;
 - (f) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes then outstanding, the Class F Notes;
 - (g) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class F Notes then outstanding, the Class G Notes;
 - (h) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes or Class G Notes then outstanding, the Class Z Notes; or
 - (i) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class G Notes or Class Z Notes then outstanding, the Residual Deferred Consideration.

The Senior Deferred Consideration shall not at any time constitute the Most Senior Class.

- "**Note Certificates**" Any Global Notes or Registered Definitive Notes.
- "**Note Trustee**" U.S. Bank Trustees Limited, in its capacity as note trustee under the Trust Deed, together with any successor note trustee appointed from time to time.
- "**Noteholder**" The registered holder for the time being of the relevant Note who will be treated by the Issuer, the Principal Paying Agent, the Security Trustee and the Note Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Note Certificate and, together, the "**Noteholders**".
- "**NSS**" The new safekeeping structure for registered global securities which are intended to constitute eligible collateral for Eurosystem monetary policy operations.
- "**Official List**" The Official List maintained by the FCA.
- "**OFT**" Office of Fair Trading.
- "**Optional Redemption Date**" The date of early redemption of the Notes:
- (a) following the exercise by the Portfolio Option Holder of the Portfolio Purchase Option:
 - (i) on the First Optional Redemption Date or any Payment Date following the First Optional Redemption Date;
 - (ii) on any Payment Date following the date on which the Retention Holder (or any of its nominees) gives notice of its intention to exercise the Risk Retention Regulatory Change Option following the date on which a Risk Retention Regulatory Change Event has occurred;
 - (iii) on the Payment Date following the date on which the Seller gives notice of its intention to exercise the Regulatory Change Event Option following the date on which the Seller has determined that a Regulatory Change Event has occurred; or
 - (iv) on the Payment Date following the date on which the Seller gives notice of its intention to exercise the Tax/Illegality Option following the date on which a Tax/Illegality Event has occurred, provided that any election to exercise the Portfolio Purchase Option in these circumstances must be notified to the Note Trustee within 20 Business Days of receipt of such notice;

provided that in the case of (ii), (iii) and (iv), in case the Portfolio Option Holder has not exercised its option, the relevant Payment Date referred to in (ii), (iii) and (iv) respectively shall be the date of early redemption of the Notes following exercise by the Seller or the Retention Holder (as applicable) of the relevant option.
 - (b) following the exercise by the Seller of the Clean-up Purchase Option to effect an early redemption of the Notes on any Payment Date on which the aggregate Current Balance of the Mortgage Loans in the Mortgage

Portfolio (as of the immediately preceding Calculation Date) is less than or equal to 10 per cent. of the aggregate Current Balance of the Mortgage Loans in the Mortgage Portfolio as at the Cut-Off Date; or

- (c) following the exercise by the Refinancing Option Holder of the Refinancing Option, on the First Optional Redemption Date or any Payment Date following the First Optional Redemption Date.

"OTC"	Over-the-counter.
"Part and Part Mortgage Loans"	Mortgage Loans under the terms of which the loan is effectively separated (at the option of, and at a level decided by, the Borrower) into two, principal amounts, one in respect of which the Borrower pays interest only and the other in respect of which the Borrower pays interest and principal.
"Payment Date"	The 16 th day of March, June, September and December in each year or, if such day is not a Business Day, the immediately following Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).
"Payment Holiday"	An arrangement under which a Borrower is permitted to make no or reduced payments under a regulated mortgage contract for a specified period without being in payment shortfall in accordance with the application of applicable law or regulation from time to time.
"Payment Holiday Arrangements"	Any arrangements entered into with a Borrower in respect of such Borrower's Mortgage Loan which are entered into as a result of or in connection with such Borrower being granted a Payment Holiday in relation to such Mortgage Loan.
"Payment Holiday Loan"	A Mortgage Loan in relation to which a Payment Holiday has been granted.
"Permitted Product Switch"	A Product Switch where the following conditions are all met as at the relevant Product Switch Effective Date: <ul style="list-style-type: none">(a) the relevant Mortgage Loan, as amended by such Product Switch, is subject to either a fixed rate or base rate-linked rate of interest;(b) the relevant Mortgage Loan, as amended by such Product Switch, has a maturity date no later than three years prior to the earliest Final Redemption Date, then outstanding; and(c) that Product Switch does not result in the relevant Mortgage Loan, as amended by such Product Switch, having a Current Balance which is greater than the Current Balance of such Mortgage Loan immediately prior to such Product Switch (other than any increase as a result of capitalised fees).
"Post-Enforcement Priority of Payments"	The order of priority of payments for amounts recovered by the Security Trustee and/or any Receiver following the delivery of an Enforcement Notice, as set out in " <i>Credit Structure and Cashflows – Application of Available Funds following the delivery of an Enforcement Notice</i> ".
"PRA"	The Prudential Regulation Authority of the United Kingdom, or any successor regulatory body or authority.

"Pre-Enforcement Principal Priority of Payments"	The order of priority of payments for Available Principal Receipts before the delivery of an Enforcement Notice, as set out in " <i>Credit Structure and Cashflows – Available Principal Receipts</i> ".
"Pre-Enforcement Revenue Priority of Payments"	The order of priority of payments for Available Revenue Receipts before the delivery of an Enforcement Notice, as set out in " <i>Credit Structure and Cashflows – Available Revenue Receipts – Pre-Enforcement Revenue Priority of Payments</i> ".
"Priorities of Payments"	As applicable, any of the Pre-Enforcement Revenue Priority of Payments, the Pre-Enforcement Principal Priority of Payments and the Post-Enforcement Priority of Payments.
"Principal Paying Agent"	Elavon Financial Services DAC, UK Branch, in its capacity as the principal paying agent at its Specified Office initially appointed pursuant to the Agency Agreement, or such other person for the time being acting as principal paying agent under the Agency Agreement.
"Principal Receipts"	Any payment in respect of principal received in respect of any Mortgage Loan, and whether as all or part of a Monthly Payment, on redemption (including partial redemption), on enforcement or on the disposal of that Mortgage Loan, the principal element of any consideration received by the Issuer in respect of a Mortgage Loan repurchased by the Legal Title Holder or the Seller in accordance with the Mortgage Sale Agreement or otherwise (including payments pursuant to any Insurance Contract).
"Product Switch"	<p>The conversion of a Mortgage Loan (either by the agreement of the Servicer to a Borrower's request to convert their Mortgage Loan or, in the case of a default by a Borrower, by election by the Servicer) into a Mortgage Loan with a different type of interest rate, repayment term, type of repayment and/or any variation in the financial terms and conditions applicable to a Mortgage Loan, other than:</p> <ul style="list-style-type: none"> (a) any variation of the rate of interest payable in respect of a Fixed Rate Mortgage Loan as a result of the operation and effect of and/or as contemplated by the existing terms of that Mortgage Loan (including, without limitation, periodic resetting of an interest rate in respect of a fixed rate to a variable rate); (b) any Mortgage Loan in respect of which a Borrower has applied, and been granted permission by the Seller, to transfer to a new property; (c) any arrangement entered into with a Borrower as part of Arrears management, debt rehabilitation, Enforcement Procedure or the exercise of the rights and remedies against a Borrower or in relation to the security for the Borrower's obligations arising from any default by the Borrower under or in connection with such Borrower's Mortgage Loan or Related Security in accordance with the procedures adopted by the Servicer or in accordance with the procedures that could reasonably be expected of a Prudent Mortgage Lender (including, without limitation, if a Mortgage Loan is in Arrears and a fixed rate payment schedule is agreed with a Borrower to enable Arrears to be cleared or the term of the Mortgage Loan is extended to assist a Borrower in financial difficulties); (d) any variation imposed by Applicable Law;

(e) where the Legal Title Holder agrees to a Borrower's request to convert from an owner-occupied Mortgage Loan to a Buy-to-Let Mortgage Loan; or

(f) a transfer of equity (other than in the context of a deceased Borrower),

provided that any variation in the rate of interest payable in respect of a Mortgage Loan not permitted or otherwise contemplated by the relevant Mortgage Conditions (including any re-fixing of an interest rate) shall be considered a Product Switch.

"Product Switch Effective Date" In relation to any Mortgage Loan, the date upon which the Product Switch becomes effective so that the new interest rate is applied to that Mortgage Loan from this date and/or the new term and/or period of the applicable interest rate of the Mortgage Loan applies.

"Prospectus Rules" The rules published by the FCA and contained in the Prospectus Rules sourcebook.

"Prudent Mortgage Lender" The Seller, the Legal Title Holder and/or the Servicer, as applicable, acting in accordance with the standards of a reasonably prudent prime residential mortgage lender lending to borrowers in England, Wales and/or Scotland.

"Qualified Institution" ... A bank which:

- (a) is a bank as defined for the purposes of Section 878 of the Income Tax Act 2007 and which pays any relevant interest in the ordinary course of its business; and
- (b)
 - (i) in the case of the Transaction Account Bank, or the Standby Account Bank, as applicable, or any successor, is rated at least the Account Bank Required Ratings; or
 - (ii) in the case of the Collection Accounts Provider or any successor, is rated at least the Collection Accounts Provider Required Rating,

or is an institution acceptable to each Rating Agency.

"Quarterly Report" The quarterly investor report prepared by the Cash Manager in accordance with the provisions of the Cash Management Agreement and made available at <https://pivot.usbank.com> by no later than each Calculation Date.

"Quarterly Servicer Report" A quarterly report in relation to the Mortgage Loans in the Mortgage Portfolio prepared by the Servicer and made available to the Issuer, the Reporting Agent, the Sponsor Administrator and the Cash Manager on or before each Calculation Date.

"R Collection Account" . The collection account (into which credit or debit card payments from Borrowers in relation to the mortgage loans will be paid) means the account in the name of Kensington Mortgage Company Limited held with the Collection Accounts Provider with sort code 20-19-90 and account number 73193241; or (x) such additional or replacement account(s) as may be established from time to time so

long as these accounts are subject to a declaration of trust in favour of the Issuer, the relevant account holding bank has the rating referred to in clause 5 (*Change of Bank or Mortgage Administrator*) of the R Collection Account Agreement and such account holding bank enters into an agreement on substantially the same terms as the R Collection Account Agreement, or (y) such other additional or replacement account(s) as may be established from time to time in accordance with the Transaction Documents.

"R Collection Account Accession Agreement" ...	The accession agreement in respect of the R Collection Account Agreement dated on or about the Closing Date between, <i>inter alios</i> , KMC, the Issuer and the Note Trustee.
"R Collection Account Agreement"	The agreement so named dated 17 December 2015 between, <i>inter alios</i> , the Issuer and the Collection Accounts Provider.
"R Collection Account Declaration of Trust"	Each declaration of trust dated 17 December 2015 created in favour of the Issuer (amongst others) in respect of KMC's interest in the R Collection Account to the extent that interest relates to the Mortgage Loans in the Mortgage Portfolio.
"R Collection Account Supplemental Deed of Declaration of Trust"	The deed dated on or about the Closing Date between KMC, the Issuer and the Note Trustee and which is supplemental to the R Collection Account Declaration of Trust.
"Ratings Confirmation".	An Actual Ratings Confirmation or a Deemed Ratings Confirmation.
"Receiver"	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 Property by the Security Trustee pursuant to the Deed of Charge.
"Registered Definitive Certificates"	Any Certificates (then in issue) in definitive registered form.
"Registered Definitive Notes"	Any of the Notes in definitive registered form.
"Regulated Mortgage Contract"	A credit agreement which constitutes a "regulated mortgage contract" as defined in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, as amended.
"Registers of Scotland" ..	The Land Register of Scotland and the General Register of Sasines (as applicable).
"Registrar"	Elavon Financial Services DAC, UK Branch, in its capacity as the registrar at its Specified Office initially appointed pursuant to the Agency Agreement, or such other person for the time being acting as registrar under the Agency Agreement.
"Regulation S"	Regulation S under the Securities Act.
"Related Security"	In relation to a Mortgage Loan, the security for the repayment of that Mortgage Loan including the relevant Mortgage and all other matters applicable thereto acquired as part of the Mortgage Portfolio.
"Reporting Agent"	EuroABS, acting on behalf of the Reporting Entity.

"Revenue Receipts"	Any payment received from time to time in respect of any Mortgage Loan which is not a Principal Receipt (including any Early Repayment Charges on any Mortgage Loan) and whether as all or part of a Monthly Payment, on redemption (in whole or in part), on enforcement or on disposal of such Mortgage Loan, the revenue element of any consideration received by the Issuer in respect of a Mortgage Loan repurchased by the Legal Title Holder or the Seller in accordance with the Mortgage Sale Agreement or otherwise (including (a) pursuant to any Insurance Contract and (b) any Accrued Interest and Arrears of Interest in respect of such relevant Mortgage Loan).
"Revenue Shortfall"	Any deficit of Available Revenue Receipts to pay items (i) to (vi) of the Pre-Enforcement Revenue Priority of Payments (and not, for the avoidance of doubt any payment due in respect of Residual Deferred Consideration) and, subject to the relevant PDL Condition being satisfied, items (viii), (x), (xii), (xiv) and (xvi) of the Pre-Enforcement Revenue Priority of Payments on any Payment Date, as determined by the Cash Manager on the relevant Calculation Date.
"Right to Buy Mortgage Loan"	A mortgage loan in respect of a property made in whole or in part to a borrower for the purpose of enabling that borrower to exercise his/her right to buy the relevant property under the Housing Act 1985, the Housing Act 1996 and the Housing (Scotland) Act 1987 (each as amended and updated from time to time).
"Risk Retention Letter".	The risk retention letter entered into by, among others, the Retention Holder.
"S&P"	Standard & Poor's Credit Market Services Europe Limited, and any successor to its rating business.
"Scottish Declaration of Trust"	The declaration of trust, substantially in the form scheduled to the Mortgage Sale Agreement, declared by the Seller in its capacity as Legal Title Holder in favour of the Issuer over its whole right, title, benefit and interest in and to the Scottish Trust Property specified therein.
"Scottish Deed of Release"	the Scots law governed deed of release granted by BBUKPLC in favour of the Seller in the agreed form to be entered into on or before the Closing Date.
"Scottish Mortgage"	A first-ranking standard security over a Scottish Property.
"Scottish Mortgage Loan"	A Mortgage Loan secured by a Scottish Mortgage.
"Scottish Property"	A Mortgaged Property situated in Scotland.
"Scottish Supplemental Charge".....	The assignation in security, substantially in the form scheduled to the Deed of Charge, granted by the Issuer in favour of the Security Trustee pursuant to the Deed of Charge in respect of the Issuer's right, title, interest and benefit in the Scottish Mortgage Loans, Scottish Mortgages and their Related Security as are sold to the Issuer on the Closing Date (comprising the Issuer's beneficial interest under the Scottish Declaration of Trust).
"Scottish Trust Property"	The meaning given to it in the Scottish Declaration of Trust and, in relation to a Scottish Mortgage Loan, includes the Scottish Mortgage and other Related Security securing that Mortgage Loan including, in each case, all sums of

principal, interest and other sums payable or to become payable under such Scottish Mortgage Loan.

"Secured Creditors"	The Security Trustee, any Receiver appointed by the Security Trustee pursuant to the Deed of Charge, the Note Trustee, any Appointee of the Note Trustee, the Noteholders, the persons entitled to the Senior Deferred Consideration and the Residual Deferred Consideration, the Sponsor Administrator, the Seller, the Servicer, any replacement servicer, the Back-up Servicer Facilitator, the Cash Manager, any replacement cash manager, the Transaction Account Bank, the Collection Accounts Provider under the Main Collection Account Agreement, the F Collection Account Agreement, the F Collection Account Accession Agreement, the R Collection Account Agreement and the R Collection Account Accession Agreement, the Standby Account Bank, the Interest Rate Swap Counterparty, the Corporate Services Provider, the Principal Paying Agent, the Registrar, the Agent Bank, the Securitisation Repositories, the Reporting Agent and any other person who is expressed in any deed supplemental to the Deed of Charge to be a secured creditor.
"Securities Act"	The U.S. Securities Act of 1933, as amended.
"Securitisation Repository"	(i) SecRep Limited, or its substitute, successor or replacement that is registered with the FCA under the UK Securitisation Regulation, and (ii) SecRep BV, or its substitute, successor or replacement that is registered as a securitisation repository under Article 10 of the EU Securitisation Regulation.
"Securitisation Repository Website"	(i) The website of SecRep Limited at https://www.secrep.co.uk/ , being a website that conforms with the requirements set out in Article 7(2) of the UK Securitisation Regulation, and (ii) the website of SecRep BV at https://www.secrep.eu , being a website that conforms with the requirements set out in Article 7(2) of the EU Securitisation Regulation, or in each case such other website as may be notified by the Servicer to the Issuer, the Cash Manager, the Security Trustee, each Rating Agency, the Noteholders and the Certificateholders from time to time.
"Security"	The Security Interests created by the Issuer pursuant to the terms of the Deed of Charge in favour of the Security Trustee for the benefit of the Secured Creditors, as described in the section entitled " <i>Security for the Issuer's Obligations – Deed of Charge</i> ".
"Security Interest"	Any mortgage or sub-mortgage, standard security, charge or sub-charge (whether legal or equitable), encumbrance, pledge, lien, hypothecation, assignment or assignation by way of security or other security interest or title retention arrangement and any agreement, trust or arrangement having substantially the same economic or financial effect as any of the foregoing (other than a lien arising in the ordinary course of business or by operation of law).
"Security Trustee"	U.S. Bank Trustees Limited and its successors or any further or other security trustee appointed pursuant to the terms of the Deed of Charge.
"Self-Certified Mortgage Loans"	Mortgage Loans 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 originator.
"Seller"	Kensington Mortgage Company Limited, in its capacity as seller.

"Seller's Policy"	The originating, lending and underwriting, administration, arrears and enforcement policies and procedures which are applied from time to time by the Seller to mortgage loans and the related security for their repayment which are beneficially owned solely by the Seller in its capacity as Legal Title Holder and which may be amended or varied by the Seller from time to time.
"Senior Revenue Amounts"	All payments required to be made pursuant to items (i) to (viii) (other than item (vii) of the Pre-Enforcement Revenue Priority of Payments (including, subject to the relevant PDL Condition being satisfied, item (viii) of the Pre-Enforcement Revenue Priority of Payments).
"Servicer"	Kensington Mortgage Company Limited, in its capacity as servicer of the Mortgage Portfolio initially appointed pursuant to the Servicing Agreement, or such other person for the time being acting as servicer under the Servicing Agreement.
"Servicer Power of Attorney"	The power of attorney from the Issuer provided to the Servicer pursuant to the Servicing Agreement.
"Servicer Report"	Each Monthly Servicer Report and/or each Quarterly Servicer Report.
"Servicer Reporting Date"	The date falling five Business Days after the end of each Collection Period or, if such day is not a Business Day, the immediately following Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).
"Servicing Agreement" ..	The servicing agreement entered into on or about the Closing Date between the Servicer, the Issuer, the Seller, the Legal Title Holder and the Security Trustee which provides for the administration of the Mortgage Loans in the Mortgage Portfolio, as described in the section entitled " <i>The Servicer and the Servicing Agreement</i> ".
"Servicing Procedures" ..	The administration, arrears and enforcement policies and procedures forming part of the Seller's Policy from time to time, pursuant to which the Servicer administers and enforces mortgage loans and the related security for their repayment which are beneficially owned by the Seller in its capacity as Legal Title Holder or, at any time when the Servicer is not also the Legal Title Holder, the policies and procedures from time to time which would be adopted by a Prudent Mortgage Lender.
"Share Trust Deed"	The share trust deed entered into by the Share Trustee and dated 23 August 2023 in relation to the shares in Holdings.
"Share Trustee"	CSC Corporate Services (UK) Limited, in its capacity as holder of the issued share capital of Holdings as trustee.
"Shared Ownership Mortgage Loan"	A Mortgage Loan in respect of a Mortgaged Property where the Borrower acquires a percentage of the relevant Mortgaged Property and pays rent to a landlord in respect of the remaining interest in the Mortgaged Property.
"Solvency II Regulation"	Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

"SONIA"	The Sterling Overnight Index Average.
"Specified Office"	As the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the provisions for the giving of notice scheduled to the Incorporated Terms Memorandum or such other specified notice as may be notified to the Issuer and the Note Trustee pursuant to the Agency Agreement.
"Sponsor Administration Agreement"	The sponsor administration agreement entered into on or about the Closing Date between the Seller, the Sponsor Administrator, the Issuer and the Security Trustee which provides for the Sponsor Administrator to provide certain sponsor administration services to the Issuer.
"Sponsor Administrator"	Barclays Bank PLC, in its capacity as the sponsor administrator initially appointed pursuant to the Sponsor Administration Agreement, or such other person for the time being acting as sponsor administrator under the Sponsor Administration Agreement.
"SR Quarterly Loan Level Data Tape"	An anonymised individual loan-level data tape in respect of the Mortgage Portfolio in the format required by the Reporting Agent (in accordance with Article 7(1)(a) of the EU Securitisation Regulation and UK Securitisation Regulation and in the form prescribed under the EU Securitisation Regulation and UK Securitisation Regulation, respectively) in respect of each Calculation Period which the Reporting Agent shall prepare and make available on the relevant Securitisation Repository Website on a quarterly basis by no later than the last Business Day of the calendar month in which a Payment Date falls.
"SR Quarterly Report" .	The EU Quarterly Report and the UK Quarterly Report made available at https://pivot.usbank.com and then by the Reporting Agent by means of the relevant Securitisation Repository Website in the case of the EU Quarterly Report and the UK Quarterly Report respectively.
"SSPE"	Has the meaning given to it in the EU Securitisation Regulation and the UK Securitisation Regulation.
"Standard Documentation"	The standard documentation referred to in the Mortgage Sale Agreement.
"Standard Security"	A standard security in terms of Part II of the Conveyancing and Feudal Reform (Scotland) Act 1970.
"Standby Account Bank"	Elavon Financial Services DAC, UK Branch, in its capacity as the Standby Account Bank initially appointed pursuant to the Standby Account Bank Agreement, and such additional or replacement standby bank account of the Issuer as may, from time to time, be in place pursuant to the terms of the Standby Account Bank Agreement.
"Standby Account Bank Agreement"	The standby account bank agreement entered into on or about the Closing Date between, among others, the Issuer, the Standby Account Bank and the Security Trustee which provides for the operation of the accounts named therein.
"Standby Issuer Accounts"	The Standby Transaction Account, the Standby Swap Collateral Account and any additional accounts of the Issuer as may, from time to time, be opened in

accordance with the terms of the Standby Account Bank Agreement and maintained pursuant to the terms of the Standby Account Bank Agreement, the Cash Management Agreement and the Deed of Charge.

"Standby Transaction Account"	The account in the name of the Issuer held at the Standby Account Bank and maintained pursuant to the terms of the Standby Account Bank Agreement, and such additional or replacement bank account of the Issuer as may, from time to time, be in place pursuant to the terms of the Standby Account Bank Agreement.
"Standby Swap Collateral Account"	One or more accounts in the name of the Issuer held at the Standby Account Bank and maintained pursuant to the terms of the Transaction Documents, and such additional account (including, if applicable, any securities accounts held with the Standby Account Bank or another financial institution that is a Qualified Institution) or replacement bank account of the Issuer as may, from time to time, be in place pursuant to the terms of the Transaction Documents.
"Step-Up Date"	The Payment Date falling in March 2027.
"Subscription Agreement"	The subscription agreement in such form as may be agreed between the Issuer, the Arranger and the Lead Manager.
"Swap Collateral"	At any time, any asset (including, without limitation, cash and/or securities) which is paid or transferred by the Interest Rate Swap Counterparty to, or held by, the Issuer as collateral in accordance with the terms of the Interest Rate Swap Agreement together with any income or distributions received in respect of such asset (if the Issuer is entitled to retain the same).
"Swap Collateral Account"	One or more accounts in the name of the Issuer held at the Transaction Account Bank and maintained pursuant to the terms of the Transaction Documents, and such additional account (including, if applicable, any securities accounts held with the Transaction Account Bank or another financial institution that is a Qualified Institution) or replacement bank account of the Issuer as may, from time to time, be in place pursuant to the terms of the Transaction Documents.
"Swap Collateral Available Amounts"	At any time in respect of the Interest Rate Swap Agreement, the amount of Swap Collateral standing to the credit of the relevant Swap Collateral Ledger following the return of any Swap Collateral Excluded Amounts to the Interest Rate Swap Counterparty after the termination of the Interest Rate Swap Agreement.
"Swap Collateral Excluded Amounts"	At any time in respect of the Interest Rate Swap Agreement, the amount of Swap Collateral standing to the credit of the relevant Swap Collateral Ledger, which is required at such time, in accordance with the terms of the Interest Rate Swap Agreement, to satisfy the Issuer's obligations to the Interest Rate Swap Counterparty, including Swap Collateral which is to be returned to the Interest Rate Swap Counterparty as a return amount (as defined in the Interest Rate Swap Agreement) from time to time in accordance with the terms of the Interest Rate Swap Agreement and, ultimately upon termination of the Interest Rate Swap Agreement, to make a payment of any termination payment owed to the Interest Rate Swap Counterparty.
"Swap Collateral Ledger"	A ledger maintained by the Cash Manager to record all payments, deliveries, transfers and receipts in connection with Swap Collateral relating to the Interest Rate Swap Agreement.

"Swap Early Termination Event"	The circumstances in which some or all swap transactions (as the case may be) under the Interest Rate Swap Agreement can be terminated before their respective scheduled termination dates, as described in " <i>The Interest Rate Swap Agreement – Termination of the Interest Rate Swap</i> " on page 237.
"Swap Replacement Premium"	Any payment received from a replacement Interest Rate Swap Counterparty in order to enter into a replacement Interest Rate Swap Agreement with such replacement Interest Rate Swap Counterparty replacing the Interest Rate Swap Agreement.
"Swap Termination Payment"	The amount payable because of a Swap Early Termination Event.
"Third Party Building Policies"	means: <ul style="list-style-type: none"> (a) all buildings insurance policies relating to freehold English Properties or any heritable Scottish Properties which have been taken out in the name of the relevant Borrower or in the name of the Borrower and the Seller or in the name of the Borrower with the interest of the Seller noted, in accordance with the applicable Mortgage Conditions; and (b) all landlord's buildings insurance policies relating to leasehold or long leasehold Mortgaged Properties.
"Title Deeds"	In relation to a Mortgage Loan, the deed constituting the relevant Mortgage and any documents of title to the relevant Mortgaged Property and to the Related Security.
"Transaction Account" ..	The account in the name of the Issuer held at the Transaction Account Bank and maintained pursuant to the terms of the Account Bank Agreement, and such additional or replacement bank account of the Issuer as may, from time to time, be in place pursuant to the terms of the Account Bank Agreement.
"Transaction Account Bank"	Barclays Bank PLC, in its capacity as the Transaction Account Bank initially appointed pursuant to the Account Bank Agreement, or such other person for the time being acting as Transaction Account Bank under the Account Bank Agreement.
"Transaction"	The transaction contemplated by the Transaction Documents.
"Transaction Documents"	Each of the following documents: <ul style="list-style-type: none"> (a) the Account Bank Agreement; (b) the Standby Account Bank Agreement; (c) the Agency Agreement; (d) the Cash Management Agreement; (e) the Corporate Services Agreement; (f) the Deed of Charge;

- (g) the Incorporated Terms Memorandum;
- (h) the Interest Rate Swap Agreement;
- (i) the Issuer Security Power of Attorney;
- (j) the Legal Title Holder Security Power of Attorney;
- (k) the Mortgage Sale Agreement;
- (l) the Portfolio Option Deed Poll;
- (m) the Refinancing Option Deed Poll;
- (n) the Retention Holder Deed Poll;
- (o) the Risk Retention Letter;
- (p) the Scottish Declaration of Trust;
- (q) the Scottish Supplemental Charge;
- (r) the Servicer Power of Attorney;
- (s) the Servicing Agreement;
- (t) the Main Collection Account Agreement;
- (u) the F Collection Account Agreement;
- (v) the F Collection Account Accession Agreement;
- (w) the R Collection Account Agreement;
- (x) the R Collection Account Accession Agreement;
- (y) the Main Collection Account Declaration of Trust;
- (z) the F Collection Account Declaration of Trust;
- (aa) the F Collection Account Supplemental Deed of Declaration of Trust;
- (bb) the R Collection Account Declaration of Trust;
- (cc) the R Collection Account Supplemental Deed of Declaration of Trust;
- (dd) the Share Trust Deed;
- (ee) the Trust Deed;
- (ff) the Sponsor Administration Agreement; and
- (gg) any Custody Agreement,

and such other related documents which are referred to in the terms of the above documents or which relate to the Issuer of the Notes and/or which relate to the Senior Deferred Consideration and Residual Deferred Consideration.

"Transaction Party"	Any person who is a party to a Transaction Document and "Transaction Parties" means some or all of them.
"Transparency Requirements"	The information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the UK Securitisation Regulation.
"Trust Deed"	The trust deed entered into on or about the Closing Date between the Issuer and the Note Trustee constituting the Notes.
"UK Article 7 ITS"	Commission Implementing Regulation (EU) 2020/1225 as it forms part of the domestic law by virtue of the EUWA, including any relevant legislation, instruments, rules, policy statements, guidance, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto.
"UK Article 7 RTS"	Commission Delegated Regulation (EU) 2020/1224 as it forms part of the domestic law by virtue of the EUWA, including any relevant legislation, instruments, rules, policy statements, guidance, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto.
"UK Article 7 Technical Standards"	The UK Article 7 RTS and the UK Article 7 ITS.
"UK CRR"	Regulation (EU) No. 575/2013 as it forms part of domestic law by virtue of the EUWA, including any applicable regulations, rules, guidance or other implementing measures of the FCA, the Bank of England or the PRA (or their successor) in relation thereto.
"UK Quarterly Report".	A quarterly investor report prepared and published by the Reporting Agent containing the information required to be made available pursuant to Article 7(1)(e) of the UK Securitisation Regulation and the UK Article 7 Technical Standards.
"UK Securitisation Regulation"	Regulation (EU) 2017/2402 as it forms part of domestic law by virtue of the EUWA, including any relevant binding technical standards, regulations, instruments, rules, policy statements, guidance, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto, in ease case as amended, varied, superseded or substituted from time to time.
"UK Securitisation Repository Operational Standards"	Commission Delegated Regulation (EU) 2020/1229 as it forms part of domestic law by virtue of the EUWA, including any applicable regulations, rules, guidance or other implementing measures of the FCA (or its successor) in relation thereto.
"UK Solvency II "	Commission Delegated Regulation (EU) No. 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of business of Insurance and Reinsurance as it forms part of domestic law by virtue of the EUWA.

"UK STS Notification"...	A notification to the FCA by Kensington Mortgage Company Limited, as originator, and Barclays Bank PLC, as sponsor, in accordance with Article 27 that the UK STS Requirements have been satisfied with respect to the Notes.
"UK STS Notification Technical Standards"	Commission Delegated Regulation (EU) 2020/1226 and Commission Implementing Regulation (EU) 2020/1227 as these form part of the law of the UK by virtue of the EUWA, including any applicable regulations, rules, guidance or other implementing measures of the FCA or other relevant UK regulator (or their successor) in relation thereto.
"UK STS Requirements"	The requirements of Articles 19 to 22 of the UK Securitisation Regulation.
"Underpayment"	A situation where a Borrower makes a monthly payment on its Mortgage Loan which is less than the required monthly payment for that month.
"United Kingdom" or "UK"	The United Kingdom of Great Britain and Northern Ireland.
"Upfront Swap Payment"	The Fixed Amount payable by the Issuer to the Interest Rate Swap Counterparty on the Closing Date pursuant to the terms of the initial Interest Rate Swap under the Interest Rate Swap Agreement.
"U.S. Credit Risk Retention Requirements"	The risk retention requirements under Section 15G of the Securities Exchange Act of 1934 and regulations promulgated thereunder.
"U.S. person"	A U.S. person (as defined in Regulation S).
"Valuation Report"	The valuation report or reports for mortgage purposes, in the form of the proforma contained in the Standard Documentation, obtained by a Seller from a Valuer in respect of a Mortgaged Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a Prudent Mortgage Lender.
"Valuer"	An Associate or Fellow of the Royal Institution of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers who was at the relevant times either a member of a firm which was on the list of Valuers approved by or on behalf of the Seller from time to time or an Associate or Fellow of the Royal Institute of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers employed in-house by a Seller acting for the Seller in respect of the valuation of a Mortgaged Property.
"Voting Certificate"	An English language certificate issued by the Principal Paying Agent in which it is stated: <ul style="list-style-type: none"> (a) that on the date thereof the Notes and/or any Certificates (then in issue) (not being the Notes and/or Certificates (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate) are blocked in an account with a clearing system and that no such Notes and/or such Certificates (then in issue) 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 Principal Paying Agent who issued the same; and
- (b) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes and/or any Certificates (then in issue) represented by such Voting Certificate.

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