

London Wall Mortgage Capital plc

*Incorporated with limited liability in England and Wales with registered number 10001337
LEI 213800QSO&J75OTK5919*

Residential mortgage backed securities programme

Please refer to 19 *Programme Prospectus index of definitions* to find the page in this document (the **Programme Prospectus**) on which an expression is defined. In particular, except where the context indicates otherwise, expressions defined in the Base Conditions (see 10 *Base Conditions*) also have the same meaning in other parts of the Disclosure Documents.

This Programme Prospectus supersedes all previous Programme Prospectuses relating to the Programme. Any Notes and DCIs issued under the Programme during the period of 12 months from the date of this Programme Prospectus are issued subject to the provisions described in this Programme Prospectus. This does not affect any Notes or DCIs already in issue.

Programme establishment The Issuer established a residential mortgage backed securities programme (the **Programme**), as described in this Programme Prospectus, on 1 November 2016 (the **Programme Establishment Date**).

Issuance of segregated Series The Programme provides arrangements whereby the Issuer may from time to time issue Notes (the **Notes**) and DCIs (the **DCIs**) in separate segregated series (each being a **Series**). There will be no cross-collateralisation or commingling between any of the Series issued, or to be issued, under the Programme and each Series will have its own separate features as indicated in the relevant Series Prospectus (including, without limitation, its own assets, Notes and DCIs, credit structure and cashflows) and will be able to be separately enforced. See further 5 *Overview of the Programme*, 7.3 *Segregation of Series Portfolios by Series* and 11.10.1 *Segregated priorities, enforcement and realisation scheme*.

Listing This Programme Prospectus comprises a base prospectus for the purpose of Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the EUWA (the **UK Prospectus Regulation**). In this Programme Prospectus **EUWA** means the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020, as amended, varied, superseded or substituted from time to time.

This Programme Prospectus has been approved by the Financial Conduct Authority (the **FCA**) as competent authority under the UK Prospectus Regulation. The FCA only approves this Programme Prospectus as meeting the standard of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Programme Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval by the FCA relates only to Notes which are to be admitted to trading on a regulated market for the purposes of Regulation (EU) No. 600/2014 on markets in financial instruments as it forms part of domestic law in the United Kingdom by virtue of the EUWA (**UK MiFIR**).

This Programme Prospectus is not a prospectus for the purposes of Section 12(a)(2) or any other provision under the U.S. Securities Act.

An application may be made to the FCA (as competent authority under the UK Prospectus Regulation) for Classes of Notes issued under the Programme during the period of 12 months from the date of this Programme Prospectus to be admitted to the official list of the FCA (the **FCA's Official List** and such Classes of Notes being **Listed Notes**) in which case an application will also be made to London Stock Exchange plc (the **London Stock Exchange**) for such Listed Notes to be admitted to trading on the London Stock Exchange's Main Market (the **London Main Market**). The London Main Market is a Regulated Market for the purposes of UK MiFIR (a **Regulated Market**).

This Programme Prospectus also includes information relating to the DCIs but no such applications have been made, or shall be made, in respect of the DCIs. This Programme Prospectus does not constitute a prospectus issued in compliance with the UK Prospectus Regulation for the purpose of giving information with regard to the DCIs and the FCA (as competent authority under the UK Prospectus Regulation) has neither approved nor reviewed the information contained in the Disclosure Documents in connection with the DCIs.

See further 1.2 *Disclosure Documents and Listing*.

Prospective investors must pay particular attention to sections 1. *Important information about the Disclosure Documents* and 4. *Risk factors*.

Programme established and managed by

London Wall Capital Investments LLP

Drawdown prospectus / final terms	<p>Each Series of Notes will be subject to a final terms (the Series Note Final Terms) or a drawdown prospectus (each a Series Prospectus). Where a Series also includes DCIs, those DCIs will be subject to a pricing supplement (the Series DCI Pricing Supplement) or the relevant Series Prospectus.</p> <p>A Series Note Final Terms in relation to a Series will, for the purpose of that Series only, supplement the Base Conditions of the Notes in this Programme Prospectus, must be read in conjunction with this Programme Prospectus, will be based upon the form set out in 17 <i>Form of Series Note Final Terms</i> and will, among other things, contain the Note Specified Terms.</p> <p>A Series DCI Pricing Supplement in relation to a Series will, for the purpose of that Series only, supplement the Base Conditions of the DCIs in this Programme Prospectus, must be read in conjunction with this Programme Prospectus, will be based upon the form set out in 18 <i>Form of Series DCI Pricing Supplement</i> and will, among other things, contain the DCI Specified Terms.</p> <p>A Series Prospectus in relation to a Series will, for the purpose of that Series only, constitute a prospectus in relation to that Series and will incorporate by reference the relevant parts of this Programme Prospectus and will, among other things, contain the Note Specified Terms of the Notes relating to that Series and, as applicable, the DCI Specified Terms of the DCIs relating to that Series.</p> <p>Each cross reference that starts with a number is to a section of this Programme Prospectus and each cross reference that starts with a letter is to a section of the relevant Series Prospectus.</p>
Underlying assets	<p>The Issuer will make payments on the Notes and DCIs in respect of a Series from, among other things, payments of principal and revenue received from the Series Portfolio backing that Series, which will comprise Mortgages secured over residential properties located (where so indicated in E.3.1 <i>Features of the Mortgages</i> in the relevant Series Prospectus) in England and Wales, Scotland and/or Northern Ireland and originated by the Series Portfolio Originator(s) indicated in the relevant Series Note Final Terms or, as applicable, in C.1 <i>Table of Transaction Parties</i> in the relevant Series Prospectus. The Series Portfolio will have been acquired prior to the relevant Series Closing Date by London Wall Capital Investments LLP (being the Series Portfolio Seller) and will be purchased by the Issuer on the Series Closing Date. See further 7 <i>Series Portfolios</i>.</p>
Credit enhancement and liquidity support	<p>Section G <i>Series credit structure and cashflows</i> of the relevant Series Prospectus will contain details of the credit enhancement and liquidity support, if any, for the Notes in respect of the relevant Series. See further 11 <i>Credit structure and cashflows</i> below.</p>
Redemption provisions	<p>Information on any optional and mandatory redemption of the Notes will be summarised in the relevant Series Note Final Terms or, as applicable, in section F.3 <i>Rights of Noteholders and DCI Holders and relationship with other Security Creditors</i> in the relevant Series Prospectus and set out in full in Base Condition 6 <i>Redemption, purchase and cancellation</i> as amended and supplemented by the relevant Note Specified Terms.</p>
Credit rating agencies	<p>Each Series Rating Agency (if any) in relation to the relevant Series will be indicated in the relevant Series Note Final Terms or, as applicable, in C.1 <i>Table of Transaction Parties</i> in the relevant Series Prospectus and the status of each Series Rating Agency in respect of the Credit Rating Agencies Regulation will be indicated in J <i>Some regulatory disclosures</i> in the relevant Series Prospectus.</p>
Credit ratings	<p>The Note Specified Terms and, as applicable, DCI Specified Terms set out in the relevant Series Note Final Terms, the relevant Series DCI Pricing Supplement or, as applicable, in the relevant Series Prospectus will indicate each rating (if any) that is expected to be assigned by a Series Rating Agency on or about the relevant Series Closing Date to any Notes and/or DCIs issued in relation to that Series. See further 4.1.14 <i>Ratings of the Notes and/or DCIs</i>.</p>
Retention undertaking	<p>In relation to each Series issued under the Programme, section J <i>Some regulatory disclosures</i> of the relevant Series Prospectus will indicate whether or not that Series includes arrangements for compliance with the risk retention requirements set out in Article 6 of the UK Securitisation Regulation and/or Article 6 of the EU Securitisation Regulation, and, if so, what such arrangements will consist of as at the relevant Series Closing Date. See further 13.3 <i>UK and EU risk retention requirements</i>, 4.6.2 <i>The UK Securitisation Regulation</i> and 4.6.3 <i>The EU Securitisation Regulation</i>.</p> <p>In relation to each Series issued under the Programme, section A.5 <i>Applicability of U.S. Risk Retention Rules</i> of the relevant Series Prospectus will indicate whether or not that Series includes arrangements for the purposes of compliance with the U.S. Risk Retention Rules (in so far as applicable), or whether or not the Series Portfolio Seller intends to rely on the U.S. Risk Retention Exemption. See further 1.9.4 <i>Requirements of the U.S. Risk Retention Rules</i> below.</p>
Volcker Rule	<p>The Issuer and each Series are being structured so that none will constitute a 'covered fund' for purposes of the regulations adopted to implement section 619 of the Dodd-Frank Act, commonly known as the Volcker Rule. The Issuer will be relying on an exclusion or exemption from the definition of 'covered fund' under the Volcker Rule or an exclusion or exemption from the definition of 'investment company' under the U.S. Investment Company Act, other than Section 3(c)(1) or Section 3(c)(7) of the U.S. Investment Company Act, as specified in the Series Prospectus relating to the relevant Series. See further 4.6.8 <i>Certain Volcker Rule considerations</i>.</p>
Obligations	<p>The Notes and the DCIs 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 DCIs will not be obligations of any other Transaction Party named in the Disclosure Documents or any of such Transaction Party's affiliates.</p>

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1. Important information about the Disclosure Documents

1.1 Prospective investors

1.1.1 Specialist expertise required of prospective investors

The purchase of Notes and/or DCIs involves substantial risks and should not be considered except by investors who have the knowledge and experience in financial and business matters and expertise in assessing credit risk necessary to enable them to evaluate the risks, merits and suitability of an investment in the Notes or, as applicable, DCIs. In addition and in general, investment in the Notes or, as applicable, DCIs should not be considered except by investors who (among other things):

- have the requisite knowledge and experience in financial and business matters to evaluate the characteristics, risks and suitability of an investment in the Notes or, as applicable, DCIs in the context of the investor's own circumstances and investment objectives;
- are capable of bearing the economic risk of an investment in the Notes or, as applicable, DCIs for an indefinite period of time and have sufficient financial means to suffer any potential loss stemming therefrom;
- would enter into and maintain an interest in the Notes or, as applicable, DCIs for their own account as a buy and hold investment (and not with a view to resale, distribution or other disposition);
- recognise that it may not be possible to make any transfer of the Notes or, as applicable, DCIs for a substantial period of time, if at all; and
- recognise that, if at any time the Security for the Notes or, as applicable, DCIs becomes enforceable, the net proceeds of any such enforcement may be insufficient to pay the amounts outstanding in respect of the Notes or, as applicable, DCIs in full or at all. See further 12.4 *Restrictions on rights of Security Creditors*, Base Condition 3 *Status, Security and Series Priority of Payments* and Base Condition 11 *Enforcement by trustees*.

Each of the Issuer and the Series Managers may, in its discretion, disregard interest shown by a prospective investor even though that investor satisfies the foregoing suitability standards.

1.1.2 Prospective investors to consult and obtain advice

Prospective investors should determine whether an investment in any Notes or, as applicable, DCIs is appropriate in their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in any Notes or, as applicable, DCIs and to arrive at their own evaluations of the investment.

1.1.3 Prospective investors to consider suitability of investment

Each prospective investor must determine, based on its own independent review and such professional legal, financial, business, tax and other advice as it deems appropriate under the circumstances, whether and to what extent entering into and maintaining an investment by it in the Notes or, as applicable, DCIs as principal or in a fiduciary capacity:

- is fully consistent with its or, as applicable, each beneficiary's particular financial needs, objectives and condition and circumstances;
- complies and is fully consistent with all laws, regulations and investment policies, guidelines and restrictions applicable to it or, as applicable, each beneficiary;
- has a treatment under any applicable regulatory laws, rules and/or guidance (including, without limitation, risk-based capital or similar rules) which is suitable or appropriate to it or, as applicable, each beneficiary; and
- is a fit, proper, appropriate and suitable investment for it or, as applicable, each beneficiary, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes or, as applicable, DCIs.

1.1.4 Prospective investors to conduct independent investigation and analysis

Before making an investment decision, prospective purchasers of the Notes or, as applicable, DCIs should conduct such independent investigation and analysis regarding the Issuer, all other relevant persons, the Series Security Assets, the Notes, the DCIs, and such market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the Notes. However, as part of such independent investigation and analysis, prospective purchasers of Notes or, as applicable, DCIs should also consider

carefully, in the light of their own financial circumstances and investment objectives, all the information set forth in the Disclosure Documents.

Moreover, past performance should not be considered a reliable indicator of future performance, and prospective purchasers of the Notes or, as applicable, DCIs are cautioned that any statements relating to past performance are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer.

When making a decision whether to make an investment in the Notes or, as applicable, DCIs, prospective investors should assume that neither the Issuer nor any Transaction Party (nor any person associated with any of them) has conducted or will conduct any investigation regarding the financial condition or affairs of the Issuer or any other entity, the Security Assets, the creditworthiness of any obligor in respect of the Security Assets and the validity or the enforceability of the Security Assets. Neither the Issuer, nor any Transaction Party nor any affiliate of any of them or any other person on its or their behalf makes any representation as to the credit quality of any of the Security Assets. Any information obtained from any Noteholder or DCI Holder by any of such persons relating in any way to the credit quality of the Security Assets is not, and shall not be subject to, any duty of confidentiality by the recipient.

1.1.5 **Limited purpose of Programme Prospectus and not a recommendation**

Neither this Programme Prospectus nor any other information supplied in connection with the Programme, any Notes or any DCIs is intended to provide the basis of any credit or risk evaluation and should not be considered as a recommendation by the Issuer or any Transaction Party that any recipient of this Programme Prospectus or any other information should subscribe or purchase the Notes or DCIs.

1.1.6 **Prospective investors responsible for their own taxes**

Each Noteholder and DCI Holder will be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Notes or, as applicable, DCIs. Neither the Issuer nor any other person will pay any additional amounts to Noteholders or DCI Holders to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Notes or, as applicable, DCIs by the Issuer, by the Series Registrar or by the Series Paying Agent in respect of the Notes or, as applicable, DCIs or in respect of any payments to be received by the Issuer in respect of the relevant Security Assets.

1.2 **Disclosure Documents and Listing**

1.2.1 **Base prospectus under the UK Prospectus Regulation**

This Programme Prospectus comprises, and has been approved by the FCA (as competent authority under the UK Prospectus Regulation) as, a base prospectus for the purposes of Article 8 of the UK Prospectus Regulation and for the purpose of giving information with regard to the Issuer which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and rights attaching to the Notes. This Programme Prospectus is not a prospectus for the purposes of Section 12(a)(2) or any other provision under the U.S. Securities Act.

1.2.2 **Information incorporated by reference**

The published audited annual financial statements (including the auditors' report thereon) of the Issuer for:

- (a) its financial year from 1 January 2022 to 31 December 2022; and
- (b) its financial year from 1 January 2023 to 31 December 2023,

shall be deemed to be incorporated in, and to form part of, this Programme Prospectus. Please note, however, 4.2.13 *Financial statements of the Issuer* below. Any documents themselves incorporated by reference into those financial statements shall not form a part of this Programme Prospectus.

From on or about the date of this Programme Prospectus and throughout the period in which any Notes are outstanding, such financial statements shall be available in electronic form which may be viewed free of charge on the website of the United Kingdom's National Storage Mechanism at:

<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

1.2.3 **Disclosure Documents**

Subject to compliance with all relevant laws, regulations and directives, the Issuer may from time to time issue Notes and, as applicable, DCIs as described in this Programme Prospectus. Each Series of Notes will be subject to a final terms (being the relevant Series Note Final Terms) or a drawdown prospectus (being the

relevant Series Prospectus). Where a Series also includes DCIs, those DCIs will be subject to a pricing supplement (being the relevant Series DCI Pricing Supplement) or the relevant Series Prospectus.

(a) **Series Note Final Terms**

A Series Note Final Terms in relation to a Series will, for the purpose of that Series only, supplement the Base Conditions of the Notes in this Programme Prospectus, must be read in conjunction with this Programme Prospectus, will be based upon the form set out in 17 *Form of Series Note Final Terms* and will, among other things, contain the Note Specified Terms.

(b) **Series DCI Pricing Supplement**

A Series DCI Pricing Supplement in relation to a Series will, for the purpose of that Series only, supplement the Base Conditions of the DCIs in this Programme Prospectus, must be read in conjunction with this Programme Prospectus, will be based upon the form set out in 18 *Form of Series DCI Pricing Supplement* and will, among other things, contain the DCI Specified Terms.

(c) **Series Prospectus**

A Series Prospectus in relation to a Series will, for the purpose of that Series only, constitute a prospectus in relation to that Series and will incorporate by reference the relevant parts of this Programme Prospectus and will, among other things, contain the Note Specified Terms of the Notes relating to that Series and, as applicable, the DCI Specified Terms of the DCIs relating to that Series.

In relation to each separate issue of Notes, the final offer price and amount of such Notes will be determined by the Issuer and the relevant Series Managers taking account of, among other things, prevailing market conditions at the time of the issue of the relevant Series Prospectus and shall be set out in the Note Specified Terms and, as applicable, DCI Specified Terms contained in that Series Prospectus. See further 9 *Certain features of the Notes and DCIs*.

The **Disclosure Documents** in relation to the relevant Series and issue of Notes and, as applicable, DCIs means as applicable:

- (in the case of an issue of Notes) this Programme Prospectus as supplemented and read in conjunction with the relevant Series Note Final Terms;
- (in the case of an issue of DCIs) this Programme Prospectus as supplemented and read in conjunction with the relevant Series DCI Pricing Supplement; and
- (in the case of an issue of Notes and/or DCIs) the relevant Series Prospectus and (as qualified, amended and supplemented by that Series Prospectus) this Programme Prospectus.

1.2.4 **Application for listing on FCA's Official List and admission to trading on London Main Market**

An application may be made to the FCA (as competent authority under the UK Prospectus Regulation) for Classes of Notes issued under the Programme during the period of 12 months from the date of this Programme Prospectus to be admitted to the FCA's Official List in which case an application will also be made to the London Stock Exchange for such Classes of Notes to be admitted to trading on the London Main Market. The London Main Market is a Regulated Market.

No such applications will be made in respect of any DCIs issued in respect of any Series.

Admission to the FCA's Official List together with admission to trading on the London Main Market constitutes admission to official listing on the London Stock Exchange. References in this Programme Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to the FCA's Official List and admitted to trading on the London Main Market.

The FCA (as competent authority under the UK Prospectus Regulation), the London Stock Exchange and any other Regulated Market, stock exchange, market or authority upon which Notes in any Series are listed at the relevant time are each referred to as a **Listing Institution**.

Where a Series Prospectus or, as applicable, the relevant Series Note Final Terms specifies that Notes to which it relates are to be listed on the FCA's Official List and admitted to trading by the London Stock Exchange, such Series Prospectus or, as applicable, Series Note Final Terms will be filed with the National Storage Mechanism on or before the date of issue of such Notes.

1.2.5 **Preparation of further supplements to or new Disclosure Documents**

The Issuer will, in connection with the listing of Notes issued by it with, or on, a Listing Institution, so long as any such Note remains outstanding and listed on such exchange, in the event of any significant new factor, material mistake or inaccuracy relating to the information in this Programme Prospectus arising, information

in respect of which would have been required to be included in the Disclosure Documents had it arisen at the time of first listing:

- prepare a further supplementary prospectus to the Disclosure Documents; or
- publish new Disclosure Documents for use in connection with any subsequent issue of Notes by it to be listed by or on a Listing Institution.

In particular, if at any time the Issuer shall be required to prepare a supplementary prospectus pursuant to Article 23 of the UK Prospectus Regulation, the relevant information in such supplementary prospectus shall be contained in the relevant Series Prospectus in respect of subsequent issues of Notes to be listed on the FCA's Official List and admitted to trading on the London Main Market.

If the terms of the Programme are modified or amended in a manner which would make this Programme Prospectus, as supplemented, inaccurate or misleading in any material respect, a new Programme Prospectus will be prepared.

With respect to any issue of Notes, the Issuer will comply with any undertakings in connection with such issue required to be given by it from time to time to each Listing Institution by, or on, which the relevant Notes are to be or are listed and, without prejudice to the generality of the foregoing, shall furnish to such Listing Institution all such information as such Listing Institution may require in connection with the listing of the relevant Notes.

1.2.6 **Series Prospectus**

Where a Series Prospectus is issued in relation to a Series:

- this Programme Prospectus should be read and construed in conjunction with, and is qualified in its entirety by reference to, that Series Prospectus;
- any statement contained in the Programme Prospectus incorporated or deemed incorporated by reference into a Series Prospectus shall be deemed to be modified or superseded for the purpose of that Series Prospectus to the extent that a statement contained in that Series Prospectus modifies or supersedes such statement contained in the Programme Prospectus;
- any statement so modified or superseded shall not be deemed to constitute a part of that Series Prospectus except as modified or superseded; and
- full information on the Issuer, the Notes and DCIs described in that Series Prospectus is only available on the basis of a combination of that Series Prospectus and any information incorporated by reference into that Series Prospectus.

1.2.7 **Not a prospectus in relation to DCIs**

This Programme Prospectus also includes information relating to the DCIs but no applications have been made, or shall be made, to the FCA (as competent authority under the UK Prospectus Regulation) for the DCIs to be admitted to the FCA's Official List and no applications have been made, or shall be made, to the London Stock Exchange for any DCIs to be admitted to trading on the London Main Market. This Programme Prospectus does not constitute a prospectus issued in compliance with the UK Prospectus Regulation for the purpose of giving information with regard to the DCIs and the FCA (as competent authority under the UK Prospectus Regulation) has neither approved nor reviewed the information contained in the Disclosure Documents in connection with the DCIs.

1.3 **Availability of information for inspection**

1.3.1 **Transaction Information Website**

Transaction Information Website means at any time the website used by the Issuer at that time for making available for inspection online and/or publishing certain information relating to the Issuer, the Programme and each Series. Each Transaction Information Website and the contents available on it do not form part of the Disclosure Documents and are not incorporated by reference into, and do not form part of the information provided for the purposes of, the Disclosure Documents and disclaimers may be posted with respect to the information posted thereon. Registration may be required for access to the Transaction Information Website and persons wishing to access the information on the Transaction Information Website will be required to certify that they are entitled to access the information posted thereon. As at the date of this Programme Prospectus, the Transaction Information Website is <https://www.euroabs.com/IH.aspx?s=190>.

1.3.2 Information available for inspection

For the life of this Programme Prospectus and the period in which any Notes or DCIs remain outstanding, a copy of:

- this Programme Prospectus;
- each Series Prospectus relating to such Notes or DCIs;
- the Memorandum and Articles of Association of the Issuer;
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Programme Prospectus or in any such Series Prospectus;
- the most recently published annual and (if any) interim financial statements of the Issuer from time to time, when available; and
- each Transaction Document (redacted as necessary and as permitted by applicable law and regulation and excluding each Series Subscription Agreement and the RMBS Subscription Terms referred to in each such Series Subscription Agreement) as relevant to such Notes or DCIs,

(to the extent that they relate to the Issuer and unless such documents have been modified or superseded):

- may be inspected online at the Transaction Information Website (being, as at the date of this Programme Prospectus, www.euroabs.com as indicated in 1.3.1 (*Transaction Information Website*) above); and
- will be available in physical form from the Programme Establishment Date during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at and collection of copies from the Series Registrar Specified Office and the registered office of the Issuer (being 8th Floor, 100 Bishopsgate, London EC2N 4AG at the date of this Programme Prospectus).

1.3.3 Post issuance transaction reporting

Unless indicated otherwise in the relevant Series Note Final Terms or, as applicable, in the relevant Series Prospectus, for each Series, the Issuer will, from the Series Closing Date until the earlier of redemption in full of the last outstanding Notes or the Final Maturity Date, provide ongoing post-issuance information reporting in the form of a quarterly information pack (the **Series Investor Information Pack**).

The Series Investor Information Pack relating to a Series will include, among other things:

- a quarterly investor report in relation to that Series, prepared by the Series Cash Manager for that Series, detailing, among other things, certain aggregated loan data in relation to the relevant Series Portfolio, amounts paid by the Issuer pursuant to the Series Priorities of Payments in respect of the relevant period and required counterparty information;
- certain aggregated loan data and statistics in relation to the Series Portfolio, anonymised loan level data in relation to each Mortgage Loan in the Series Portfolio;
- (to the extent indicated in the Series Prospectus relating to that Series) information for the purposes of the UK Transparency and Reporting Requirements as applicable to that Series (see 13.4.1 *UK Transparency and Reporting Requirements*); and
- (to the extent indicated in the Series Prospectus relating to that Series) information for the purposes of the EU Transparency and Reporting Requirements as applicable to that Series (see 13.4.2 *EU Transparency and Reporting Requirements*).

Each Series Investor Information Pack will be accessible via the Transaction Information Website as indicated in 1.3.1 *Transaction Information Website*.

1.4 Responsibility and representations

1.4.1 Responsibility of the Issuer

This Programme Prospectus has been prepared for the purpose of providing information with regard to the Issuer, the Notes and, as applicable, the DCIs. The Issuer accepts responsibility for the information contained in this Programme Prospectus. To the best of the Issuer's knowledge, the information contained in this Programme Prospectus is in accordance with the facts and this Programme Prospectus makes no omission likely to affect its import.

Each Series Prospectus will contain a responsibility statement by the Issuer in respect of the information contained in this Programme Prospectus and such Series Prospectus, which, in relation to the Notes and, as applicable, the DCIs referred to in such Series Prospectus, shall be read together with this Programme Prospectus as one document.

1.4.2 Limited responsibility statements by certain other parties

Specified Entity	Specified Sections of this Programme Prospectus
London Wall Capital Investments LLP	3.2.1 <i>London Wall Capital Investments LLP</i>
Law Debenture Corporate Services Limited	3.2.2 <i>Law Debenture Corporate Services Limited</i>

In relation to each person listed in the *Specified Entity* column of the above table (the relevant **Specified Entity**):

- that Specified Entity accepts responsibility for the information set out in each section (each a **Specified Section** in relation to that Specified Entity) of this Programme Prospectus having the heading indicated adjacent to that Specified Entity's name in the *Specified Sections of this Programme Prospectus* column of the above table;
- to the best of the knowledge of that Specified Entity, the information contained in each Specified Section in respect of that Specified Entity is in accordance with the facts and each Specified Section in respect of that Specified Entity makes no omission likely to affect its import; and
- no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Specified Entity as to the accuracy or completeness of any information contained in the Disclosure Documents (other than each Specified Section in respect of that Specified Entity) or any other information supplied in connection with the Notes, the DCIs or their distribution.

1.4.3 No responsibility of or representations by other persons

The information contained in this Programme Prospectus has not been separately verified by any Transaction Party. Except as stated in 1.4.1 *Responsibility of the Issuer* and 1.4.2 *Limited responsibility statements by certain other parties*, no Transaction Party makes any representation, recommendation or warranty, express or implied, or accepts any responsibility with respect to the accuracy, adequacy, reasonableness or completeness of any of the information in this Programme Prospectus or in any further information which may at any time be supplied by the Issuer in connection with the Notes.

1.4.4 Not to rely on unauthorised information and representations

No person has been authorised to give any information or to make representations other than those contained in this Programme Prospectus in connection with the issue or sale of the Notes or, as applicable, DCIs and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the directors of the Issuer or by any Transaction Party.

1.5 No assurance of continuing accuracy

1.5.1 Information and matters described in Disclosure Document may change

Neither the delivery of any Disclosure Document nor any sale made in connection with any Disclosure Document shall, under any circumstances, constitute a representation or create any implication that there has been no change in the information in any Disclosure Document or the affairs or condition of the Issuer since the date upon which the Disclosure Documents have been most recently issued, amended or supplemented or that any other information supplied in connection with the Programme or the relevant Series is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the Disclosure Document containing such information.

1.5.2 No duty of any Transaction Party to review or update information

No Transaction Party undertakes to, and no Transaction Party shall have any responsibility or duty to, investigate or review any of such information, affairs or condition, to keep any of such information, affairs or condition under review or to provide any investor or prospective investor in the Notes or DCIs, with any information in relation to such information, affairs or condition or to advise as to the attendant risks.

1.5.3 No duty of any Transaction Party to notify investors of other information

Any Transaction Party may have acquired, or during the term of the Notes or, as applicable, the DCIs may acquire, non-public information with respect to the affairs or condition of the Issuer (including, without limitation, the Notes, the DCIs or the Security Assets). No Transaction Party is under any obligation to make such information available to Noteholders or, as applicable, DCI Holders or to notify or advise any investor

or prospective investor in the Notes or, as applicable, the DCIs in respect of such information or any other matter.

1.6 Forward-looking statements

Certain statements contained in the Disclosure Documents are forward-looking statements within the meaning of Section 27A of the U.S. Securities Act and Section 21E of the U.S. Exchange Act. Such forward-looking statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as 'may', 'will', 'could', 'believes', 'expects', 'estimates', 'anticipates', 'continues', 'intends', 'plans' or, in each case, their negative or other variations or comparable terminology.

Such forward-looking statements appear in a number of places throughout the Disclosure Documents and involve:

- significant assumptions and subjective judgments by the Issuer that may not prove to be correct; and
- known and unknown risks, uncertainties and other important factors,

that could cause the actual results and performance of the Notes, the DCIs, the Issuer, other Transaction Parties and/or the UK residential mortgage industry to differ materially from any future results or performance expressed or implied in the forward-looking statements.

In addition, even if the results and performance of the Notes, the DCIs, the Issuer, other Transaction Parties and/or the UK residential mortgage industry, are consistent with the forward-looking statements set out in the Disclosure Documents, those results or developments may not be indicative of results or developments in subsequent periods.

Any forward-looking statements which are made in the Disclosure Documents speak only as of the date of such statements and are not guarantees of future performance. Actual results, performance or achievements could differ materially from the results expressed or implied by these forward-looking statements. Factors that could cause or contribute to such differences include those discussed in 4 *Risk factors* and/or in section D *Additional risk factors* in the relevant Series Prospectus. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements in the Disclosure Documents.

Neither the Issuer nor any Transaction Party intends, or has or assumes any obligation, to revise the forward-looking statements included in the Disclosure Documents to reflect any future events or circumstances.

Neither the Issuer nor any other Transaction Party has attempted to verify any forward-looking statements, nor does it make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of the forward-looking statements.

1.7 Statistical Information

The Disclosure Documents also contain certain tables and other statistical analyses (the **Statistical Information**) which have been prepared in reliance on information provided by the Issuer. Numerous assumptions have been used in preparing the Statistical Information, which may or may not be reflected in the material. As such, no assurance can be given as to the Statistical Information's accuracy, appropriateness or completeness in any particular context, or as to whether the Statistical Information and/or the assumptions upon which it is based reflect present market conditions or future market performance.

The Statistical Information should not be construed as either projections or predictions or as legal, tax, financial or accounting advice. The average life of or the potential yields on any security cannot be predicted, because the actual rate of repayment on the underlying assets, as well as a number of other relevant factors, cannot be determined. No assurance can be given that the assumptions on which the possible average lives of or yields on the securities are made will prove to be realistic.

Neither the Issuer nor any other Transaction Party has attempted to verify any Statistical Information, nor does it make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of the Statistical Information.

1.8 Restrictions must be ascertained and observed

1.8.1 Investors or prospective investors to ascertain applicable restrictions

The distribution of the Disclosure Documents and the offering or sale of the Notes and, as applicable, DCIs in certain jurisdictions may be restricted by law. Persons into whose possession any Disclosure Document comes are required by the Issuer and each Transaction Party to inform themselves about and to observe any such restrictions.

1.8.2 **Restriction on use of Disclosure Documents in certain jurisdictions**

The Disclosure Documents do not constitute and may not be used for the purposes of any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and, except as expressly indicated otherwise in the Disclosure Documents, no action is being taken to permit an offering of the Notes, DCIs or the distribution of the Disclosure Documents in any jurisdiction where such action is required.

1.8.3 **Restrictions on types of transactions**

Certain restrictions on offers and sales of the Notes and DCIs and on distribution of this Programme Prospectus are referred to in 9.5 *Restrictions on transfers of Notes and DCIs* and 15.2 *Selling restrictions* and may also be set out in the applicable Series Prospectus.

1.8.4 **No reliance by investors or prospective investors**

A prospective investor may not rely on the Issuer, any Transaction Party or any affiliate of any of them or any other person acting on its or their behalf (and none of them assumes responsibility to or shall be liable to any such investor) in connection with its determination as to the legality or lawfulness of the acquisition of the Notes or, as applicable, DCIs by such investor, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it, or as to the other matters referred to in 1.1 *Prospective investors*.

1.8.5 **Minimum denomination of Notes**

No Notes will be issued under the Programme with a denomination of less than GBP 100,000 (or, if higher, the amount of GBP which is, at the date of issuance of the relevant Notes, equal to EUR 100,000 as determined at a market spot rate of exchange determined by the Programme Servicer as at that date).

1.8.6 **Prohibition of sales to EEA retail investors**

Neither The Notes nor the DCIs are intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of:

- a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **EU MiFID II**); or
- a customer within the meaning of Directive 2016/97 (as amended, the **EU Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of the EU MiFID II.

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **EU PRIIPS Regulation**) for offering or selling the Notes or the DCIs or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or the DCIs or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPS Regulation.

1.8.7 **Prohibition of sales to UK retail investors**

Neither the Notes nor the DCIs are intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of:

- a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the United Kingdom by virtue of the EUWA; or
- a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 and any rules or regulations made under that Act to implement the EU Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of the UK MiFIR.

Consequently no key information document required by the EU PRIIPS Regulation as it forms part of domestic law in the United Kingdom by virtue of the EUWA (the **UK PRIIPS Regulation**) for offering or selling the Notes or the DCIs or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or the DCIs or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPS Regulation.

1.9 Further restrictions regarding the United States

1.9.1 No registration made or approval obtained under United States laws

The Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States or any other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state or local securities laws.

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

1.9.2 Offerings in reliance on Reg S and Rule 144A

Where Notes in a Series include Rule 144A Notes (being Notes which are indicated as being Rule 144A Notes in section F.1.2 *Constitution of the Notes* in the relevant Series Prospectus), such Rule 144A Notes may only be offered or sold, within the United States or to or for the benefit of U.S. persons who are qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act, **Qualified Institutional Buyers**) in reliance on Rule 144A under the U.S. Securities Act.

Where Notes in a Series include Rule 144A Notes (being Notes which are indicated as being Rule 144A Notes in section F.1.2 *Constitution of the Notes* in the relevant Series Prospectus), such Rule 144A Notes may only be offered or sold:

- in the United States to persons that are Qualified Institutional Buyers, purchasing for their own account or one or more accounts with respect to which they exercise sole investment discretion, each of which is a Qualified Institutional Buyer, in transactions exempt from the registration requirements of the U.S. Securities Act; and
- outside the United States to persons who are not 'U.S. Persons' in compliance with Reg S.

The Rule 144A Notes are subject to restrictions on transferability and resale and may not be transferred or resold except (a) as permitted under the U.S. Securities Act in accordance with Rule 144A and Reg S and (b) pursuant to the requirements of, or an exemption under, applicable U.S. state securities laws.

Except for any Rule 144A Notes, all Notes are being offered solely outside the United States in reliance on Reg S to non-U.S. Persons in offshore transactions (as defined in Reg S).

1.9.3 Available information for resale of Rule 144A Notes

To permit compliance with Rule 144A for resale of Rule 144A Notes (if applicable), the Issuer will make available upon request to a Noteholder of such Rule 144A Note and a prospective purchaser designated by such Noteholder the information required to be delivered under Rule 144A(d)(4) under the U.S. Securities Act if, at the time of the request, the Issuer is not a reporting company under Section 13 or Section 15(d) of the U.S. Exchange Act and is not exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act.

1.9.4 Requirements of the U.S. Risk Retention Rules

Section 941 of the Dodd-Frank amended the U.S. Exchange Act to include rules (the **U.S. Risk Retention Rules**) which, among other things, generally require the 'sponsor' (or its majority-owned affiliate) of a 'securitization transaction' to retain at least 5% economic interest in the 'credit risk' of 'securitized assets', as such terms are defined for the purposes of the U.S. Risk Retention Rules, and generally prohibit a 'sponsor' (or its majority-owned affiliate) from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the 'credit risk' that the 'sponsor' (or its majority-owned affiliate) is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The U.S. Risk Retention Rules came into effect on 24 December 2015 with respect to residential mortgage-backed securitisations.

(a) Sponsor for the purposes of the U.S. Risk Retention Rules

Unless indicated otherwise in the relevant Series Prospectus, the Series Portfolio Seller will be the sponsor of the relevant Series for the purposes of the U.S. Risk Retention Rules.

(b) **Arrangements relating to U.S. Risk Retention Rules in relation to a Series**

In relation to each Series issued under the Programme, section A.5 *Applicability of U.S. Risk Retention Rules* of the relevant Series Prospectus will indicate whether or not:

- that Series includes arrangements to retain at least 5% of the credit risk of the securitized assets for purposes of compliance with the U.S. Risk Retention Rules (in so far as applicable), or
- the Series Portfolio Seller intends to rely on the exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions that meet certain requirements (the **U.S. Risk Retention Exemption**).

(c) **Some requirements relating to the U.S. Risk Retention Exemption, if relevant to a Series**

Where the relevant Series Prospectus indicates that the Series Portfolio Seller intends to rely on the U.S. Risk Retention Exemption, prospective investors should note that, among other things, the U.S. Risk Retention Exemption requires the relevant non-U.S. transactions must meet certain requirements, including that:

- the transaction is not required to be and is not registered under the U.S. Securities Act;
- no more than 10% of the dollar value (or equivalent amount in the currency in which the 'ABS interests' (as defined in Section 2 of the U.S. Risk Retention Rules) are issued) of all classes of 'ABS interests' issued in the 'securitisation transaction' are sold or transferred to, or for the account or benefit of, U.S. persons (as defined in the U.S. Risk Retention Rules, **Risk Retention U.S. Persons**);
- 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
- no more than 25% 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.

Where the relevant Series Prospectus indicates that the Series Portfolio Seller intends to rely on the U.S. Risk Retention Exemption, prospective investors should be aware that they will be deemed and in certain circumstances will be required to make certain representations and agreements relating to the U.S. Risk Retention Exemption set out in the relevant Series Prospectus.

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 Reg S, and that persons who are not 'U.S. persons' under Reg S may be Risk Retention U.S. Persons. The definition of 'U.S. person' in the U.S. Risk Retention Rules is set out below. Paragraphs (2) and (7) include footnotes which indicate differences in the definition of 'U.S. person' in Reg S.

Under the U.S. Risk Retention Rules, and subject to limited exceptions, 'U.S. person' (i.e. a Risk Retention U.S. Person) means any of the following:

- (1) any natural person resident in the United States;
- (2) any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States¹;
- (3) any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);
- (4) any trust of which any trustee is a U.S. person (as defined under any other clause of this definition); any agency or branch of a foreign entity located in the United States;
- (5) 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);
- (6) 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
- (7) any partnership, corporation, limited liability company, or other organisation or entity if:
 - organised or incorporated under the laws of any foreign jurisdiction; and

¹ The comparable provision in Reg S is 'any partnership or corporation organised or incorporated under the laws of the United States'.

- 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.

1.9.5 Certain aspects relating to enforcement action against the Issuer in the United States

The Issuer is a company incorporated with limited liability under the laws of England and Wales. All or a substantial portion of the Issuer's assets are located outside the United States. None of the officers and directors of the Issuer are residents of the United States. As a result, it may not be possible for investors to effect, within the United States, service of process upon the Issuer or any such person not residing in the United States or to enforce against them judgments of courts of the United States (including, without limitation, where predicated upon the civil liability provisions of securities laws of the United States). There is doubt as to the enforceability in England and Wales, in original actions or in actions for the enforcement of judgment of U.S. courts, of civil liabilities predicated solely upon the securities laws of the United States.

1.9.6 Information as to placement within the United States

The Disclosure Documents have been prepared by the Issuer solely for use in connection with the issue of the Notes and, as applicable, the DCIs. The Disclosure Documents are personal to each prospective investor to whom they have been delivered by the Issuer, the relevant Series Managers or any of their respective affiliates and do not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes or, as applicable, the DCIs. Distribution of the Disclosure Documents in the United States to any persons other than the prospective investors and those persons, if any, retained to advise such offerees with respect thereto is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

Notwithstanding the foregoing, each prospective investor (and each employee, representative or other agent of each prospective investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of an investment in the Notes and, as applicable, the DCIs and all materials of any kind (including opinions or other tax analyses) that are provided to the prospective investor relating to such tax treatment and tax structure. For these purposes, the tax treatment of an investment in the Notes means the purported or claimed United States federal income tax treatment of an investment in the Notes. Moreover, the tax structure of an investment in the Notes includes any fact that may be relevant to understanding the purported or claimed United States federal income tax treatment of an investment in the Notes.

1.10 Stabilisation in relation to market price of Notes

In connection with the issue and distribution of any Class of Notes, the person (if any) as may be specified in the applicable Series Prospectus as the Stabilisation Manager (being, in relation to the relevant Series, the Stabilisation Manager) (or person(s) acting on behalf of any Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or person(s) acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Class of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Class of Notes and 60 days after the date of the allotment of the relevant Class of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or person(s) acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

1.11 Interpretation and diagrams

1.11.1 Defined terms

Please refer to 19 *Programme Prospectus index of definitions* to find the page in this Programme Prospectus on which a capitalised term is defined.

References in any Disclosure Document to:

Expected Exchange Time means the date the GBP Equivalent is to be determined, unless it is clear from the context that the relevant reference to GBP Equivalent relates to and is being used to anticipate currency exchanges which will be made at a specific future date, in which case it means that future date; and

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

GBP Equivalent in relation to an amount means:

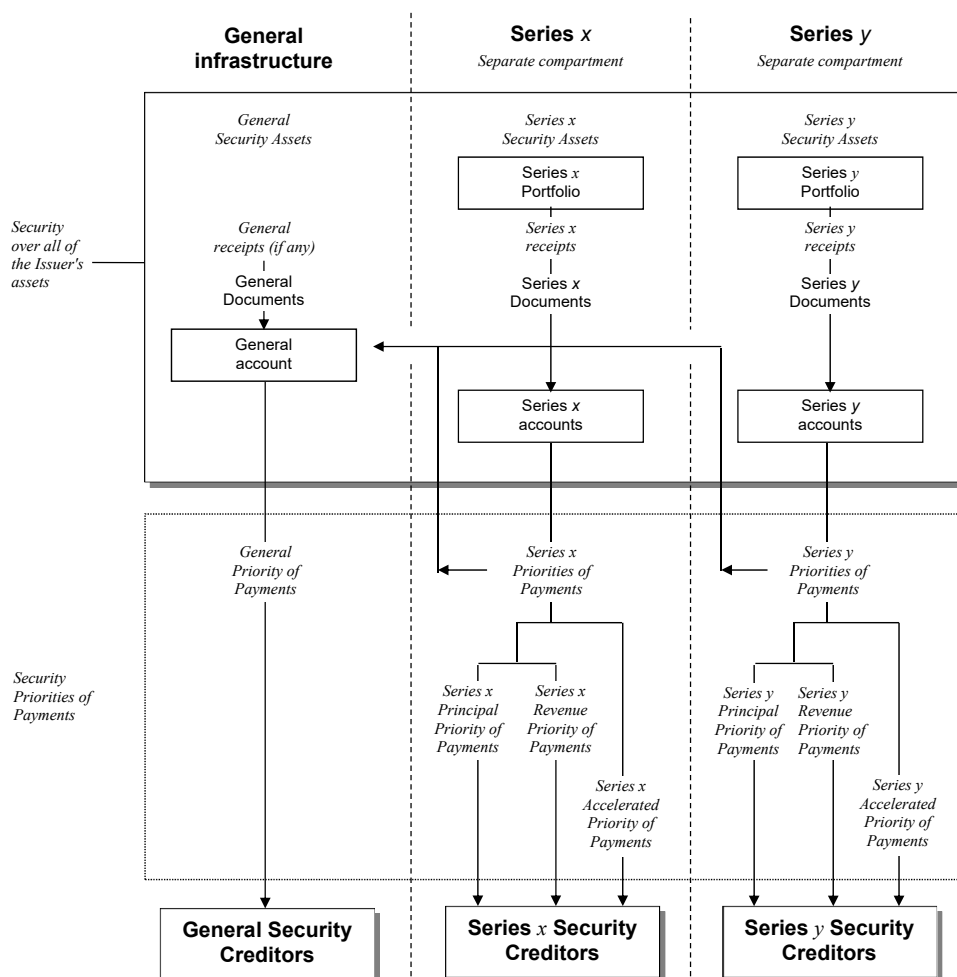
- (a) where that amount is expressed in GBP, that amount at the Expected Exchange Time; and
- (b) where that amount is expressed in any currency other than GBP, the GBP equivalent of that amount ascertained using:
 - (1) if that amount relates to a Note other than a GBP Note and the Series Currency Hedge Agreement (if any) relating to that Note has not or is not expected to have terminated early on or before the Expected Exchange Time, the exchange rate specified in that Series Currency Hedge Agreement; or
 - (2) in any other case, the applicable spot rate of exchange at (or as expected to be at) the Expected Exchange Time as determined by the relevant Series Payments Administrator.

1.11.2 **Headings and diagrams**

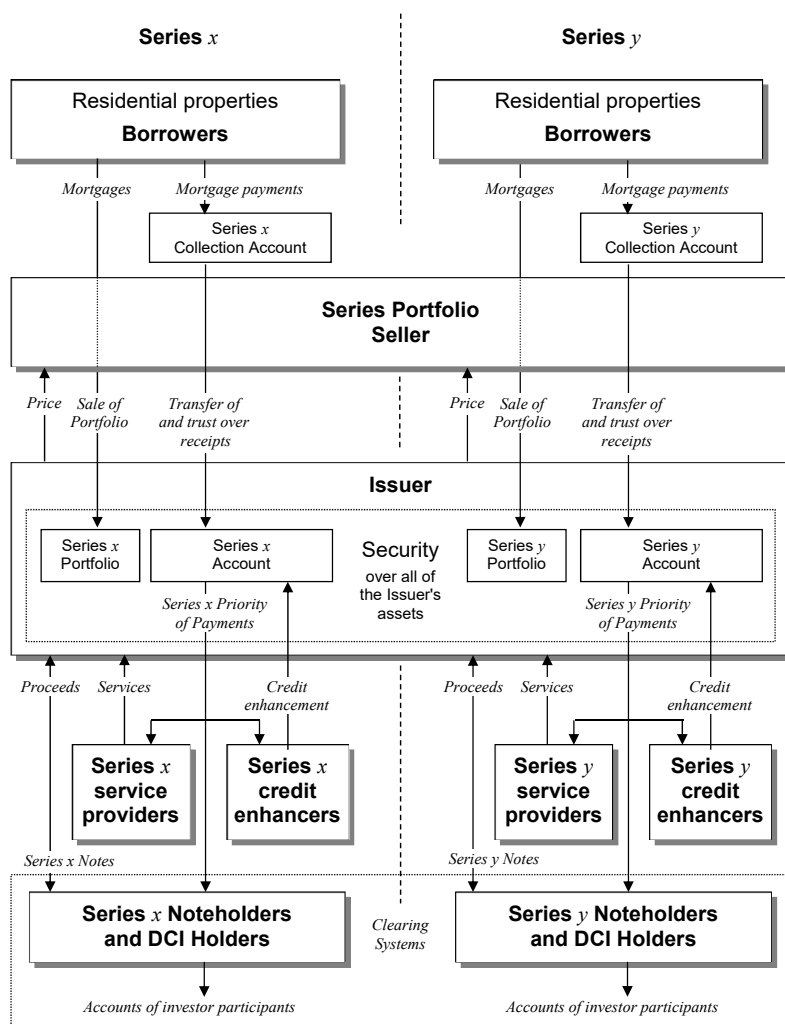
Each heading and diagram appearing in any Disclosure Document may not be complete or contain all details and is only for the purpose of providing an overview. Each heading and diagram must be read in conjunction with, and is qualified in its entirety by, the detailed information presented elsewhere in the Disclosure Documents.

2. Diagrammatic overview of the Programme

The following diagram is intended to provide an overview of the overall structure of the Programme (showing the general infrastructure and, for illustration, two separate Series) (see further 5 *Overview of the Programme*):

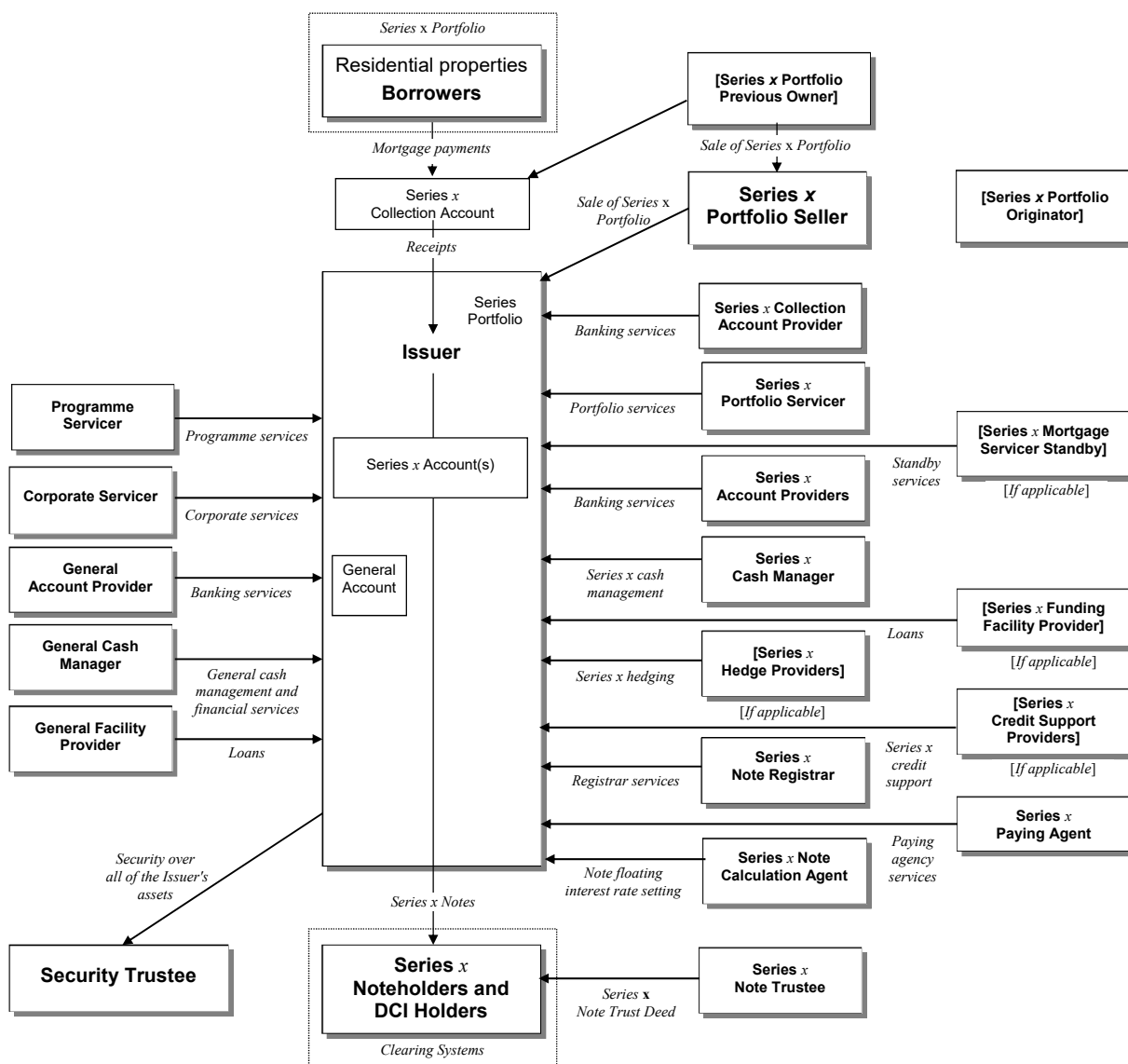


The following diagram is intended to provide an overview of the main purpose of the Programme, namely the creation of separate Series, and the expected structural features of a Series (showing, for illustration, two Series) (see further 5 *Overview of the Programme*):

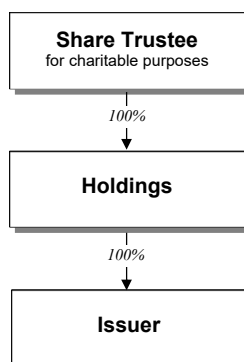


- Portfolios of mortgage loans secured on residential properties in the United Kingdom. Each Series Portfolio previously purchased or originated by the Series Portfolio Seller.
- True sale of each Series Portfolio by the Series Portfolio Seller to the Issuer in return for an initial consideration (mainly funded by the proceeds of the relevant Series Notes) and deferred consideration (represented by DCIs).
- Mortgage payments made by Borrowers to Series Collection Account(s).
- Mortgage receipts transferred to relevant Series Account (separate one for each Series for segregation of all funds and payments relating to that Series).
- Each Series Portfolio identified and serviced on a segregated basis.
- Separate credit enhancement for each Series to attain any relevant initial ratings for classes of Series Notes.
- Security over all of the Issuer's present and future assets held by Security Trustee for all of the Issuer's Security Creditors (including Noteholders of each Series). Security over assets designated to a Series can be separately enforced and realised without requiring enforcement of security over assets designated to other Series.
- Enforcement of one Series does not entitle enforcement against assets of any other Series.
- Separate Series Priorities of Payments for distribution of funds allocated to that Series (including payment at a senior level towards the General Account to fund the general infrastructure of the Programme).
- Separate Series of Notes and DCIs, held in Clearing Systems.

The following diagram is intended to provide an overview of the structure of, and parties to, the Programme (showing the General Parties and, for illustration, the Series Parties to one possible Series) (see further 5 *Overview of the Programme*):



The following diagram shows the corporate structure of the Issuer (see 6 *The Issuer and its corporate structure*):



3. Transaction Parties

3.1 Table of Transaction Parties

Party	Name and address	Document under which appointed / Further Information
Security Trustee	Citibank, N.A., London Branch Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Security Deed and Security Intercreditor Deed. See further 12 <i>Security and intercreditor arrangements</i> .
Programme Servicer	London Wall Capital Investments LLP 6th Floor, 125 London Wall, London EC2Y 5AS	Programme Services Agreement. See further 3.2.1 <i>London Wall Capital Investments LLP</i> and 8.4 <i>Programme Services</i> .
General Account Provider	Citibank, N.A., London Branch Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	General Account Agreement. See further 8.5 <i>General Account Services</i> .
General Cash Manager	Citibank, N.A., London Branch Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	General Cash Management Agreement. See further 8.7 <i>General Cash Management Services</i> .
Corporate Servicer	Law Debenture Corporate Services Limited 8th Floor, 100 Bishopsgate, London EC2N 4AG	Corporate Services Agreement. See further 3.2.2 <i>Law Debenture Corporate Services Limited</i> and 8.9 <i>Corporate Services</i> .
Holdings	London Wall Mortgage Capital Holdings Limited 8th Floor, 100 Bishopsgate, London EC2N 4AG	Corporate Services Agreement and Share Trust Deed. See further 6 <i>The Issuer and its corporate structure</i> and 8.9 <i>Corporate Services</i> .
Share Trustee	The Law Debenture Intermediary Corporation p.l.c. 8th Floor, 100 Bishopsgate, London EC2N 4AG	Corporate Services Agreement and Share Trust Deed. See further 6 <i>The Issuer and its corporate structure</i> and 8.9 <i>Corporate Services</i> .

The following are not Transaction Parties but are, to the extent indicated in this Programme Prospectus, relevant to the Notes:

Party	Name and address	Further Information
FCA (as competent authority under the UK Prospectus Regulation)	Financial Conduct Authority 12 Endeavour Square, London E20 1JN	The Financial Conduct Authority has not entered into any appointment in relation to the Transaction. See further 1.2 <i>Disclosure Documents and Listing</i> .
London Stock Exchange	London Stock Exchange plc 10 Paternoster Square, London EC4M 7LS	The London Stock Exchange plc has not entered into any appointment in relation to the Transaction. See further 1.2 <i>Disclosure Documents and Listing</i> .

In respect of each Series, the Transaction Parties in respect of that Series will be set out in C.1 *Table of Transaction Parties* in the relevant Series Prospectus.

3.2 Additional information about certain Transaction Parties

The information contained in this section 3.2 relates to and has been obtained respectively from each of the persons to which the information relates. See further 1.4.2 *Limited responsibility statements by certain other parties*.

Additional information regarding Citibank, N.A., London Branch (the Security Trustee, General Account Provider and General Cash Manager) and certain Series Parties will be set out in C.2 *Additional information about certain Transaction Parties* in the relevant Series Prospectus.

3.2.1 London Wall Capital Investments LLP

London Wall Capital Investments LLP (LWCI) is the Programme Servicer and will, in relation to each Series, be the Series Portfolio Seller.

LWCI is a firm incorporated in England and Wales on 21 October 2014 (registered number OC396015) as a limited liability partnership under the Limited Liability Partnerships Act 2000. Its registered office is 6th Floor, 125 London Wall, London EC2Y 5AS and its telephone number is +44 20 3367 8200.

LWCI's core business is originating and holding term investments in financial assets, currently focussed on the UK residential mortgage sector. As part of its business, LWCI develops and maintains business relationships with independent mortgage originators who are prepared to originate residential mortgages according to criteria and terms pre-agreed with LWCI and then, after origination, to sell and assign those mortgages to LWCI.

LWCI's business is funded by its members. In accordance with its constitution (being the agreement between LWCI and its members), LWCI is funded solely through capital contributions (i.e. equity) from its investment members and the amounts LWCI receives from investments made through the deployment of the capital; and LWCI is not permitted to borrow (and has not borrowed) any funds from any person (including, without limitation, any of its members) and is not permitted to enter into (and has not entered into) any hedging transaction. Any losses that are experienced by LWCI in relation to its investments are fully taken into account in compiling its financial statements and results. Since establishing its business, LWCI has raised and deployed capital contributions from its members exceeding £250 million.

LWCI uses a 'segregated account' approach to its business whereby each investment funded by an investment member and made by LWCI using those funds is kept separate and ring-fenced from each other investment. This means that assets (including receipts) relating to one of its investments are not available in connection with any of its other investments. It also means that the relevant investment is impacted by any losses incurred in connection with it and are not mitigated by any of LWCI's other investments. The legal documentation relating to LWCI's business (including its constitution, a security deed granted by LWCI over all its present and future assets and a security intercreditor deed) reflects and implements this approach.

LWCI's business is operated by its members. LWCI does not out-source its administration or activities to third party services providers. Each investment member has separately appointed an investment manager in relation to LWCI and each such investment member deploys the capability of the investment manager in operating LWCI's business. Accordingly, in particular, LWCI applies the investment member's investment policies in relation to LWCI's arrangements with Mortgage originators, including:

- formulation of those arrangements and the lending criteria to be used by those Mortgage originators in originating Mortgages to be sold to LWCI and dealing with changes to, and applications for exceptions to, the criteria;
- formulation of Mortgage products, review of standard Mortgage documentation and analysis of relevant market developments and trends;
- providing oversight of, on a day to day basis, the performance of the relevant Mortgage originator and servicer;
- reviewing, on a day to day basis, detailed reports on the origination process (including specified data on Mortgage applications, specified data submitted to the Series Portfolio Originator's underwriters and their underwriting decisions); and
- arranging and reviewing periodic reports from independent Mortgage due diligence firms in relation to samples of the originated Mortgages.

The role of the members of LWCI (together with, where applicable, the deployment of the capability of their investment manager) means that the responsible decision makers have the required experience to enable LWCI to pursue its established business strategy, as well as an adequate corporate governance arrangement.

In connection with its business, LWCI has established the Programme as well as a warehousing programme which it uses in implementing and maintaining its investments. LWCI is the Programme Servicer in relation to the Programme and as such performs a range of management functions and services as summarised in 8.4.2 *Programme Services* below. LWCI is also the programme servicer in relation to its warehousing programme in respect of which it performs a similar range of management functions and services. A Series under the Programme and a series under the warehousing programme can use:

- an unleveraged approach (i.e. where all of the funding is derived from a capital contribution from the relevant investment member of LWCI), or
- a leveraged approach (i.e. where there is debt funding from third parties such as, for example, a Series involving the issue of Notes to capital markets investors), in each case according to the requirements of the relevant investment member in relation to the relevant investment.

Where a leveraged approach is used the relevant Series under the Programme or, as applicable, the relevant series under the warehousing programme may involve debt tranching and may be a 'securitisation' within the meaning of Article 2(1) of the UK Securitisation Regulation.

In particular, from 2016 to 2021 LWCI has maintained an investment which was unleveraged (i.e. where all of the funding is derived from a capital contribution from the relevant investment member of LWCI), did not involve any debt tranching or hedging and was not a 'securitisation' within the meaning of Article 2(1) of the UK Securitisation Regulation (which at one stage exceeded £70 million).

In addition, since its incorporation LWCI has executed two whole loan sale transactions in relation to portfolios of Mortgages that it has acquired.

Also, during 2022 and 2023 LWCI acquired 4 portfolios of UK residential mortgages (each originated by Charter Court Financial Services Limited), each being acquired from (and upon redemption of) a different UK residential mortgage backed securitisation in which investments were held by an investment member of LWCI as a third party investor (and none of those investments were a risk retention position or investment under the UK Securitisation Regulation).

Furthermore, whether an unleveraged or leveraged approach is used the relevant Series under the Programme or, as applicable, the relevant series under the warehousing programme in connection with an investment by LWCI, some of the capital provided by the relevant investment member in relation to that investment is applied in, and/or available for, meeting payment obligations of LWCI relating to that investment (but which do relate to the relevant Series or warehouse series) and/or relating to LWCI's broader business strategy and operations.

Among other things, the summary in this section 3.2.1 shows that LWCI was not established, and does not operate, for the sole purpose of securitising exposures within the meaning of Article 6(1) of the UK Securitisation Regulation and that LWCI has a business strategy and the capacity to meet payment obligations consistent with a broader business enterprise and involving material support from capital, assets, fees or other income available to LWCI, relying neither on the Mortgages being securitised by LWCI, nor on any interests retained or proposed to be retained by LWCI in accordance with the UK Securitisation Regulation, as well as any corresponding income from such Mortgages and interests.

3.2.2 Law Debenture Corporate Services Limited

Law Debenture Corporate Services Limited is the Corporate Servicer pursuant to the Corporate Services Agreement.

Law Debenture Corporate Services Limited was incorporated on 12 June 1997 in England and Wales under the Companies Act 1985 (registration number 03388362) and its registered office is at 8th Floor, 100 Bishopsgate, London EC2N 4AG.

Law Debenture Corporate Services Limited was established to provide independent directors and administrative services to special purpose vehicles set up in connection with securitisation, project and structured finance transactions. Law Debenture Corporate Services Limited and its associated companies have supplied directors and/or management services to special purpose vehicles located in the UK and Jersey.

4. Risk factors

The following is a description of the principal risks associated with an investment in the Notes and the DCIs. These risk factors are material to an investment in the Notes and the DCIs and in the Issuer. Prospective Noteholders and DCI Holders should carefully read and consider all the information contained in the Disclosure Documents, including the risk factors set out in this section and in D *Additional risk factors* in the relevant Series Prospectus, prior to making any investment decision.

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

The purchase of Notes and/or DCIs involves substantial risks and should not be considered except by investors who have the knowledge and experience in financial and business matters and expertise in assessing credit risk necessary to enable them to evaluate the risks, merits and suitability of an investment in the Notes or, as applicable, DCIs, see further 1.1 *Prospective investors*.

4.1 Risks relating to certain aspects of the Notes and DCIs

4.1.1 The Notes are solely the obligations of the Issuer

The Notes and DCIs will be solely the obligations of the Issuer. The Notes and DCIs will not be obligations or the responsibility of, or guaranteed by, any person other than the Issuer. Furthermore, no person, other than the Issuer (and, only to the extent so specified in the relevant Series Prospectus, any Series Note Guarantor in respect of, if any, a Series Note Guarantee), has, accepts, will have or will accept any liability whatsoever in respect of any failure by the Issuer to pay or discharge any liability in respect of the Notes and/or DCIs.

The Notes are not guaranteed by anyone (including, without limitation, the UK Government) and an investment in the Notes does not have the status of a bank deposit in the United Kingdom and is not within the scope of the UK Financial Services Compensation Scheme and accordingly, the Notes will not confer any entitlement to compensation under that scheme.

4.1.2 Pass-through structure - deferral of liabilities on the Notes and DCIs

The Note Specified Terms in the relevant Series Prospectus relating to a Series may indicate that Interest Deferral applies to some or all of the interest or principal amounts payable in respect of one or more Classes of Notes in that Series, and/or the DCI Specified Terms in the relevant Series Prospectus relating to a Series may indicate that DCI Amount Deferral applies to some or all of the DCI Amounts payable in respect of one or more Classes of DCIs in that Series, in which case on each occasion that the full amount which is due and payable is not discharged by the payment (if any) which is to be made in or towards discharge of such amounts in accordance with the relevant Series Priority of Payments, then the undischarged amount shall be deferred until such time and to the extent it is discharged by a payment made in accordance with the relevant Series Priority of Payments. See further Base Conditions 5.2(a) *Payment and deferral of Scheduled Interest* and 7.2 *Payment and deferral of DCI Allocated Amounts*.

4.1.3 Limited funds available to the Issuer may be insufficient

The ability of the Issuer to meet its obligations (including contingent and future obligations) in relation to a Series (including, without limitation, to pay principal of and interest on the Notes, amounts in respect of the DCIs and its operating and administration expenses) will be dependent on funds being received under the relevant Series Security Assets in which the Issuer has an interest (as described in the relevant Series Note Final Terms or, as applicable, in the relevant Series Prospectus).

In particular, the net sums (if any) realised in respect of the Series Security Assets for a Series following a Series Security Assets Realisation Event in relation to that Series may be insufficient to pay all the amounts outstanding to the Noteholders, the DCI Holders and the other Security Creditors for such Series in accordance with the applicable Series Priorities of Payments, or at all.

In such events, any shortfall shall be borne by the Noteholders, DCI Holders and other Series Security Creditors relating to such Series according to the Series Priorities of Payments specified in section G *Series credit structure and cashflows* in the relevant Series Prospectus and, therefore, in some circumstances investors may lose the value of their entire investment or part of it, as the case may be.

4.1.4 Limited recourse

All amounts, obligations and liabilities due, owing, incurred or payable by the Issuer (whether actual or contingent, present or future, contractual or non-contractual) to a Noteholder or DCI Holder from time to time in relation to a Series are, and shall continue to be, limited in recourse and immediately with effect from (and including) the occurrence of any Series Post Realisation Date in relation to that Series (see 12.4.5 *Series Post Realisation Date*):

- each Noteholder, DCI Holder and other Series Security Creditor in respect of that Series shall cease to have any right or claim against the Issuer in respect of any such amounts, obligations and liabilities in relation to that Series; and
- all of such amounts, obligations and liabilities shall be treated as discharged and extinguished in full,

(see Base Condition 12.2 *Limited recourse*). In such events, any shortfall shall be borne by the Noteholders, DCI Holders and other Series Security Creditors relating to such Series according to the Series Priorities of Payments specified in section G *Series credit structure and cashflows* in the relevant Series Prospectus and, therefore, in some circumstances investors may lose the value of their entire investment or part of it, as the case may be.

4.1.5 Limits on action that can be taken against the Issuer and its assets

Only the Security Trustee may pursue the remedies available under the Security Deed and the other Transaction Documents to enforce the rights of the Noteholders, DCI Holders and other Security Creditors of a Series. None of the Noteholders, DCI Holders and other Security Creditors (other than the Security Trustee) shall be entitled to proceed directly against the Issuer or any assets of the Issuer.

It should be noted that:

- neither the Security Trustee nor any Noteholder, DCI Holder or other Security Creditor, shall be entitled to petition or take any other step for the winding-up or administration of the Issuer in relation to a shortfall in respect of the other Series remaining outstanding after the realisation of the Series Security Assets designated to the relevant Series or in respect of any of the Issuer's other liabilities whatsoever;
- each Series Security Creditor 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 Security Intercreditor Deed, 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 Security Intercreditor Deed shall be received and held by it as trustee for the Security Trustee and shall be paid over to the Security Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of the Security Intercreditor Deed; and
- the Security Intercreditor Deed and the Standard Security Creditor Provision also provide that each Series Security Creditor in respect of a particular Series shall not, in such capacity, be a Series Security Creditor in respect of and shall have no claims in respect of any Series Security Assets allocated to any other Series (see 12.4.3 *Overriding effect of Programme enforcement scheme*),

and, in any such circumstances, any shortfall shall be borne by the Noteholders, DCI Holders and other Series Security Creditors relating to such Series according to the Series Priorities of Payments specified in section G *Series credit structure and cashflows* in the relevant Series Prospectus and, therefore, in some circumstances investors may lose the value of their entire investment or part of it, as the case may be.

4.1.6 Credit risk

In relation to each Series, the Issuer is subject to the risk of default in payment by the Borrowers and the failure by the Series Servicers on behalf of the Issuer, to realise or recover sufficient funds under the arrears and default procedures in respect of any Mortgage in order to discharge all amounts due and owing by the relevant Borrower(s) under such Mortgage, which may adversely affect payments on the Notes and/or DCIs. This risk is mitigated to some extent by certain credit enhancement features in relation to the relevant Series which (as applicable) are described in 11 *Credit structure and cashflows* as supplemented by G *Series credit structure and cashflows* in the relevant Series Prospectus. However, no assurance can be made as to the effectiveness of such credit enhancement features, or that such credit enhancement features will protect the Noteholders and/or DCI Holders in the relevant Series from all risk of loss. Should there be credit losses

arising in respect of the Mortgages in a Series Portfolio, this could have an adverse effect on the ability of the Issuer to make payments of interest and/or principal on the Notes and/or DCIs in the relevant Series.

4.1.7 **Interest rate basis risks between the Notes and the Mortgages**

Section E.3.1 *Features of the Mortgages* in the relevant Series Prospectus relating to a Series will indicate the types of Mortgage Loan Interest Rates that apply to the Mortgages in the relevant Series Portfolio (as described in 7.7.10 *Mortgage Loan Interest Rates*). For example, while any Mortgage is a:

- Mortgage Fixed Rate Loan, the rate of interest cannot be varied during the relevant fixed rate period;
- Mortgage Capped Rate Loan, the rate of interest cannot be increased above the capped rate during the capped rate period;
- Mortgage Tracker Rate Loan, the rate of interest is set at a fixed margin over the relevant specified reference rate from time to time during the tracked rate period.

As a result, the Issuer may be exposed to the risk of an adverse interest differential between the rate, accrual and receipt of interest receivable in respect of such Mortgages in the Series Portfolio, on the one hand, and the rate, accrual and payment of interest payable on the Notes in that Series on the other hand (for example, where those Mortgages are fixed rate and those Notes are floating rate and/or *vice versa* and/or where the Mortgages and the Notes have different floating rates which are reset at different times and/or using different methodologies). Any such adverse interest differential could result in the Issuer having insufficient funds to pay amounts due on the Notes or delaying payment of all or part of such amounts (which may in turn reduce the value and/or marketability of the Notes).

Except to the extent indicated otherwise in section G *Series credit structure and cashflows* in the relevant Series Prospectus, the Issuer will not have entered into, and will not be obliged to or have any duty to enter into, any interest hedging arrangements in relation to the relevant Series. Even if the Issuer does have arrangements (such as a Series Hedge Agreement and/or cash reserve funds) intended to provide a degree of hedging for any period in relation to interest rate risks, such hedging may not provide complete hedging protection in all circumstances. In addition, there is no assurance that such Series Hedge Agreement will provide the expected hedging protection for the relevant fixed rate period or capped rate period (see 4.4 *Risks relating to other parties*).

See also 7.11.2 *Setting of Interest Rates in relation to Mortgages* for a description of the Issuer's Series Portfolio Interest Rate Setting Policy in relation to the exercise of its powers to set interest rates applicable to Mortgages.

4.1.8 **Potential change to Reference Rate and Interest Margin and/or how they are determined**

The Note Specified Terms in the relevant Series Prospectus may specify a rate determined by reference to Compounded Daily SONIA, Compounded Daily SOFR, Compounded Daily €STR or EURIBOR as the benchmark Reference Rate to be used in determining the Interest Rate applicable to one or more Classes of Notes in the relevant Series.

(a) **Alternatives may be used to determine the Reference Rate**

Base Condition 5.3 *Reference Rate* and some of the defined expressions used in that Base Condition indicate alternatives to be used in determining the Reference Rate in the event that the applicable benchmark rates cannot be determined on an Interest Rate Setting Date. There is no assurance that those alternatives will result in the determination of the Reference Rate on an Interest Rate Setting Date. If so, the Reference Rate on that Interest Rate Setting Date shall be the Reference Rate most recently determined in relation to Notes in relation to a previous Interest Period (see Base Condition 5.3 *Reference Rate*).

(b) **Potential for Reference Rate Modification and Interest Margin Modification**

In addition, where Base Condition 15.3 *Compliance Modification* is applicable to Notes in a Series, a Compliance Modification may be proposed and, upon satisfaction of the applicable conditions, become effective with the result that:

(1) **Potential change to Reference Rate applicable to Notes**

a Reference Rate Modification becomes effective whereby alternative sources, procedures and methodology are to be used to determine a rate (being the relevant Reference Rate Replacement) which is to be used as the Reference Rate in respect of those Notes instead of using the sources, procedures and methodology set out in Base Condition 5.3 *Reference Rate* where Compounded Daily SONIA, Compounded Daily SOFR, Compounded Daily €STR or EURIBOR is the Reference Rate; and

(2) **Potential change to Interest Margin applicable to Notes**

an Interest Margin Modification becomes effective whereby a change is made to the Interest Margin in respect of such Notes solely in relation to and consequential upon a Reference Rate Modification (which, for the avoidance of doubt, may include alternative sources, procedures and a methodology being used to calculate the applicable Interest Margin applicable at specified times and/or an increase or a decrease to the Interest Margin or changing it to 0% per annum) for the purpose of preserving, so far as reasonably and commercially practicable, what would have been the expected floating rate of interest applicable to such Notes had no such Reference Rate Modification been effected; and

(3) **Potential change to rates applicable to Series Basis Hedge Agreement**

a Series Basis Hedge Rate Modification becomes effective whereby a change is made to the sources, procedures and methodology to be used to determine the rate (including, for the avoidance of doubt, the benchmark rate and any spread rate) used to calculate the amount payable by the relevant Series Basis Hedge Provider respect of one or more basis rate hedge transactions under that Series Basis Hedge Agreement where such change is consequential upon a Reference Rate Modification and, if any, each Interest Margin Modification for the purpose of preserving, so far as reasonably and commercially practicable, the relationship between that rate and the Interest Rates of the Notes following such Reference Rate Modification and, if applicable, each Interest Margin Modification so as to reflect the relationship that would have applied in the absence of such Reference Rate Modification and, if applicable, each Interest Margin Modification.

See also 4.1.16 *Interests of Noteholders and DCI Holders may be disregarded in certain circumstances* and 4.1.18 *Modifications, authorisations, waivers and substitution*.

(c) **Regulation of benchmarks**

Various interest rates and other indices which are deemed to be 'benchmarks', including SONIA, are the subject of recent national, international and other regulatory reforms and proposals for reform, including the Regulation (EU) No 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **Benchmarks Regulation**). These reforms may cause such benchmarks to perform differently than in the past (as a result of a change in methodology or otherwise), disappear entirely, create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

Under the Benchmarks Regulation, in general, certain requirements will apply with respect to the provision of a wide range of benchmarks, the contribution of input data to a benchmark and the use of a benchmark. In particular, the Benchmarks Regulation, among other things, (1) requires benchmark administrators to be authorised or registered (or, if non-UK-based, to benefit from an equivalence decision adopted by the UK) and to comply with extensive requirements in relation to the administration of benchmarks and (2) prevents certain uses by EU-supervised entities of benchmarks that are not authorised or registered (or, if non-UK-based, that do not benefit from an equivalence decision adopted by the UK).

Such factors may have (without limitation) the following effects on certain benchmarks: (1) discouraging market participants from continuing to administer or contribute to a benchmark; (2) triggering changes in the rules or methodologies used in the benchmark; and/or (3) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Notes.

(d) **Mortgage Variable Rate Loans and Mortgage Tracker Rate Loans which reference a benchmark**

The relevant Series Prospectus may specify that the variable rate in respect of a Mortgage Variable Rate Loan or a Mortgage Tracker Rate Loan (see 7.7.10 *Mortgage Loan Interest Rates*) applicable to a Mortgage in the relevant Series Portfolio is set and periodically reset by reference to SONIA, the London interbank offered rate (**LIBOR**), the Bank of England base rate or another benchmark rate in accordance with the applicable Mortgage Conditions and, if so, whether there is an alternative in the event that SONIA, LIBOR, the Bank of England base rate or another benchmark rate cannot be so determined in accordance with the applicable Mortgage Conditions at the applicable time.

(e) **The market continues to develop in relation to certain benchmarks as Reference Rates**

Investors should be aware that the market continues to develop in relation to Compounded Daily SONIA, Compounded Daily SOFR, Compounded Daily €STR or EURIBOR as benchmarks in the capital markets and their adoption as an alternative to the interbank offered rates. In particular, market

participants and relevant working groups are exploring alternative reference rates based on alternative versions of those benchmarks and/or different benchmarks, including term reference rates (which seek to measure the market's forward expectation of an average benchmark rate over a designated term). As a result, the market or a significant part thereof may adopt alternative versions of those benchmarks and/or different benchmarks that differ significantly from that set out in the conditions and used in relation to Notes that reference a Compounded Daily SONIA, Compounded Daily SOFR, Compounded Daily €STR or EURIBOR as set out in this Programme Prospectus.

Interest on Notes which reference Compounded Daily SONIA, Compounded Daily SOFR or Compounded Daily €STR is only capable of being determined near the end of the relevant Interest Period, shortly prior to the relevant Series Payments Date. It may be difficult for investors in Notes which reference Compounded Daily SONIA, Compounded Daily SOFR or Compounded Daily €STR to reliably estimate the amount of interest which will be payable on such Notes.

Where any of the above circumstances result in a lower Reference Rate being applicable to Notes, that would reduce the amount of interest payable on the Notes than might otherwise have been the case if those circumstances had not arisen (which may in turn reduce the value and/or marketability of the Notes).

Where any of the above circumstances result in:

- a higher Reference Rate being applicable to Notes than might otherwise have been the case if those circumstances had not arisen; and/or
- a lower rate of interest being applicable to a Mortgage in the relevant Series Portfolio in accordance with the applicable Mortgage Conditions,

that may, in turn, result in an interest differential between the rate and accrual of interest capitalised in respect of such Mortgages in the Series Portfolio, on the one hand, and the rate, accrual and payment of interest payable on those Notes on the other hand (see further 4.1.7 *Interest rate basis risks between the Notes and the Mortgages*) which could result in the Issuer having insufficient funds to pay amounts due on the Notes or delaying payment of all or part of such amounts (which may in turn reduce the value and/or marketability of the Notes).

4.1.9 Possible early redemption of the Notes by the Issuer

Notes issued in relation to a Series may be subject to rights of the Issuer to fully redeem all or certain Classes of Notes prior to their Final Maturity Date and, if so, such rights will be summarised in section F.3 *Rights of Noteholders and DCI Holders and relationship with other Security Creditors* in the relevant Series Prospectus. Any such early redemption may adversely affect the yield to maturity on the relevant Notes.

4.1.10 Yield to maturity and prepayment of Notes is variable and unpredictable

The yield to maturity of the Notes of each Class in a Series will depend on, among other things, the amount and timing of payment of principal (including, without limitation, full and partial prepayments, proceeds of disposal of Mortgages or proceeds of enforcement of Mortgages, any principal receipts due to breaches of Series Portfolio Warranties, the extent of Prefunded Mortgages in the relevant Series Portfolio, the extent of Mortgage Variations in relation to Mortgages in the relevant Series Portfolio, the extent of purchases from the Issuer of Mortgages in the Series Portfolio where Mortgage Variations are not permitted to be made in relation to such Mortgages, and the price paid by the Noteholders for the Notes in that Series).

Such yield may be adversely affected by a higher or lower than anticipated rate of prepayments on the Mortgages in that Series Portfolio. Accelerated prepayments on those Mortgages will lead to a reduction in the weighted average life of Notes in a Series. Mortgage Borrowers may prepay Mortgages when they refinance their Mortgages or sell their properties (either voluntarily or as a result of enforcement action taken). Also, subject to the terms and conditions of the Mortgages, a Mortgage borrower may 'overpay' or prepay principal at any time. The rate of prepayment of Mortgages (and the amount recovered upon enforcement of Mortgages) cannot be predicted and is influenced by a wide variety of economic, social and other factors, including prevailing mortgage market interest rates, inflation, cost of living, energy prices, the availability of alternative financing programmes, local and regional economic conditions, the existing regulatory environment and homeowner mobility (see also 4.2.2 *Delinquencies or default by Borrowers in relation to Mortgages*). Accordingly, the rate of prepayment cannot be predicted. No assurance can be given as to the level of prepayment that a particular Series Portfolio will experience.

4.1.11 Transfer and resale restrictions apply to the Notes and DCIs

None of the Notes or DCIs have been, or will be, registered under the U.S. Securities Act or any other applicable securities laws and they are subject to certain restrictions on the resale and other transfer restrictions (see 9.5 *Restrictions on transfers of Notes and DCIs*, 15 *Subscription and sale of Notes and DCIs*

and 16 *Transfer Regulations*). Because of the restrictions applicable to each Note and DCI, investors in Notes or, as applicable, DCIs are advised to consult legal counsel at their own cost prior to making any offer, sale, purchase, resale, pledge or transfer of the Notes or DCIs. The resale and transfer restrictions may reduce the marketability and value of the Notes or, as applicable, DCIs and/or increase the costs of and/or time needed to effect any such resale or transfer.

4.1.12 **Definitive Notes and denominations in integral multiples**

The Notes in a Series will be required to have a denomination satisfying the requirements indicated in the Note Specified Terms in the relevant Series Prospectus (and such requirements will include the denomination to be an integral multiple of a specified amount that equals or exceeds a specified minimum authorised denomination). It is possible that interests in Global Notes may be traded in amounts which result in a Noteholder having a holding which does not satisfy the applicable denomination requirements. In such a case, if Notes cease to be Global Notes (see Base Condition 2.8 *Removal of Notes or DCIs from Clearing Systems*), a Noteholder who has a holding which does not satisfy the applicable denomination requirements may need to purchase a principal amount of Notes such that their holding complies with those requirements. Also, Noteholders should be aware that if Notes cease to be Global Notes, Notes which have a denomination that is not an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

4.1.13 **No secondary or liquid market for the Notes or DCIs**

No assurance is provided that there is an active and liquid secondary market in respect of the Notes or DCIs and it should be assumed that no secondary market will be available or develop. In the event that a secondary market in the Notes (or, even less likely, DCIs) does exist or develop, there can be no assurance that it will continue or that it will provide liquidity in respect of the Notes or DCIs. Accordingly, the purchase of Notes or DCIs should not be considered except by investors who can hold the Notes or DCIs for an indefinite period of time (including beyond their scheduled maturity or, as applicable, expiry) and bear the risks associated with a lack of liquidity in the Notes and, as applicable, DCIs and the financial and other risks associated with an investment in the Notes and, as applicable, DCIs.

Recent global and regional social, political and economic conditions, events and trends, including current geopolitical risks and wars, have resulted in disruptions of and increased uncertainty in the secondary market for mortgage-backed securities. This has had a material adverse impact on the market value of mortgage-backed securities and resulted in the secondary market for mortgage-backed securities similar to the Notes experiencing limited liquidity. In the future, limited liquidity in the secondary market may have an adverse effect on the market value of mortgage-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors.

4.1.14 **Ratings of the Notes and/or DCIs**

The ratings assigned to any Notes or, as applicable, DCIs by a Series Rating Agency:

- will be based, among other things, on that Series Rating Agency's view of the applicable terms of the Transaction Documents and other relevant structural features of this transaction, including (but not limited to) the ratings of relevant Transaction Parties and a credit assessment of the Loans, each of which may change (see, for example, 4.4.5 *Risks relating to changes in relation to other parties*, 4.8 *General investment, market and business risks* and 4.9 *Risk of change of law, regulation and practice*); and
- will address the likelihood of certain performance aspects in respect of the Notes or, as applicable, DCIs (which may or may not include the timeliness of certain payments and the expectation of losses in respect of the Notes or, as applicable, DCIs), in each case as indicated by the relevant Series Rating Agency's publications.

A rating by a Series Rating Agency is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation if, in its judgement, circumstances in the future so warrant.

At any time, and from time to time, a Series Rating Agency may revise its relevant rating methodology, with the result that any rating assigned to the Notes or, as applicable, DCIs may be revised, suspended and/or withdrawn.

Rating agencies other than the Series Rating Agencies could seek to rate the Notes or, as applicable, DCIs and, if such unsolicited ratings are lower than the comparable ratings assigned to the Notes or, as applicable, DCIs by a Series Rating Agency, those unsolicited ratings could have an adverse effect on the value and/or marketability of the Notes or, as applicable, DCIs. For the avoidance of doubt and unless the context

otherwise requires, any references to **ratings** or **rating** in the Disclosure Documents are to ratings assigned by each relevant Series Rating Agency only.

Any qualification, downgrade or withdrawal of any of the ratings mentioned above may have an adverse impact on the value and/or marketability of the Notes and, as a consequence, the resale price of the Notes in the market and the classification, treatment and/or eligibility of the Notes for regulatory purposes.

4.1.15 **Rating Certificates effective notwithstanding absence of response etc from Series Rating Agency**

Some provisions of the Note Conditions, DCI Conditions and other Transaction Documents require a Rating Certificate to be provided by the Issuer in relation to each Series Rating Agency in connection with any event, circumstances and/or proposal relating to the Series and the actual and/or potential impact on a rating by that Series Rating Agency. The definition of Rating Certificate in Base Condition 14 *Rating Certificates* indicates that the requirement to obtain a Rating Certificate may be satisfied if, among other things, the relevant Series Rating Agency has failed to respond and/or declined to provide a confirmation and/or has provided (by an appropriately authorised person) only an oral confirmation, in each case provided specified procedures are followed by, or on behalf, of the Issuer with a view to obtaining a written confirmation from that Series Rating Agency. Notwithstanding, any such requirement in relation to a Rating Certificate being so satisfied, the relevant Series Rating Agency may proceed to downgrade, withdraw or suspend the then current ratings assigned to any Class of Notes by such Series Rating Agency or place any such Notes on rating watch negative (or equivalent) (see the definition of Rating Adverse Action in Base Condition 14 *Rating Certificates*) in connection with the relevant event, circumstances and/or proposal which may have an adverse impact on the value and/or marketability of the Notes and, as a consequence, the resale price of the Notes in the market and the classification, treatment and/or eligibility of the Notes for regulatory purposes.

The Series Note Trustee and the Security Trustee shall be entitled to rely without liability to any person on any Rating Certificate delivered to it in accordance with Base Condition 14 *Rating Certificates* and shall not be required to investigate any action taken by the Issuer or the relevant Series Rating Agency in connection with a Rating Certificate.

4.1.16 **Interests of Noteholders and DCI Holders may be disregarded in certain circumstances**

As described further in this Programme Prospectus (in particular in 12.5 *Interests of Security Creditors* and Base Condition 15 *Modifications, authorisations, waivers and substitution*), the Security Deed and Security Intercreditor Deed contain provisions requiring the Security Trustee in certain circumstances to have regard to only the interests of certain Security Creditors (which may exclude all or some of the Noteholders) instead of all Security Creditors.

As described further in this Programme Prospectus (in particular in 9.12 *Meetings and resolutions of Noteholders*, Base Condition 13 *Noteholder Resolutions and DCI Holder Resolutions* and Base Condition 15 *Modifications, authorisations, waivers and substitution*) the Series Note Trust Deed contains provisions requiring the Series Note Trustee relating to a Series in certain circumstances to have regard to only the interests of certain Noteholders (which may exclude all or some of the Noteholders and/or DCI Holders) instead of all Noteholders.

See also 4.1.18 *Modifications, authorisations, waivers and substitution* below.

Where circumstances arise in which:

- the Security Trustee is required to have regard to only the interests of certain Security Creditors (which may exclude all or some of the Noteholders) instead of all Security Creditors; and/or
- the Series Note Trustee is required to have regard to only the interests of certain Noteholders (which may exclude all or some of the Noteholders and/or DCI Holders) instead of all Noteholders,

this may have adverse consequences on the interests of the other Noteholders or DCI Holders whose interests the Security Trustee or, as applicable, Series Note Trustee was required not to have regard to and, accordingly, may adversely impact the Notes and/or DCIs held by those other Noteholders and DCI Holders (including, without limitation, the timing and amount of payments and value and marketability of those Notes and/or DCIs).

4.1.17 **The relevant trustee is not obliged to act in certain circumstances**

Upon the occurrence of a Note Event of Default, the Series Note Trustee in its absolute discretion may, and:

- if so requested in writing by the Noteholders of at least 25% in Note Principal Amount Outstanding of the Notes outstanding in the Most Senior Tranche or, if no Notes are outstanding, by the DCI Holders of at least 25% of the number of DCIs outstanding; or

- if so directed by a Noteholder Extraordinary Resolution of Noteholders of the Notes outstanding in the Most Senior Tranche or, if no Notes are outstanding, by a DCI Holder Extraordinary Resolution of DCI Holders of each Class of DCIs outstanding;

shall (subject, in each case, to the Series Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction), deliver a Series Note Acceleration Notice to the Issuer that all classes of the Notes are immediately due and repayable at their respective Note Principal Amount Outstanding, together with accrued interest as provided in the Series Trust Deed. See Base Condition 10 *Note Event of Default*.

Each of the Series Note Trustee and the Security Trustee may, at any time, at their discretion and without notice, take such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Series Note Trustee) the Notes (including the Note Conditions), the DCIs (including the DCI Conditions) or the Series Note Trust Deed or (in the case of the Security Trustee, for so long as any Notes or DCIs remain outstanding, acting on the direction of the Series Note Trustee) the Security Deed or the Security Intercreditor Deed or (in either case) of the other Transaction Documents to which it is a party and at any time after the service of a Series Note Acceleration Notice, the Series Note Trustee may, at its discretion and without notice, direct the Security Trustee to take such steps, actions or proceedings as it may think fit to enforce the Security. However, neither the Series Note Trustee nor the Security Trustee shall be bound to take any such proceedings or any actions or steps (including, but not limited to, the giving of a Series Note Acceleration Notice in accordance with Base Condition 10.4 *Series Note Acceleration Notice*) unless:

- either:
 - so requested in writing by the Noteholders of at least 25% of the Note Principal Amount Outstanding of Notes outstanding in the Most Senior Tranche or, if no Notes are outstanding, by the DCI Holders of at least 25% of the number of DCIs outstanding; or
 - so directed by a Noteholder Extraordinary Resolution of Noteholders of Notes outstanding in the Most Senior Tranche or, if no Notes are outstanding, by a DCI Holder Extraordinary Resolution of DCI Holders of each Class of DCIs outstanding; and
- it has been indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby become liable and/or which it may incur by so doing.

See further Base Condition 11 *Enforcement by trustees*. If neither the Series Note Trustee nor the Security Trustee use their discretion where they have not been directed as described above, it may adversely affect the amount received on the Notes and DCIs following the service of a Series Note Acceleration Notice.

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

4.1.18 **Modifications, authorisations, waivers and substitution**

As described further in this Programme Prospectus (in particular in 9.13 *Modifications, authorisations, waivers and substitution* and Base Condition 15 *Modifications, authorisations, waivers and substitution*), the Series Note Trustee and/or the Security Trustee may or, in relation to a Compliance Modification, shall, without the consent of the Noteholders and DCI Holders, agree to certain modifications, or to waive certain breaches, of the Notes, DCIs or any of the Transaction Documents. In particular, where Base Condition 15.3 *Compliance Modification* is applicable to Notes and/or DCIs in a Series, the Series Note Trustee and, as applicable, the Security Trustee shall be obliged, without any consent or sanction of the relevant Noteholders, the DCI Holders or any of the other Series Security Creditors, to concur with the Issuer in making any modification to the Notes (including the Note Conditions), the DCIs (including the DCI Conditions) or, in so far as applicable to that Series, any other Transaction Document to which the Series Note Trustee and/or, as applicable, the Security Trustee is a party or in relation to which the Security Trustee holds Security (being a Compliance Modification).

4.1.19 **Book Entry Interests in Global Notes or Global DCIs**

Unless indicated otherwise in the Note Specified Terms and, as applicable, DCI Specified Terms in the relevant Series Prospectus throughout the period from and including the relevant Series Closing Date each Class of Notes will be represented by a Global Note and each Class of DCIs will be represented by a Global DCI until such time, if any, as Base Condition 2.8 *Removal of Notes or DCIs from Clearing Systems* applies. Throughout that period:

- after payment of interest, principal or other amounts in respect of the Notes or DCIs is made by or on behalf of the Issuer (including by the Series Registrar and/or the Series Paying Agent) to the relevant

Clearing Systems (or their nominees), the Issuer will not have responsibility or liability to the Clearing Systems or to the holders or beneficial owners of Book Entry Interests for the payment of such interest, principal or other amounts;

- permitted transfers of a Book Entry Interest will be subject to and effected in accordance with the rules and procedures for the time being of the relevant Clearing System;
- holders and/or beneficial owners of Book Entry Interests in Notes or DCIs:
 - (in the case of Notes) will not be considered Noteholders of such Notes under the Note Conditions or the Series Note Trust Deed and (in the case of DCIs) will not be considered DCI Holders of such DCIs under the DCI Conditions or the Series Note Trust Deed;
 - will have no rights in respect of Global Notes and/or, as applicable, Global DCIs under any Transaction Document (including, without limitation, the Note Conditions or, as applicable, DCI Conditions, the relevant Series Note Trust Deed, the Security Deed and the relevant Note Series Services Agreement);
 - will not be entitled to have Global Notes or, as applicable, Global DCIs registered in their names and will not receive or be entitled to receive Note Certificates for such Notes or, as applicable, DCI Certificates for such DCIs;
 - will be restricted to acting through the relevant Clearing System in relation to the Notes or, as applicable, DCIs and will be permitted to act only to the extent they have received appropriate proxies to do so from the relevant Clearing System; and
 - must rely on the rules and procedures of the relevant Clearing System.

See further 9.4.3 *Clearing System Participants etc are not Noteholders or DCI Holders*, 9.4.4 *Rules and procedures of the relevant Clearing System etc*, 9.5.6 *Procedures applicable to transfers of Book Entry Interests in Global Notes and Global DCIs*, 9.6 *Procedures for payments in respect of the Notes* and Base Condition 2 *Constitution, form, denomination and title*.

There can be no assurance that the rules and procedures of the relevant Clearing System and/or their operation by the relevant Clearing System under such circumstances will be adequate to ensure the exercise (including, without limitation, on a timely basis) of rights of Noteholders or, as applicable, DCI Holders, and prospective investors should note that the relevant Clearing Systems are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

The Notes being represented by a Global Note, the DCIs being represented by a Global DCI and/or the application of, and/or failures in the operation of, the rules and procedures of the relevant Clearing System could result in loss of and/or delays in payment of interest, principal or other amounts in respect of the Notes or DCIs, hinder, increase costs of and/or delay the exercise of rights in respect of the Notes or DCIs; and/or hinder, increase costs of and/or delay transfers of or granting security over a Book Entry Interest in respect of the Notes or DCIs.

None of the Issuer, the Series Note Trustee, the Security Trustee, the Series Registrar, the Series Paying Agent and each other Transaction Party or any of their agents will have any responsibility for the performance or non-performance by any Clearing System or their respective participants or account holders of their respective obligations under the rules and procedures governing their operations.

4.2 Risks relating to the Security Assets

4.2.1 Limited liquidity – limited secondary market for Mortgages

The ability of the Issuer to redeem all of the Notes in full, including following the occurrence of a Note Event of Default (see Base Condition 10.1 *Definition of Note Event of Default*) in relation to the Notes in a Series while any of the Mortgages in the relevant Series Portfolio are still outstanding, may depend upon whether those Mortgages can be realised to obtain an amount sufficient to redeem those Notes. There is not, at present, an active and liquid secondary market for mortgage loans of this type in the United Kingdom. There can be no assurance that a secondary market for the Mortgages will develop or, if a secondary market does develop, that it will provide sufficient liquidity of investment for the Mortgages to be realised or that if it does develop it will continue for the life of the Notes. The Issuer, and following the occurrence of a Note Event of Default, the Security Trustee, may not, therefore, be able to sell the Mortgages for an amount sufficient to discharge amounts due to the relevant Series Security Creditors (including the Noteholders and, as applicable, DCI Holders) in full should they be required to do so.

4.2.2 Delinquencies or default by Borrowers in relation to Mortgages

Borrowers may default on their obligations under the Mortgages in a Series Portfolio. Defaults may occur for a variety of reasons (including, without limitation, as a result of fraud, negligence or mistake). Mortgages are affected by credit, liquidity and interest rate risks. Various factors influence Mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of principal and interest, such as changes in the national or international economic climate, regional economic or housing conditions, tax or other laws, interest rates, inflation, homeowner mobility, the availability of financing, yields on alternative investments, political developments, government policies, the financial standing of Borrowers and other similar factors. Wars, such as the war between Russia and Ukraine and the ongoing conflict in the Middle East, and threats of war and wider global supply chain issues have contributed to increases in inflation. Central banks have responded by increasing interest rates consistently since December 2021 (including the Bank of England raising its base rate from 0.1% to 5.25% in that period), although at present the general expectation is that there may be one or more modest decreases during this year. Increases in interest rates may adversely affect Borrowers' ability to pay interest or repay principal on their Mortgages (see (b) *Increases in prevailing market interest rates may adversely affect performance of the Mortgages*).

Other factors in Borrowers' individual, personal or financial circumstances may affect the ability of Borrowers to repay the Mortgages. Unemployment, loss of earnings, illness (including any illness arising in connection with an epidemic or pandemic), divorce and other similar factors may lead to an increase in delinquencies by and bankruptcies (and analogous arrangements) of Borrowers, and could ultimately have an adverse impact on the ability of Borrowers to repay the Mortgages and could reduce the Issuer's ability to service payments on the Notes and, as applicable, the DCIs.

In addition, certain Borrowers may be, or may become, unemployed (or see a reduction in volume of work and/or income) throughout the life of the Mortgage taken out by them, which could affect their ability to make payments and repayments under such Mortgage. 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. Additionally, Borrowers who are self-employed or who operate as independent contractors may have an income stream which is more susceptible to change (including the reduction or loss of future earnings due to illness, loss of business, tax laws or general economic conditions including as a result of a shortage of materials) than Borrowers who are in full time employment. Each such Borrower may resultantly be more likely to fall into payment difficulties. These factors could ultimately have an adverse impact on the ability of Borrowers to repay the Mortgages and could reduce the Issuer's ability to service payments on the Notes and, as applicable, the DCIs.

(a) **Non-Conforming Mortgages and Arrears Mortgages**

If a Series Portfolio includes Non-Conforming Mortgages and/or Arrears Mortgages (see 7.7.4 *Types of Borrower*), prospective investors should note that the Borrowers in respect of these types of Mortgages are generally likely to experience higher rates of delinquency, write-offs, enforcement and bankruptcy than have historically been experienced by mortgage loans made to standard Borrowers and therefore carry a higher degree of risk. However, unless indicated otherwise in the relevant Series Prospectus, the Series Portfolio Lending Criteria take into account, among other things, a potential borrower's credit history, employment history and status, repayment ability and debt service to income ratio and are utilised with a view, in part, to mitigating the risks in lending to Borrowers of Non-Conforming Mortgages and/or Arrears Mortgages.

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

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

Borrowers seeking to avoid increased Mortgage Monthly Payments (caused by, for example, a rise in the relevant interest rate) by refinancing their Mortgage may no longer be able to find an available replacement Mortgage Loan 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. This makes it less likely that they will refinance.

These events, alone or in combination, may contribute to higher delinquency rates, slower prepayment rates and higher losses which could have an adverse effect on the Series Portfolio, which in turn may affect the ability of the Issuer to make payments of interest and/or principal to Noteholders and/or DCI Holders.

More broadly, the extent and duration of the rising cost of living cannot be determined at present. The ultimate impact of the consequences of the cost of living crisis is uncertain and may pervade over time and may adversely affect the ability of the Issuer to satisfy its obligations under the Notes. Further, no assurance can be given of the impact that the rising cost of living or the general deterioration in economic conditions may have on the performance of the Mortgages (including the ability of Borrowers to make timely payments in full on Mortgages) and therefore the ability of the Issuer to satisfy its obligations to make payments on the Notes and the Certificates. As a consequence, the rising cost of living could exacerbate numerous risks in respect of the Notes.

4.2.3 Factors affecting amount available for repayment of Mortgages

Factors which may affect the amount available for repayment of Mortgages include:

(a) Risks of losses associated with declining property values

The value of Mortgages as security for the Notes and, as applicable, DCIs may be affected by, among other things, a decline in residential property values in the United Kingdom and the availability of buyers for the relevant property. Downturns in the performance of 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, impacts of climate change (including, but not limited to, increased flood risk or coastal erosion), wars, increase of interest rates, inflation or widespread health crises or the fear of such crises (such as a pandemic or epidemic), government policies, action or inaction in response to such crises or such potential crises, and/or the fear of any such crises whether in the United Kingdom or in any other jurisdiction, may lead to a deterioration of economic conditions in the United Kingdom and also globally and may reduce the value of the affected Mortgage Properties.

No assurance can be given that the values of any Mortgage Properties have remained or will remain at the level at which they were on the dates of origination of the relevant Series Portfolio or as at the relevant Series Provisional Portfolio Date (as defined in the relevant Series Prospectus). If the residential property market in the United Kingdom should experience an overall decline in property values, such a decline could in certain circumstances result in the value of the Mortgages in the relevant Series being significantly reduced and, ultimately, may result in losses to the Noteholders and, as applicable, DCI Holders if the Security is required to be enforced in relation to that Series.

In addition, the following may affect the value of a Mortgage Property or the time taken to sell a Mortgage Property:

- In relation to the purchase of additional residential properties located in England, there is an additional stamp duty land tax rate of 3% above the current rate of stamp duty land tax. Also, since 1 April 2021, a further 2% stamp duty land tax surcharge applies to non-UK residents purchasing residential property in England.
- In relation to the purchase of additional residential properties located in Wales, there is an additional tax rate which is 4% higher than the current rate of Welsh land transaction tax (the Welsh equivalent of stamp duty land tax) for the first £180,000 of purchase price; for subsequent bands of purchase price, the additional rates remain higher than the main Welsh land transaction tax rates (by differing percentages) and the bands of purchase price to which the additional rates are applied are structured differently to the main Welsh land transaction tax bands.
- In relation to the purchase of additional residential properties located in Scotland, there is an additional dwelling supplement which is currently 6% above the current rate of land and buildings transaction tax (the Scottish equivalent of stamp duty land tax).

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

(b) Risks relating to Interest Only Mortgage Loans

A Series Portfolio may include Interest Only Mortgage Loans in respect of which no scheduled amortisation is required on all or a specified proportion of the principal amount outstanding in respect of those Mortgages (see 7.7.8 *Scheduled repayment of Mortgages*). Consequently, upon the maturity of such a Mortgage, the relevant Borrower will be required to make a 'bullet' repayment that will represent the entirety of the principal amount then outstanding.

The ability of such a Borrower to repay such principal amount at maturity frequently depends on such Borrower's ability to refinance the Mortgage Property or obtain funds from another source, such as pension policies, personal equity plans or endowment policies. Neither the Issuer nor any Transaction Party has verified that the Borrower has any such other source of funds and no security has been obtained over the Borrower's rights in respect of any such other source of funds. The ability of the Borrower to refinance the Mortgage Property will be affected by a number of factors, including the value of the Mortgage Property, the Borrower's ability to obtain funds from another source (such as pension policies, personal equity plans or endowment policies), the Borrower's equity in the Mortgage Property, the financial condition and history of the Borrower, tax laws and general economic conditions at the time. The inability of the Borrowers to refinance their respective Mortgage Properties may ultimately result in a reduction of amounts available to the Issuer and adversely affect its ability to make payments under the Notes and DCIs.

In August 2023, the FCA published a research note titled *Interest-only mortgages: analysis of FCA mortgage data and consumer research* to help the FCA understand the characteristics of the current stock of interest-only mortgages. The FCA's research found that a reasonable proportion of interest-only borrowers across the market did not have a repayment strategy or were not aware they needed a repayment strategy in respect of their Interest Only Mortgage Loan. The FCA also commissioned independent consumer research that considers borrowers' experiences with Interest Only Mortgage Loans and their ability repay these at maturity. As part of their next steps following the research, the FCA stated it would *'engage with industry and consumer groups to discuss the findings of our research and the meaningful steps the sector can take to further support interest-only borrowers approaching the end of their mortgage term without a credible repayment plan in place'*. No assurance can be given that any such next steps or other regulatory intervention relating to Interest Only Mortgage Loans will not have an adverse effect on the ultimate amount received by the Issuer in respect of the relevant Interest Only Mortgage Loans and the realisable value of the Series Portfolio and/or the ability of the Issuer to make payments under the Notes and DCIs.

(c) Geographic concentration risks

Mortgages in a Series Portfolio may 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. Certain property types in geographic regions within the United Kingdom rely on different types of industries. Any downturn in a local economy or particular industry may adversely affect the regional employment levels and consequently the payment ability of the Borrowers of Mortgages pertaining to certain property types in that region or the region that relies most heavily on that industry. In addition, any natural disasters, impacts of climate change (including, but not limited to, increased flood risk or coastal erosion), wars or widespread health crises (such as a pandemic or epidemic), government policies, action or inaction in response to such crises or such potential crises, and/or the fear of any such crises may have greater impact in a particular region.

A concentration of Mortgages in such a region and pertaining to certain property types may be expected to exacerbate the risks relating to those Mortgages described in this section and may reduce the value of affected Mortgage Properties. This may result in a loss being incurred upon sale of the Mortgage Property. These circumstances could affect receipts on those Mortgages and ultimately may result in losses on the relevant Notes and, as applicable, DCIs in the relevant Series. Section K *Series Provisional Portfolio summary data* in the relevant Series Prospectus will contain some details of the geographic dispersion of the Series Portfolio within regions of the United Kingdom.

(d) Risk of dilapidation of Mortgage Property

There is also a risk that the value of a Mortgage Property may be affected by such Mortgage Property becoming subject to dilapidation after the date of origination of the relevant Mortgage. In certain circumstances the lender also has the right to inspect the Mortgage Properties to ensure the Mortgage Properties are being reasonably maintained, and in the event that a Mortgage Property is not maintained in compliance with the provisions of the relevant Mortgage, the mortgagee or, in Scotland, heritable creditor may (but is not obliged to) undertake such work required in order for the Mortgage Property to

be maintained to the standard required by the relevant Mortgage Conditions, and any costs will be added to then Mortgage Balance of that Mortgage. If the value of Mortgage Properties are adversely affected by dilapidation it could in certain circumstances result in the proceeds of sale of the Mortgage Properties being significantly reduced and, ultimately, may result in losses to the Noteholders and, as applicable, DCI Holders. Also if the Issuer's funds in respect of a Series are applied to the cost of remedying breaches of the Mortgage Conditions in respect of the condition of the Mortgages Properties, those funds may not be recovered by the proceeds of sale of the relevant Mortgage Properties and, ultimately, may result in losses to the Noteholders and, as applicable, DCI Holders in that Series.

(e) **External wall safety**

Following the Grenfell Tower tragedy in June 2017, the UK has introduced enhanced requirements for external wall safety. Where these requirements apply to a Mortgage Property, depending upon the circumstances:

- they could result in the Borrower being liable for expenses to comply with the requirements (including, without limitation, removal and/or replacement of building cladding) and/or other requirements (including, without limitation, health and safety measures pending such compliance being effected) and, in turn, such expenses could result in that Borrower defaulting under the Mortgage, and
- they could adversely affect the value and marketability of the Mortgage Property and/or the ability to rent out the Mortgage Property.

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 (notwithstanding the availability of the Building Safety Fund, the Private Sector Cladding Remediation Fund or any similar programme).

The Building Safety Fund is a safety programme with funding up to £1 billion announced in March 2020, and the Private Sector Cladding Remediation Fund is a support programme with funding of £200 million committed in May 2019. The UK government also announced in April 2022 a further £5 billion of support through a combination of a £3 billion extension to the Building Safety Levy imposed on members of the construction industry and £2 billion committed by over 35 specific developers in a pledge to make buildings safe.

(f) **Energy Efficiency Regulations 2015**

From 1 April 2018, landlords of relevant domestic private rented properties (as defined in the Energy Efficiency Regulations 2015) in England and Wales may not grant a tenancy to new or existing tenants if their property has an Energy Performance Certificate (as defined in the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulation 2007, an **EPC**) rating of band F or G (as shown on a valid EPC for the property) and from 1 April 2020, landlords must not continue letting a relevant domestic property which is already let if that property has an EPC rating of band F or G (as shown on a valid EPC for the property). In both cases described above, this is referred to in the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (the **Energy Efficiency Regulations 2015**) as the prohibition on letting substandard property. Where a landlord wishes to continue letting property which is currently substandard, landlords will need to ensure that energy efficiency improvements are made which raise the EPC rating to a minimum of E. In certain circumstances landlords may be able to claim an exemption from this prohibition on letting substandard property; this includes situations where the landlord is unable to obtain funding to cover the cost of making improvements, or where all improvements which can be made have been made, and the property remains below an EPC rating of Band E. Local authorities will enforce compliance with the domestic minimum level of energy efficiency. Local authorities may check whether a property meets the minimum level of energy efficiency, and may issue a compliance notice requesting information where it appears to the local authorities that a property has been let in breach of the Energy Efficiency Regulations 2015 (or an invalid exemption has been registered in respect of it). Where a local authority is satisfied that a property has been let in breach of the Energy Efficiency Regulations 2015 it may serve a notice on the landlord imposing financial penalties. In September 2020 the Department for Business, Energy & Industrial Strategy issued a consultation titled *Improving the energy performance of privately rented homes in England and Wales* regarding, among other things, the proposal to raise energy performance standards for the domestic private rented sector to a minimum EPC energy efficiency rating of C. The consultation period closed on 8 January 2021. No publication date for the results of the consultation has yet been announced by the UK Government. However, there is a risk that if, for example, proposals to require new tenancies to have an EPC rating of at least C or higher were enacted, this could result in increasing arrears in respect of the Buy to Let Mortgages. On 20 September 2023, the government published a press release which set out certain changes in principle to the government's

net zero targets and commitments. This press release provided, among other things, that under revised plans, the government will scrap policies to force landlords to upgrade the energy efficiency of their properties, but instead continue to encourage households to do so where they can. It is currently unclear whether the Energy Efficiency Regulations 2015 will be amended and, if they are, to what extent.

There is currently no minimum EPC rating required for domestic rented properties in Scotland, however, the Scottish Government has introduced proposals for new legislation which will require all private rented sector properties to reach a minimum energy efficiency standard by the end of 2028. A more detailed consultation on the proposed minimum energy efficiency standard is expected, however, initial proposals indicate that it will be achieved by installing certain energy efficiency measures within a property (including appropriate insulation and heating controls) or where a good level of energy efficiency can be shown based on an EPC assessment. The proposed legislation also introduces an overarching Heat in Buildings Standard which, in addition to the requirement to meet a minimum energy efficiency standard, will require all building owners in Scotland to have moved to clean heating systems by the end of 2045, with earlier implementation periods for those purchasing properties and where a heat network zone applies. Separately, the Scottish Government have also consulted on proposals to reform EPCs more generally, which includes the addition of a new 'fabric rating' to indicate how well a building retains heat. Implementing regulations in relation to this EPC reform are expected in 2024.

These measures may adversely affect prices of houses in England, Wales and Scotland in general. These measures may also adversely affect the private residential rental market in England, Wales and Scotland in general, or the ability of individual Borrowers of Buy to Let Mortgages to meet their obligations under those Loans. This may, in turn, result in increased defaults in the securitised portfolio, potentially affecting the ability of the Issuer to pay the Noteholders.

The proposed measures are also applicable to the owner-occupied residential property sector with the minimum energy efficiency standard applying to owner-occupiers by the end of 2033. If introduced, such measures may have a negative impact on property values, house purchase transaction volumes and the ability of a Borrower to make payments on their Loan.

(g) **Risks relating to enforcement procedures**

There are constraints upon a lender seeking to carry out enforcement procedures in relation to a Mortgage, as further described in 7.11.5 *Aspects of enforcement relating to English Mortgages and Northern Irish Mortgages* and 7.11.6 *Aspects of enforcement relating to Scottish Mortgages* below. In addition, 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, as further described in 7.12.3(i) *Further protections for Borrowers, including response to the cost of living crisis*.

Notwithstanding those constraints and that guidance, even assuming that the Properties provide adequate security for the Mortgages, delays could be encountered in connection with enforcement of the Mortgages and recovery of the Mortgages with corresponding delays in the receipt of related proceeds by the Issuer.

4.2.4 **Risks associated with Mortgages involving tenancies**

(a) **Risk relating to letting on appropriate terms**

If a Series Portfolio includes Buy to Let Mortgages (see 7.7.6 *Use of Mortgage Properties*), (i.e. where the relevant Mortgage Properties are not owner-occupied and may be let by the relevant Borrower to tenants)):

The Borrower's ability to service payment obligations in respect of Buy to Let Mortgages is likely to depend on the Borrower's ability to let the relevant Mortgage Properties on appropriate terms. However, there can be no guarantee that each such Mortgage Property will be the subject of an existing tenancy when the relevant Buy to Let Mortgage is acquired by the Issuer or that any tenancy which is granted will subsist throughout the life of the Buy to Let Mortgage and/or that the rental income achievable from such tenancy will be sufficient to provide the Borrower with sufficient income to meet the Borrower's interest obligations in respect of the Buy to Let Mortgage. This dependency on letting income increases the likelihood during difficult letting market conditions that the rate of delinquencies and losses on Buy to Let Mortgages may be higher than for Owner Occupied Mortgages.

A rent cap, which was introduced by the Scottish Parliament, in response to rapid increases in inflation and the cost of living that have been affecting the UK since the beginning of the energy crisis in the first half of 2022, ended on 31 March 2024. From 1 April 2024, transitional regulations implemented by the Scottish Parliament introduced a replacement rent adjudication scheme which temporarily amends the

rent adjudication process for 12 months (with the option to extend for a further 12 months). Under the modified process, tenants wishing to dispute a rent increase notice can apply to a rent officer at Rent Service Scotland or to the First Tier Tribunal for rent adjudication. Any changes in rent must be based on one of three comparators: (1) the open market rent; (2) a landlord's proposed rental increase; and (3) a new taper calculation that will specify a maximum 'reasonable' increase for that tenancy.

From 6 April 2020 there is no deduction available for finance costs from rental income and instead a taxpayer is only entitled to a tax credit at the basic rate of income tax against their income chargeable to income tax. This may result in less rental income being available for individual Borrowers of Buy to Let Mortgages to meet their repayment obligations under those Loans.

The Housing (Scotland) Bill was introduced by the Scottish Government on 26 March 2024. The Bill includes proposals for long-term rent controls for private tenancies, including provisions relating to the designation of rent control areas and related restrictions on the amount by which rents can be increased in those areas within a 12 month period (both within and between tenancies). The Bill also includes proposals to provide greater protection to tenants during the eviction process, including a requirement on the First Tier Tribunal and the Sheriff Court to consider whether a delay to eviction should occur based on the individual circumstances of a case, including in relation to seasonal pressures. Restrictions on a landlord's ability to increase rent during the period in which these temporary rent adjudication protections are in place, and any long-term rent restrictions or delays to a landlord's ability to seek possession of a property introduced under the Housing (Scotland) Bill, may result in less rental income being available to meet the Mortgage Borrower's repayment obligations in respect of the Mortgage Loans.

(b) **Risk of having to sell Mortgage Property with sitting tenants**

Upon enforcement of a Mortgage in respect of a Mortgage Property which is the subject of an existing tenancy, the Series Mortgage Servicer may not be able to obtain vacant possession of the Mortgage Property in which case the Series Mortgage Servicer will only be able to sell the Mortgage Property as an investment property with one or more sitting tenants. This may affect the amount which the Series Mortgage Servicer could realise upon enforcement of the Mortgage and a sale of the Mortgage Property. However, enforcement procedures in relation to such Mortgages include appointing a receiver of rent (or, in Scotland, the direct collection of rent by the Series Mortgage Servicer) in which case such a receiver (or the Series Mortgage Servicer) must collect any rents payable in respect of the Mortgage Property and apply them accordingly in payment of any interest and arrears accruing under the Mortgage.

The UK Government introduced the Renters (Reform) Bill to the UK Parliament on 17 May 2023. This proposes certain changes to housing laws as they relate to the private rental sector, including a proposal to abolish 'no fault' evictions by landlords. As at the date of this Programme Prospectus the impact of the proposed legislation is uncertain but may adversely affect the private residential rental market in England and the ability of individual Borrowers of Buy to Let Mortgages to meet their obligations under those Loans. On 7 November 2023, the UK Government announced that the ban on Section 21 'no-fault' evictions will not be brought in until a new court process and stronger possession grounds for landlords are in place.

The Renting Homes (Wales) Act 2016 (the **Renting Homes (Wales) Act**) fully entered into force on 1 December 2022. The Renting Homes (Wales) Act converts the majority of existing residential tenancies in Wales into an 'occupation contract' with retrospective effect. Subject to certain criteria being met, residential lettings and tenancies granted on or after 1 December 2022 will be 'occupation contracts'. Under the Renting Homes (Wales) Act, a landlord must, within the requisite time period set out in the act, serve a written statement on the tenant of an occupation contract which sets out certain terms of the occupation contract which are specified in the Act. Where a tenant has breached the occupation contract the minimum notice that must be given to the tenant by the landlord of termination of the contract is one month. The notice period can be shorter where it relates to acts of anti-social behaviour or serious rent arrears. Where a 'no fault' notice is issued, the minimum notice that must be given to a tenant is six months. The Renting Homes (Wales) Act (which only has effect in Wales) does not contain an equivalent mandatory ground for possession that a lender had under the Housing Act 1988 where a property was subject to a mortgage granted before the beginning of the tenancy and the lender required possession in order to dispose of the property with vacant possession. The Renting Homes (Wales) Act may result in lower recoveries in relation to Buy to Let Mortgages over Mortgage Properties in Wales and may affect the ability of the Issuer to make payments under the Notes.

The Private Housing (Tenancies) (Scotland) Act 2016 (as amended), which is primarily restricted to any Buy to Let Mortgages secured over Scottish Property, provides that (1) various mandatory grounds

for eviction, including the landlord's intention to sell the property, are discretionary, to allow the First Tier Tribunal flexibility in dealing with eviction cases, and (2) the minimum notice period is 28 days in certain circumstances, including where the tenant no longer occupies the property, but otherwise the notice period is 84 days. In addition, in assessing whether it is reasonable to make an eviction order on the grounds of rent arrears, the First Tier Tribunal must consider the extent to which the landlord has complied with pre-action requirements before applying for the eviction order. There are similar provisions for assured and other tenancies. Delays to landlords seeking possession of a Mortgage Property may result in less rental income being available to meet the Borrower's repayment obligations in respect of the Loans.

See further, as applicable, 7.11.5 *Aspects of enforcement relating to English Mortgages and Northern Irish Mortgages* and 7.11.6 *Aspects of enforcement relating to Scottish Mortgages* below.

The matters described in this section may adversely affect the private residential rental market in England, Wales and Scotland in general, or (in the case of the restriction of income tax relief and/or the situations where less rental income is available to Borrowers) the ability of individual Borrowers of Buy to Let Mortgages to meet their obligations under those Loans. This may, in turn, result in increased defaults in the securitised portfolio, potentially affecting the ability of the Issuer to pay the Noteholders.

4.2.5 Insurance relating to Series Security Assets

(a) Risks relating to claims under insurance contracts

The insurance contracts (if any) which may be available in relation to the Series Portfolio relating to a Series are referred to in 7.7.14 *Fast Track Mortgages* and 7.10 *Insurance in relation to Mortgages*. No assurance can be given that the Issuer will always receive the benefit of any claims made under any applicable insurance contracts and neither the Issuer, nor the Security Trustee, nor any other Transaction Party has a duty to obtain or maintain any further insurance contracts in relation to the Series Security Assets. This could adversely affect the timing of receipt and ultimate amount received by the Issuer in respect of the Series Security Assets and the return in respect of the Notes and DCIs in the relevant Series.

(b) Risks relating to Fast Track Mortgages

Where the Series Portfolio relating to a Series includes Fast Track Mortgages (see 7.7.14 *Fast Track Mortgages*), those Fast Track Mortgages will have been originated by the relevant Series Portfolio Originator on the basis that:

- the Series Portfolio Originator does not require such solicitors or licensed or qualified conveyancers to carry out certain Standard Conveyancing Procedures and does not require such solicitors or licensed or qualified conveyancers to provide to the Series Portfolio Originator, prior to completion of the Fast Track Mortgage, a certificate of title confirming that Standard Conveyancing Procedures have been completed; and
- instead the a Fast Track Insurance Policy will have been entered into between a Fast Track Insurer and the Series Portfolio Originator (as the insured) providing, subject to conditions, cover in respect of insured risks relating to a range of potential legal defects which may exist or occur in relation to the Borrower's title to the Mortgage Property and the validity of the Mortgage Security which, although similar in nature to the matters that would be addressed by a certificate of title given by a solicitor or licensed or qualified conveyancer who carried out the Standard Conveyancing Procedures, may not be the same.

There is no assurance that losses suffered in respect of a Mortgage would be less, the same or more where the Fast Track Insurance Policy approach has been used or where the Standard Conveyancing Procedures have been used or *vice versa*.

4.2.6 Set-off may adversely affect the return on the Notes and DCIs

In relation to Mortgages in the Series Portfolio relating to a Series, the Borrowers may be entitled to exercise certain 'transaction set-off' rights or 'independent set-off' rights against amounts owing to the Issuer in respect of the relevant Mortgages:

- A 'transaction set-off' right may exist or arise in connection with a Mortgage or a transaction connected with the Mortgage. A 'transaction set-off' right could arise or subsist where the applicable **Mortgagee** (being at any time in relation to Mortgage, the person who at that time is the mortgagee or, in Scotland, heritable creditor in relation to that Mortgage, including, as applicable, the Series Portfolio Originator or Series Portfolio Legal Title Holder) has breached or, in the future, breaches the terms of the relevant Mortgage or a transaction connected with the Mortgage (including, but not limited to, any obligation of

the Mortgage to pay any amount to the Borrower under the relevant Mortgage or a transaction connected with the Mortgage).

The relevant Borrower may exercise a 'transaction set-off' right to set off any claim for damages arising from such breach against the Mortgagee's (and, as equitable assignee of, or holder of, the beneficial interest in the relevant Mortgage the Issuer's) claim for payment of principal, interest and/or any other amount under the relevant Mortgage as and when it becomes due. In many cases, the amount of any such 'transaction set-off' claim will be the cost to the relevant Borrower of finding an alternative source of funds. If the Borrower is unable to obtain an alternative Mortgage, he or she may have a claim in respect of other indirect losses arising from the applicable breach where there are special circumstances communicated by the Borrower to the applicable Mortgagee at the time the Borrower entered into the Mortgage or which otherwise were reasonably foreseeable.

- An 'independent set-off' right may exist or arise in connection with transactions that are unconnected with the relevant Borrower's Mortgage. Generally, an 'independent set-off' right could include, but is not limited to, claims by a Borrower for unpaid wages, pension liabilities or balances standing to the credit of savings and deposit accounts owing by the Mortgagee to the Borrower.

Once notice has been given to a Borrower of the assignment or assignation of the relevant Mortgage to the Issuer (see further 4.2.8 *Legal title to the Mortgages*), each 'independent set-off' right which that Borrower has (if any) against the Mortgagee will crystallise and further rights of 'independent set-off' will cease to accrue from that date and no new rights of 'independent set-off' could be asserted following that notice. In contrast, set-off rights arising under 'transaction set-off' will not be affected by that notice and will continue to exist and/or arise.

The exercise of set-off rights by Borrowers may adversely affect the timing of receipt and the ultimate amount received by the Issuer in respect of the Mortgages in the relevant Series Portfolio and the return in respect of the Notes and DCIs in the relevant Series.

4.2.7 **Searches, investigations and Series Portfolio Warranties in relation to the Mortgages**

Neither the Issuer nor any Transaction Party has made or caused to be made (nor will make or cause to be made) on its behalf in relation to any Series Portfolio purchased by the Issuer any of the enquiries, searches or investigations which a prudent purchaser of the relevant security would normally make. Also, neither the Issuer nor any Transaction Party has made nor will make any enquiry, search or investigation prior to the making or purchase of any Mortgage or at any time in relation to compliance by the relevant Series Portfolio Originator, Series Portfolio Seller, Series Portfolio Legal Title Holder, Programme Servicer or Series Mortgage Servicer or any other person with any applicable lending guidelines, criteria or procedures or the adequacy thereof or with the provisions of any Transaction Document, or with any applicable laws or in relation to the execution, legality, validity, perfection, adequacy or enforceability of any Mortgages or other assets included in any Series Portfolio or the insurance contracts relating to the relevant Mortgage Properties and Mortgages.

In relation to all of the above matters and the circumstances in which advances were made to Borrowers prior to the purchase by the Issuer of the relevant Series Portfolio, the Issuer, the relevant Series Note Trustee and/or the Security Trustee will rely entirely on the Series Portfolio Warranties (see further 7.5 *Overview of Series Portfolio Warranties*).

If a breach of a Series Portfolio Warranty occurs in relation to a Series Portfolio, except as indicated otherwise in the relevant Series Prospectus, the Issuer's remedies may be limited to:

- requiring the Series Portfolio Warrantor to make a payment of compensation to the Issuer in connection with that breach (or, in some circumstances, repurchase, or procure the repurchase of, a Mortgage); or
- taking other steps as indicated in E.6 *Series Portfolio Warranties* and/or E.7 *Repurchase or refinancing of Mortgages* in the relevant Series Prospectus (which may include, without limitation:
 - increasing the balance of the Series Principal Deficiency Record by the amount of the Mortgage Principal Balance in respect of such Mortgage with the effect that cash flows that might otherwise be paid to the Series Portfolio Warrantor under the applicable Series Priorities of Payments may, instead, be applied in refinancing such Mortgage through the arrangements for rectifying Principal Deficiencies (see 11.9 *Recording principal deficiencies*); and/or
 - the refinancing of the relevant Mortgage by procuring that the Series Funding Facility Provider relating to the Series makes an advance to the Issuer under the Series Funding Facility Agreement equal to the then Mortgage Current Balance of that Mortgage on the basis that the proceeds of such

advance get applied according to the Series Priorities of Payments as if the relevant Mortgage had been redeemed in full),

and may also include the relevant Mortgage being retained within the relevant Series Portfolio and any Mortgage receipts received in respect of such Mortgage continuing to be applied according to the applicable Series Priorities of Payments,

when obliged to do so, provided that this shall not limit any other remedies available if that Series Portfolio Warrantor fails to pay such compensation or take the relevant other steps (including against any Series Portfolio Warranty Guarantor under any guarantee of that Series Portfolio Warrantor's obligations in relation to the relevant Series Portfolio Warranties). However, there can be no assurance that those Series Portfolio Warranties will be true when given or that those remedies will be sufficient to cover the financial impact of any Series Portfolio Warranty being untrue (and, in particular, there can be no assurance that each Series Portfolio Warrantor or, as applicable, the Series Funding Facility Provider will have the financial resources to honour its obligations in connection with any breach of a Series Portfolio Warranty).

Furthermore, although the Series Portfolio Seller will undertake, pursuant to the relevant Series Portfolio Sale Agreement and/or the relevant Series Mortgage Services Agreement, to notify the Issuer and the Security Trustee upon becoming aware of a breach of any Series Portfolio Warranty, there shall be no obligation on the part of the Series Portfolio Seller or the Series Mortgage Servicer to monitor compliance of the Mortgages with the Series Portfolio Warranties, as applicable.

The above may adversely affect the timing of receipt and the ultimate amount received by the Issuer in respect of the Mortgages in the relevant Series Portfolio and the return in respect of the Notes and DCIs in the relevant Series.

4.2.8 Legal title to the Mortgages

As indicated in 7.4.2 *No Series Portfolio Title Perfection Action until certain events occur*, neither the Issuer nor the Security Trustee will be entitled to take Series Portfolio Title Perfection Action in relation to their respective interests in and to the relevant Series Portfolio until certain events occur. Until then and for so long as the relevant Series Portfolio Legal Title Holder in respect of a Mortgage in the relevant Series Portfolio retains legal title to that Mortgage and the relevant Borrower has not received notice of the Issuer's interest in that Mortgage:

- A third party dealing with that Series Portfolio Legal Title Holder could obtain legal title to that Mortgage free of the interests of the Issuer and the Series Note Trustee.
- The terms of that Mortgage could be amended by the relevant Series Portfolio Legal Title Holder or the Borrowers without the involvement of the Issuer.
- That Series Portfolio Legal Title Holder must be joined as a party to any legal proceedings against any Borrower or in relation to the enforcement of that Mortgage. In this regard each Series Portfolio Legal Title Holder will have undertaken (in the Series Portfolio Sale Agreement, the Series Mortgage Services Agreement or the Series Portfolio Previous Purchase Agreement, as applicable and as indicated in the relevant Series Prospectus) relating to the Series for the benefit of the Issuer, the Security Trustee, the relevant Series Mortgage Servicer in relation to that Mortgage and the Series Note Trustee that it will lend its name to, and take such other steps as may reasonably be required in connection with, any such proceedings.
- The rights of the Issuer and the Security Trustee may be or become subject to interests of third parties and direct rights of Borrowers against the relevant Series Portfolio Legal Title Holder (for example, a later encumbrance or transfer of the Mortgages) and/or equities and similar or analogous rights created or arising before the transfer of the legal title is perfected (for example, rights of set-off or rights to receive a Mortgage Further Advance as between the relevant Borrowers and the relevant Series Portfolio Legal Title Holder which, in particular, may arise in relation to the Borrower's right to make a Flexible Drawing Advance under a Flexible Mortgage). These could result in the Issuer receiving less money than anticipated.

However, the risk of third party claims defeating or obtaining priority to the interests of the Issuer or the Security Trustee would be likely to be limited to circumstances arising from a breach by the relevant Series Portfolio Legal Title Holder of its contractual obligations or fraud, negligence or mistake on the part of the relevant Series Portfolio Legal Title Holder, the Series Portfolio Seller, the relevant Series Mortgage Servicer, the Issuer or their respective personnel or agents.

- The Borrower may continue making payments to the relevant Series Portfolio Legal Title Holder (including redeeming the relevant Mortgage by repaying the relevant amount directly to the relevant Series Portfolio Legal Title Holder). Perfecting legal title would mean that the Borrower would no longer be entitled to obtain a good receipt from the relevant Series Portfolio Legal Title Holder as mortgagee or, as applicable, heritable creditor. Each Series Portfolio Legal Title Holder and each Series Portfolio Seller has undertaken (in the Series Portfolio Sale Agreement, the Series Mortgage Services Agreement or the Series Portfolio Previous Purchase Agreement, as applicable and as indicated in the relevant Series Prospectus) that if at any time it receives (or there is received to its order) any property, interest, right or benefit agreed to be sold to the Issuer it will hold the same on trust for the Issuer as the beneficial owner thereof. See also 11.6.4 *Series Collection Account Trust Deeds*.

4.2.9 Mortgage Variations

As indicated in 7.8 *Mortgage Variations*, a Borrower may apply for an amendment to the terms of a Mortgage. Variations include a change in the number of Borrowers or a change of the Mortgage Property on which the Mortgage is secured (commonly known as porting).

The refusal of a Mortgage Variation request may result in the Mortgage being repaid early by a Borrower which in turn may result in a prepayment of the Notes and adversely affect the yield to maturity of the Notes (see also 4.1.10 *Yield to maturity and prepayment of Notes is variable and unpredictable* above).

Where Mortgage Variations are made it may change the characteristics of the Series Portfolio and this may adversely affect the performance of the Series Portfolio and this could adversely affect the timing of receipt, and ultimate amount received, by the Issuer in respect of the Series Security Assets and the return in respect of the Notes and DCIs in the relevant Series.

4.2.10 Characteristics of the Series Portfolio may differ from the Series Provisional Portfolio

The relevant Series Note Final Terms or, as applicable, the relevant Series Prospectus relating to a Series (in particular Section K *Series Provisional Portfolio summary data*) will contain details of a provisional portfolio as at a date sometime before the relevant Series Closing Date. At the relevant Series Closing Date the relevant Series Portfolio will be selected from that provisional portfolio. The characteristics of the Series Portfolio will differ from those indicated in the relevant Series Note Final Terms or, as applicable, the relevant Series Prospectus in relation to the provisional portfolio as a result of, among other things, repayments and redemptions of the Mortgages from that date to the Series Closing Date and removal of any Mortgages that the Series Portfolio Seller has become aware do not comply with the Series Portfolio Warranties as at the Series Closing Date. Neither the Issuer nor the Series Portfolio Seller provide any assurance that there will be no material difference between the characteristics of the relevant provisional portfolio and the characteristics of the relevant Series Portfolio or that any such differences will not result in performance of the Series Portfolio being lower than the expected performance of the relevant provisional portfolio. Any such differences could adversely affect the timing of receipt, and ultimate amount received, by the Issuer in respect of the Series Security Assets and the return in respect of the Notes and DCIs in the relevant Series.

4.2.11 Substitute Mortgage Purchases

If the relevant Series Note Final Terms or, as applicable, the *Substitute purchases* section in E.1 *Sale of Series Portfolio* in the relevant Series Prospectus indicates that a substitution arrangement applies to a Series, despite the requirements in respect of each Substitute Mortgage Purchase (see 7.2.3 *Substitute Mortgage Purchases*), there can be no certainty that all the Substitute Mortgages comprised within a Series Portfolio in respect of a Series will have a similar range and/or proportion of characteristics (including, without limitation, types of Mortgage Loans and geographic concentration characteristics) as the Mortgages comprising the Series Portfolio in respect of that Series as at the Series Closing Date relating to that Series. Any differences in such range and/or proportion of characteristics could adversely affect the performance of the Series Portfolio and the timing of receipt, and ultimate amount received, by the Issuer in respect of the Series Security Assets and the return in respect of the Notes and DCIs in the relevant Series.

4.2.12 Prefunded Mortgage Purchases

If the *Prefunding purchases* section in E.1 *Sale of Series Portfolio* in the relevant Series Prospectus indicates that a prefunding arrangement applies to a Series, despite the requirements in respect of each Prefunded Mortgage Purchase (see 7.2.4 *Prefunded Mortgage Purchases*), there can be no certainty that all the Prefunded Mortgages comprised within a Series Portfolio in respect of a Series will have a similar range and/or proportion of characteristics (including, without limitation, types of Mortgage Loans and geographic concentration characteristics) as the Mortgages comprising the Series Portfolio in respect of that Series as at the Series Closing Date relating to that Series. Any differences in such range and/or proportion of characteristics could adversely affect the performance of the Series Portfolio and the timing of receipt, and

ultimate amount received, by the Issuer in respect of the Series Security Assets and the return in respect of the Notes and DCIs in the relevant Series.

4.2.13 **Financial statements of the Issuer**

The Issuer is a special purpose company and, under the structure of the Programme, only a defined portion of the Issuer's assets as described in 4.1.5 *Limits on action that can be taken against the Issuer and its assets* and 12.4.3 *Overriding effect of Programme enforcement scheme* will be available to meet the liabilities of the Issuer to the Noteholders, the DCI Holders and other Series Security Creditors in respect of a particular Series, and other assets of the Issuer will not be available to meet those liabilities. The Issuer's published financial statements for the latest two financial years have been incorporated by reference into this Programme Prospectus (see 1.2.2 *Information incorporated by reference*) and, unless indicated otherwise, into each Series Prospectus in order to satisfy a specific requirement of rules made by the Financial Conduct Authority in the implementation of the Prospective Regulation. However, prospective investors of Notes or DCIs should note that, given the structure of the Programme, some information set out in those financial statements may be unlikely to assist prospective investors in making an informed assessment as to whether or not to make an investment in respect of such Notes or DCIs and may, in some circumstances, be misleading (for example, given that, among other things, such financial statements relate to all of the Issuer's assets and liabilities as at the date of such financial statements and are not restricted to the assets available for meeting the liabilities for the relevant Series). Therefore, such prospective investors should make their own assessment (and obtain advice as they consider appropriate) as to the relevance of, and what information in such financial statements they should have regard to, in making an informed assessment as to whether or not to make an investment in respect of any Notes or DCIs relating to a particular Series.

4.3 **Security and insolvency considerations**

4.3.1 **Insolvency legislation in the United Kingdom**

The Issuer has represented in the Transaction Documents that it will have its centre of main interests in the United Kingdom and may therefore be subject to the insolvency proceedings under the laws of England and Wales.

While the transaction structure is designed to minimise the likelihood of the Issuer becoming the subject of insolvency proceedings (see, for example, 6.4 *Activities of the Issuer*, Base Condition 12 *No action, limited recourse and prescription* and 12.4 *Restrictions on rights of Security Creditors*), there can be no assurance that the Issuer will not become the subject of insolvency proceedings and/or that the Noteholders would not be adversely affected by the application of insolvency laws (including English insolvency laws and, if applicable, Northern Irish insolvency laws and/or Scottish insolvency laws).

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

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

(a) **Provision for unsecured debts**

Up to £800,000 of enforcement realisations under those floating charges in respect of net property (being the amount of the Issuer's property which could be available for satisfaction of debts due to the holder(s) of any debenture secured by such floating charge) is required to be made available for the satisfaction of the Issuer's unsecured debts (if any) in priority to the liabilities secured by such floating charge (see 12.3.5 *Ability to appoint administrative receiver and enforcement under a floating charge*). Although, in accordance with the Transaction Documents, the Issuer is expected to have minimal unsecured debts and all of those unsecured debts are expected to be provided for at senior levels of the applicable Security Priority of Payments and paid when due, it will be a matter of fact as to whether the Issuer has any other such unsecured debts at any time.

(b) **Liquidation and administration expenses**

If the Issuer became subject to an administration or liquidation, the costs and expenses of an administration or liquidation (including certain tax charges) will be payable out of floating charge assets in priority to the claims of the floating charge-holder which may significantly reduce amounts which would otherwise be available to satisfy the claims of the Series Security Creditors under the Security Deed.

There can be no assurance that the Noteholders and/or DCI Holders will not be adversely affected by the application of floating charge realisations as described above.

4.3.3 **Insolvency proceedings and subordination provisions**

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a hedge counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty (so-called 'flip clauses').

If a creditor of the Issuer or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales, and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English law governed Transaction Documents (such as a provision of the applicable Series Priority of Payments). 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 DCI Holders, the market value of the Notes or the DCIs and/or the ability of the Issuer to satisfy its obligations under the Notes or the DCIs.

4.3.4 **Corporate Insolvency and Governance Act 2020**

The Corporate Insolvency and Governance Act (**CIGA**) came into force on 26 June 2020. The CIGA introduces significant new corporate restructuring tools to the UK insolvency regime. The principal elements of the CIGA are:

- a moratorium on certain actions taken against eligible companies (a **CIGA moratorium provisions**),
- a prohibition on termination of certain contracts triggered by certain insolvency-related events of an eligible company (the **CIGA termination provisions**), and
- a new compromise procedure allowing for a 75% majority of creditors or members in each class to bind others in the same class even if they do not vote in favour. It is also possible for one class of creditors to bind all others, including secured creditors (the **CIGA cross-class cram down provisions**).

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

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

4.4 **Risks relating to other parties**

4.4.1 **Risks relating to reliance on other parties**

The Issuer relies on other parties (including, without limitation, General Servicers, Series Servicers and, as applicable, Series Hedge Providers and Series Credit Support Providers) to perform their obligations under Transaction Documents. See, in particular, 8 *Provision of services to the Issuer* and 11 *Credit structure and cashflows*). Noteholders and DCI Holders may be adversely affected if any of such other parties fail to

perform their obligations (including, without limitation, as a result of fraud, negligence or mistake) and/or are removed or if such a party resigns without a sufficiently experienced replacement or any replacement being appointed in their place on substantially the same terms promptly thereafter.

4.4.2 Limits on recourse to Transaction Parties and others

Neither the Issuer, nor the Series Note Trustee nor the Security Trustee will have any recourse to any Transaction Party other than in respect of a breach by, as applicable, it under each relevant Transaction Document to which it is a party and, in particular but without limitation neither the Issuer, nor the Series Note Trustee nor the Security Trustee will have any recourse to:

- the Series Portfolio Seller, the Series Portfolio Originator, the Series Portfolio Previous Owner or any Series Portfolio Legal Title Holder other than in respect of a breach by, as applicable, it under the relevant Series Portfolio Sale Agreement or, as applicable, Series Portfolio Previous Purchase Agreement and each other Series Document, if any, to which it is a party; or
- any Series Portfolio Warrantor other than in respect of a breach by it in respect of a Series Portfolio Warranty given by the Series Portfolio Warrantor; or
- any Series Portfolio Warranty Guarantor (if any) other than in respect of the guarantee given by such Series Portfolio Warranty Guarantor in respect of a Series Portfolio Warrantor's obligations in relation to a Series Portfolio Warranty.

There can be no assurance that any Transaction Party will have the financial or other resources to fully perform and comply with its obligations under each relevant Transaction Document to which it is a party (and, in particular but without limitation, there can be no assurance that each Series Portfolio Warrantor and any Series Portfolio Warranty Guarantor will have the financial or other resources to fully perform and comply with its obligations in connection with any breach of a Series Portfolio Warranty or otherwise).

If any Transaction Party has insufficient the financial or other resources to fully perform and comply with its obligations under each relevant Transaction Document to which it is a party and/or to rectify and/or provide compensation for any breach of its obligations under each relevant Transaction Document to which it is a party, this could cause loss to the Issuer in respect of the relevant Series and adversely affect the timing of receipt, and ultimate amount received, in respect of the Notes and DCIs in the relevant Series.

4.4.3 Application of insolvency or similar laws to other parties

As indicated in 4.4.1 *Risks relating to reliance on other parties* and 5 *Overview of the Programme*, the Programme and each Series involve a number of third parties who are or will be party to a Transaction Document. These parties may be subject to a range of differing laws and regimes in different jurisdictions, including in the event that they become insolvent or experience financial difficulties or adverse events.

In particular, without limitation, under the Banking Act 2009 (as amended and supplemented, including pursuant to the Bank Recovery and Resolution (Amendment) (EU Exit) Regulations 2020, the **Banking Act**), substantial powers have been granted to HM Treasury, the Bank of England and the FCA and the PRA, as part of the special resolution regime. These powers (which apply regardless of any contractual provisions) enable the above authorities to deal with and stabilise UK-incorporated institutions with permission to accept deposits pursuant to Part 4A of the FSMA that are failing or are likely to fail to satisfy the threshold conditions (within the meaning of Section 41 of the FSMA). That special resolution regime consists of 5 stabilisation options:

- transfer of all or part of the business of the relevant institution or the shares of the relevant institution to a private sector purchaser;
- transfer of all or part of the business of the relevant institution to a 'bridge bank' wholly-owned by the Bank of England;
- temporary public ownership of the relevant institution;
- writing down (including to zero) certain claims of unsecured creditors of the relevant institution (including Notes) and/or converting certain unsecured debt claims (including Notes) to equity (the bail-in option), which equity could also be subject to any cancellation, transfer or dilution; and
- transfer of all or part of the business of the relevant institution to an asset management vehicle owned and controlled by the Bank of England or HM Treasury. HM Treasury may also take a parent company of a relevant institution into temporary public ownership where certain conditions are met.

In general, there is considerable uncertainty about the scope of the powers afforded to the Authorities under the Banking Act and how the authorities may choose to exercise them. Further, UK authorities have a wide discretion in exercising their powers under the special resolution regime, including modifying or setting aside any Act of Parliament by order of HM Treasury to facilitate its Banking Act objectives. Certain ancillary powers include the power to modify certain contractual arrangements in certain circumstances. It is possible that one of the stabilisation options could be exercised prior to the point at which any application for an insolvency or administration order with respect to the relevant entity could be made.

In addition, as a result of the law of the UK or any part of it, which implemented the EU's Bank Recovery and Resolution Directive (2014/59/EU) (as amended by EU Directive (2019/879/EU), the **Bank Resolution Directive**) providing for the establishment of an EEA-wide framework for the recovery and resolution of credit institutions and investment firms and any relevant national implementing measures, it is possible that an institution with its head office in an EEA state other than the UK and/or certain group companies could be subject to certain resolution actions in that other state. The Bank Recovery and Resolution (Amendment) (EU Exit) Regulations 2020 (2020/1350/EU) were made by virtue of the EUWA and implement the Bank Resolution Directive and will form part of the domestic law of the UK and, therefore, the procedures under the Banking Act continue to apply.

If a party to the Transaction Documents (such as a General Servicer, Series Servicer and, as applicable, Series Hedge Provider and Series Credit Support Provider) becomes affected by such laws, resolutions and/or regimes, it may affect the ability of any relevant party to satisfy its obligations under the Transaction Documents and there can be no assurance that Noteholders and DCI Holders will not be adversely affected as a result.

4.4.4 Risks relating to payments under Series Hedge Agreements

(a) Non-receipt of amounts under the Series Hedge Agreements

If the Issuer fails to make timely payments of amounts (if any) due from the Issuer under a Series Hedge Agreement relating to a Series, then the Issuer may have defaulted under that Series Hedge Agreement. Each Series Hedge Provider is only obliged to make payments to the Issuer under a Series Hedge Agreement as long as the Issuer makes payments under that Series Hedge Agreement.

If the relevant Series Hedge Provider is not obliged to make payments or if it defaults in (whether due to the insolvency of such Series Hedge Provider or otherwise), or (when entitled to do so) terminates, its obligations to make payments of amounts in the relevant currency equal to the full amount to be paid to the Issuer under the relevant Series Hedge Agreement in each case on the relevant Series Payments Date relating to that Series or if such Series Hedge Agreement terminates for any other reason, the Issuer will be exposed to interest basis risk or changes in currency exchange rates (as appropriate).

If the relevant Series Hedge Provider does not make such payments under the Series Hedge Agreement or, following a termination of a Series Hedge Agreement, a replacement hedge agreement is not promptly entered into the Issuer may have insufficient funds to make payments due on the Notes and/or DCIs relating to the relevant Series and/or such payments may be delayed.

(b) Termination payments under the Series Hedge Agreements

Upon the occurrence of certain events a Series Hedge Agreement may terminate and a potentially substantial termination payment may be payable by either the Issuer or the relevant Series Hedge Provider, depending on, among other things, the terms of the Series Hedge Agreement, the cost of entering into a replacement hedge agreement at the relevant time and/or the parties' respective loss or gain incurred in terminating that Series Hedge Agreement.

If the relevant Series Hedge Provider does not make any such termination payment required of it in respect of a Series Hedge Agreement, the Issuer may have insufficient funds to make payments due on the Notes and/or DCIs relating to the relevant Series or to be able to enter into a replacement hedge agreement.

There can be no assurance that the Issuer will have sufficient funds available to make any termination payment payable by it under any Series Hedge Agreement.

Except in relation to any Series Hedge Provider Subordinated Amount (see 11.5.6 *If termination payment payable by Issuer*) or as indicated otherwise in the relevant Series Prospectus, any termination payment due by the Issuer will rank senior to or *pari passu* and *pro rata* with certain Classes of Notes (as indicated in the relevant Series Priority of Payments).

Any additional amounts required to be paid by the Issuer following and in connection with termination of the relevant Series Hedge Agreement (including any extra costs incurred, for example, in entering

into 'spot' currency transactions if the Issuer cannot promptly enter into a replacement hedge agreement and the costs of entering into replacement hedge agreements), will also rank pari passu and pro rata with the relevant Class of Notes.

Therefore, if the Issuer incurs costs or payment obligations as a result of the termination of the relevant Series Hedge Agreement, this could reduce the Issuer's ability to service payments on the Notes and/or DCIs relating to the relevant Series or to enter into a replacement hedge agreement.

(c) **Replacement of Series Hedge Agreements**

Upon early termination of a Series Hedge Agreement, the Issuer will endeavour, although this cannot be guaranteed, to find a replacement Series Hedge Provider that will enter into a replacement for the relevant Series Hedge Agreement. No assurance can be given that the Issuer will be able to enter into replacement hedge agreements with a suitably rated replacement hedge provider or that such replacement hedge agreements are entered into promptly enough, to prevent a Rating Adverse Action. Nor can any assurance be given, if one or more such replacement transactions are entered into, as to the credit rating or creditworthiness of the replacement hedge provider under such replacement hedge agreements.

4.4.5 **Risks relating to changes in relation to other parties**

Certain parties to the Transaction Documents (including, without limitation, General Servicers, Series Servicers and, as applicable, Series Hedge Providers) are required to satisfy certain criteria in order that they can continue to have their role and be a party to the applicable Transaction Documents (for example, without limitation, a party performing a regulated role may need to maintain an appropriate regulatory authorisation and/or a bank account provider may need to have specified credit ratings). See, in particular, 7.12.2 *Certain regulated activities in relation to Mortgages*, 8 *Provision of services to the Issuer* and 11 *Credit structure and cashflows*).

These criteria may, as applicable, include requirements imposed under the FSMA and requirements in relation to the ratings ascribed to such party by the relevant Series Rating Agencies. If the party concerned ceases to satisfy the applicable criteria, including the ratings, then the rights and obligations of that party (including the right or obligation to receive monies on behalf of the Issuer) may be required to be transferred to another entity which does satisfy the applicable criteria. In these circumstances, it may not be possible to find, or there may be a significant delay in finding, an entity that satisfies the applicable criteria, including the ratings, who would be willing to act in the role. Even if a replacement entity is willing to act, the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the relevant Transaction Document and the cost to the Issuer may therefore increase. This may reduce amounts available to the Issuer to make payments on the Notes and/or DCIs and/or lead to a downgrade in the ratings of the Notes or, if applicable, DCIs.

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 Transaction Document, including the applicable criteria, in order to avoid the need for a replacement entity to be appointed. The consent of Noteholders and/or DCI Holders may not be required in relation to such amendments and/or waivers.

4.4.6 **Certain material interests and potential for conflicts**

Transaction Parties may perform multiple roles in relation to the Programme and one or more Series. The Transaction Parties may, pursuant to the Transaction Documents, be replaced by one or more new parties. The Transaction Parties (including any replacements) and advisers or any affiliates of any of them may have existing or future business relationships with any other Transaction Parties (including any replacements) and advisers or any affiliates of any of them and with other persons, in each case whether similar to or in competition with the business of the Issuer and in doing so may pursue actions and take steps that they deem appropriate to protect their interests arising therefrom without regard to the consequences for any Noteholder or DCI Holder.

Accordingly, conflicts of interest may exist or may arise as a result of Transaction Parties having previously engaged or in the future having activities involving other Transaction Parties, having multiple roles or carrying out other transactions for third parties, which might ultimately have a negative impact on the ability of the Issuer to perform its obligations in respect of the Notes and/or DCIs.

4.4.7 **Technology risks impacting other parties**

With the increased use of technologies such as the internet and the dependence on computer systems to perform necessary business functions, the other parties relied upon by the Issuer (including, without limitation, General Servicers, Series Servicers and, as applicable, Series Hedge Providers and Series Credit Support Providers) may be exposed to operational and information security risks resulting from cyber-

attacks. In general, cyber-attacks result from deliberate attacks, but unintentional events may have effects similar to those caused by cyber-attacks. Cyber-attacks include, among other behaviours, stealing or corrupting data maintained online or digitally, denial-of-service attacks on websites, the unauthorised release of confidential information and causing operational disruption. Successful cyber-attacks against, or security breakdowns of, those other parties may adversely impact the ability of those other parties carry out their duties. Those other parties may also incur substantial costs for cyber security risk management in order to prevent any cyber incidents in the future. With respect to any business continuity plans and systems designed to prevent such cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified.

Such cyber-attacks may cause such other parties to fail to perform their obligations under the applicable Transaction Documents and, in turn, that could have a negative impact on the ability of the Issuer to perform its obligations in respect of the Notes and/or DCIs, including resulting in the Issuer having insufficient funds to make payments due on the Notes and/or DCIs relating to the relevant Series and/or such payments being delayed.

4.5 Certain regulatory risks relating to the Security Assets

4.5.1 Risks arising from regulation of activities and aspects of certain Mortgages

As indicated in 7.12 *Mortgage regulation in the United Kingdom*, there are laws which regulate a range of activities in respect of certain types of Mortgages originated in the UK, including (without limitation):

- the regulatory regime under the FSMA (in particular MCOB) applicable to MCOB Mortgages (see 7.12.1(a) *Regulated mortgage contracts* and 7.12.3(a) *Mortgages Conduct of Business Sourcebook*);
- the regulatory regime under the MCD Order applicable to Consumer Buy to Let Mortgages (see 7.12.1(b) *Regulatory regime for Consumer Buy to Let Mortgages* and 7.12.3(c) *Consumer Buy to Let Mortgage framework and conduct standards*);
- the Distance Marketing Regulations (see 7.12.3(d) *Distance marketing of financial services*) applicable to Individual Mortgages where the Borrower is a consumer,
- the Unfair Trading Regulations (see 7.12.3(e) *Consumer Protection from Unfair Trading Regulations 2008*) applicable to Individual Mortgages where the Borrower is a consumer,
- the laws regulating the enforcement of Mortgages described in 7.11.5 *Aspects of enforcement relating to English Mortgages and Northern Irish Mortgages* and 7.11.6 *Aspects of enforcement relating to Scottish Mortgages*,
- the Consumer Duty law described in 7.12.3(h) *Consumer Duty*, and
- the laws and regulations providing further protections to Borrowers, including those made in response to the rising cost of living in the UK described in 7.12.3(i) *Further protections for Borrowers, including response to the cost of living crisis*.

These laws (taken together) apply to a wide range of activities and aspects throughout the life cycle of an affected Mortgage (see, in particular, the aspects summarised in 7.12.3(a) *Mortgages Conduct of Business Sourcebook*).

No assurance can be given that these laws will not have an adverse effect on the Issuer (including, but not limited to, adversely affecting the Issuer's ability to make payments on the Notes and DCIs such that the payments on the Notes and DCIs could be reduced or delayed). In particular, without limitation, a Borrower may, in certain circumstances, be entitled to claim reimbursement and/or damages for loss suffered as a result of any contravention of the above laws and may be able to set off the amount of the claim against the amount owing by that Borrower under the Mortgage (see 4.2.6 *Set-off may adversely affect the return on the Notes and DCIs*).

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

4.5.2 Risks arising from reliance on Transaction Parties to carry out regulated activities relating to Mortgages

The Issuer does not hold and does not intend to hold any authorisation or permission from the FCA under the FSMA in relation to MCOB Mortgages and is not, and does not intend to be, registered with the FCA in relation to Consumer Buy to Let Mortgages. Instead, in relation to each Series the Issuer will rely on the Series Portfolio Legal Title Holder and the Series Mortgage Servicer to have the required authorisation, permission and/or registration (as applicable) and to carry out regulated activities (as applicable) in relation to the Mortgages in the relevant Series Portfolio. See 4.4.1 *Risks relating to reliance on other parties* and 4.4.5 *Risks relating to changes in relation to other parties*.

4.5.3 Risks arising from regulation of contract terms of certain Mortgages

In addition, there are laws which, in relevant circumstances, can result in an express written term of certain Mortgages being rewritten by the court, a direction being made in respect of that term by the Ombudsman or that term being declared unenforceable against the Borrower, including (without limitation):

- the Unfair Terms Laws (see 7.12.3(f) *Unfair Terms Laws*) applicable to Individual Mortgages where the Borrower is a consumer;
- the 'unfair relationships' regime (see 7.12.3(g) *Unfair relationships*) applicable to Buy to Let Mortgages and Consumer Buy to Let Mortgages (but not MCOB Mortgages) which are also Individual Mortgages; and
- certain provisions of the Financial Services Handbook (especially MCOB, see 7.12.3(a) *Mortgages Conduct of Business Sourcebook*) applicable to MCOB Mortgages.

Furthermore, decisions of the Ombudsman could lead to the Ombudsman requiring steps to be taken in relation to some terms of certain Mortgages, whether or not a court could order those steps to be taken (see 7.12.4 *Financial Ombudsman Service*). As the Ombudsman is required to make decisions on the basis of, among other things, the principles of fairness, and may order a monetary award to a complaining Borrower, it is not possible to predict how any future decision of the Ombudsman would affect the ability of the Issuer to make payments to Noteholders and DCI Holders.

No assurance can be given that such above laws and/or decisions (or future changes to those) will not have an adverse effect on the Issuer (including, but not limited to, adversely affecting the Issuer's ability to make payments on the Notes and DCIs such that the payments on the Notes and DCIs could be reduced or delayed).

Given that Mortgages are typically originated using the same or similar procedures and/or processes and forms developed by the relevant Series Portfolio Originator, where there is a contravention of the above laws or an adverse decision by a court or the Ombudsman, it may adversely affect a significant number of the Mortgages within a Series Portfolio and, in turn, have an adverse effect on the return in respect of the relevant Notes and DCIs in the relevant Series.

4.5.4 Potential effects of any additional regulatory changes

In the United Kingdom, regulators such as the Competition and Markets Authority, the Prudential Regulation Authority and the FCA (and their predecessors) have recently carried out, or are currently conducting, several enquiries. In recent years there have been several issues in the United Kingdom financial services industry in which these local bodies have intervened directly, including sale of certain types of residential mortgages, dealing with arrears and enforcement of residential mortgages, the sale of card and identity protection policies, interest rate hedging products, payment protection insurance, personal pensions and mortgage-related endowments.

No assurance can be given that changes will not be made to the regulatory regime and developments described above in respect of the mortgage market in the United Kingdom generally or specifically in relation to the relevant Series Portfolio relating to a Series. In particular, 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 Mortgages, including further amending and extending the scope of the laws, regulations, guidance and Mortgage Charter (see further 7.12.3(i) *Further protections for Borrowers, including response to the cost of living crisis*).

Any such action or developments, in particular, but not limited to, the cost of compliance, may have a material adverse effect on the relevant Series Portfolio and/or certain Transaction Parties relating to a Series. This may adversely affect the Issuer's ability to make payments in full when due on the Notes and DCIs.

4.6 Certain regulatory risks applicable to the Notes and DCIs

Each prospective investor is required to independently assess the treatment of the Notes and DCIs for legal, regulatory or other purposes and its ability to purchase the Notes or DCIs under applicable legal, regulatory and/or other restrictions and to independently assess and determine the sufficiency of the information described in the Disclosure Documents generally for the purposes of complying with applicable laws and regulations (including any technical standards, implementing technical standards and any other implementing provisions in their jurisdiction). In particular, in the UK, Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry which has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. These matters may adversely affect the value and liquidity of the Notes and DCIs.

In general, prospective investors should consult their own advisers and regulators as to the regulatory requirements in respect of the Notes and DCIs (including, in particular, regulatory capital and liquidity). No predictions can be made as to the precise effects of such matters on any prospective investor or otherwise. None of the Issuer or the other Transaction Parties makes any representation that the information described in the Disclosure Documents and otherwise which may be made available to investors is sufficient in all circumstances to determine the legal and regulatory treatment of the Notes and DCIs. See 1.1 *Prospective investors*.

Without prejudice to the foregoing paragraphs, the following are some regulatory aspects that may be relevant to certain prospective investors in the Notes and DCIs:

4.6.1 Basel regulatory capital and liquidity framework

Investors should note in particular that the Basel Committee on Banking Supervision (the **Basel Committee**) approved significant changes to the Basel regulatory capital and liquidity framework (such changes being commonly referred to as Basel III in respect of reforms finalised prior to 7 December 2017, and as Basel IV in respect of reforms finalised on or after that date (together, **Basel III/IV**)). Implementation of Basel III/IV requires national legislation and therefore the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation. The Basel Committee has also published certain proposed revisions to the securitisation framework, including proposed new hierarchies of approaches to calculating risk weights and a new risk weight floor of 15 per cent. The Basel Committee continues to work on new policy initiatives. It should also be noted that changes to regulatory capital requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe and the Solvency II framework in the United Kingdom.

Implementation of the Basel framework (to the extent that it has not already been fully implemented in member countries) and/or of any of the changes put forward by the Basel Committee as described above may have an impact on the capital requirements in respect of the Notes or DCIs and/or on incentives to hold the Notes or DCIs for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes or DCIs.

In general, prospective investors should consult their own advisers as to the regulatory requirements in respect of the Notes or DCIs (including, in particular, regulatory capital and liquidity) and as to the consequences for and effect on them of any changes to the Basel framework (including the changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any prospective investor or otherwise.

4.6.2 The UK Securitisation Regulation

Among other things, the UK Securitisation Regulation includes risk retention and transparency requirements (imposed variously on the issuer, originator, sponsor and/or original lender of a securitisation) and due diligence requirements which are imposed, under the UK Securitisation Regulation, on UK Affected Investors in a securitisation (see further details in 13.2 *UK Securitisation Regulation*). In particular:

- a UK Affected Investor (other than the originator, sponsor, or original lender) is restricted from investing in asset-backed securities (such as Notes and/or DCIs relating to a Series) to which the UK Securitisation Regulation applies unless:
 - that UK Affected investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters (including, among other things, the position of its Note and/or DCI in the relevant priorities of payment and the structural features of the securitisation),

- the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that, amongst other things, it will retain, on an on-going basis, a qualifying material net economic interest of not less than 5% in respect of the relevant securitisation determined in accordance with Article 6 of the UK Securitisation Regulation (see further details in 13.3.1 *UK Retention Requirement* in relation to the UK Retention Requirement), and
- that UK Affected Investor is able to demonstrate that it verified that the Issuer has, where applicable, made available and will make available information which it is required to make available in accordance with Article 5(1)(e) or Article 5(1)(f), as the case may be, of the UK Securitisation Regulation (see further details in 13.4.1 *UK Transparency and Reporting Requirements* in relation to UK Transparency and Reporting Requirements), and
- a UK Affected Investor (other than the originator, sponsor or original lender) holding a securitisation position is required to at least establish appropriate written procedures that are proportionate to the risk profile of the securitisation position and, where relevant, to the UK Affected Investor's trading and non-trading book, in order to monitor, on an ongoing basis, compliance with its due diligence requirements and the performance of the securitisation position and of the underlying exposures.

Failure to comply with one or more of the requirements of the UK Securitisation Regulation may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the Notes or the DCIs acquired by the relevant UK Affected Investor. In addition, there is a risk that the consequences of non-compliance with applicable requirements of the UK Securitisation Regulation may include, but is by no means limited to, a decrease in demand for the Notes and the DCIs of the relevant Series in the secondary market, which may lead to a decreased price for those Notes or DCIs, or decreased liquidity and increased volatility in the secondary market and, therefore, an investor's ability to resell those Notes or DCIs may be limited by market conditions and an investor must be prepared to bear the risk of holding its Notes or DCIs until maturity.

Aspects of the requirements of the UK Securitisation Regulation and what is or will be required to demonstrate compliance to national regulators remain unclear and are still evolving. UK investors who are uncertain as to the requirements that will need to be complied with in order to avoid the consequences of non-compliance should seek guidance from their regulator and/or take independent advice.

Prospective investors of Notes and/or DCIs in relation to a Series are themselves responsible for knowing, assessing and monitoring requirements of the UK Securitisation Regulation, any relevant national measures or any other legal, regulatory or other requirements applicable to them, the consequences of any non-compliance with those requirements (including, among other things, any negative effect on the regulatory position of, and the capital charges on, the Notes and the DCIs relating to that Series and the liquidity and price of those Notes and DCIs) and, where appropriate, for taking independent advice on those requirements and consequences. In particular, each prospective investor is required independently to assess and determine the sufficiency of the information described above and in the applicable Disclosure Documents generally for the purposes of complying with the UK Securitisation Regulation, any relevant national measures or any other applicable legal, regulatory or other requirements and none of the Issuer or any other Transaction Party:

- makes any representation that the information described above or in the applicable Disclosure Documents is sufficient in all circumstances for such purposes,
- has any liability to any prospective investor or any other person for any insufficiency of such information or any failure of the transactions contemplated in the applicable Disclosure Documents to comply with or otherwise satisfy the requirements of the UK Securitisation Regulation, any relevant national measures or any other applicable legal, regulatory or other requirements, or
- has any obligation to ensure compliance with the requirements of the UK Securitisation Regulation, any relevant national measures or any other applicable legal, regulatory or other requirements, other than the obligations of the applicable Transaction Parties in respect of the UK Securitisation Regulation indicated in the Series Prospectus relating to the relevant Series.

4.6.3 The EU Securitisation Regulation

Among other things, the EU Securitisation Regulation includes risk retention and transparency requirements (imposed variously on the issuer, originator, sponsor and/or original lender of a securitisation) and due diligence requirements which are imposed, under the EU Securitisation Regulation on EU Affected Investors in a securitisation (see further details in 13.1 *EU Securitisation Regulation*). In particular:

- a EU Affected Investor (other than the originator, sponsor, or original lender) is restricted from investing in asset-backed securities (such as Notes and/or DCIs relating to a Series) to which the EU Securitisation Regulation applies unless:
 - that EU Affected Investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters (including, among other things, the position of its Note and/or DCI in the relevant priorities of payment and the structural features of the securitisation),
 - the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that, amongst other things, it will retain, on an on-going basis, a qualifying material net economic interest of not less than 5% in respect of the relevant securitisation determined in accordance with Article 6 of the EU Securitisation Regulation (see further details in 13.3.2 *EU Retention Requirement* in relation to the EU Retention Requirement), and
 - that EU Affected Investor is able to demonstrate that it verified that the Issuer has, where applicable, made available and will make available information which it is required to make available in accordance with Article 5(1)(e) of the EU Securitisation Regulation (see further details in 13.4.2 *EU Transparency and Reporting Requirements* in relation to EU Transparency and Reporting Requirements), and
- a EU Affected Investor (other than the originator, sponsor or original lender) holding a securitisation position is required to at least establish appropriate written procedures that are proportionate to the risk profile of the securitisation position and, where relevant, to the EU Affected Investor's trading and non-trading book, in order to monitor, on an ongoing basis, compliance with its due diligence requirements and the performance of the securitisation position and of the underlying exposures.

Failure to comply with one or more of the requirements of the EU Securitisation Regulation may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes or the DCIs acquired by the relevant EU Affected Investor. In addition, there is a risk that the consequences of non-compliance with applicable requirements of the EU Securitisation Regulation may include, but is by no means limited to, a decrease in demand for the Notes and the DCIs of the relevant Series in the secondary market, which may lead to a decreased price for those Notes or DCIs, or decreased liquidity and increased volatility in the secondary market and, therefore, an investor's ability to resell those Notes or DCIs may be limited by market conditions and an investor must be prepared to bear the risk of holding its Notes or DCIs until maturity.

Aspects of the requirements of the EU Securitisation Regulation and what is or will be required to demonstrate compliance to national regulators remain unclear and are still evolving. EU investors who are uncertain as to the requirements that will need to be complied with in order to avoid the consequences of non-compliance should seek guidance from their regulator and/or take independent advice.

Prospective investors of Notes and/or DCIs in relation to a Series are themselves responsible for knowing, assessing and monitoring requirements of the EU Securitisation Regulation, any relevant national measures or any other legal, regulatory or other requirements applicable to them, the consequences of any non-compliance with those requirements (including, among other things, any negative effect on the regulatory position of, and the capital charges on, the Notes and the DCIs relating to that Series and the liquidity and price of those Notes and DCIs) and, where appropriate, for taking independent advice on those requirements and consequences. In particular, each prospective investor is required independently to assess and determine the sufficiency of the information described above and in the applicable Disclosure Documents generally for the purposes of complying with the EU Securitisation Regulation, any relevant national measures or any other applicable legal, regulatory or other requirements and none of the Issuer or any other Transaction Party:

- makes any representation that the information described above or in the applicable Disclosure Documents is sufficient in all circumstances for such purposes,
- has any liability to any prospective investor or any other person for any insufficiency of such information or any failure of the transactions contemplated in the applicable Disclosure Documents to comply with or otherwise satisfy the requirements of the EU Securitisation Regulation, any relevant national measures or any other applicable legal, regulatory or other requirements, or
- has any obligation to ensure compliance with the requirements of the EU Securitisation Regulation, any relevant national measures or any other applicable legal, regulatory or other requirements, other than the obligations of the applicable Transaction Parties in respect of the EU Securitisation Regulation indicated in the Series Prospectus relating to the relevant Series.

4.6.4 Simple, transparent and standardised securitisations

As indicated in 13.6 *Simple, transparent and standardised securitisations*, in relation to each Series, section J *Some regulatory disclosures* of the relevant Series Prospectus will indicate whether or not that Series will be designated as a UK STS Securitisation or an EU STS Securitisation.

If a Series is not designated as a UK STS Securitisation or, as applicable, an EU STS Securitisation, the Notes and the DCIs relating to that Series will not benefit from any more favourable regulatory treatment, including reduced risk weightings for UK Affected Investors or, as applicable, EU Affected Investors, that would apply to a securitisation transaction that is designated as a UK STS Securitisation or, as applicable, an EU STS Securitisation.

If a Series is designated as a UK STS Securitisation or, as applicable, an EU STS Securitisation, investors should note that the status of a Series as a UK STS Securitisation or, as applicable, an EU STS Securitisation is not static and investors should verify, as at applicable times, the current status of that Series as a UK STS Securitisation on the FCA's website or, as applicable, an EU STS Securitisation on ESMA's website.

Investors should consider (and where appropriate, take independent advice on) the consequences of the Notes and the DCIs in relation to a Series not being considered a UK STS Securitisation or an EU STS Securitisation, including (but not limited to) that the lack of such designation may negatively affect the regulatory position of, and the capital charges on, the Notes and the DCIs in relation to a Series and, in addition, have a negative effect on the price and liquidity of the Notes in the secondary market. Therefore, an investor's ability to resell the Notes or the DCIs in relation to a Series may be limited by market conditions and an investor must be prepared to bear the risk of holding its Notes and DCIs until maturity.

4.6.5 European Market Infrastructure Regulation

The EU regulatory framework and legal regime relating to derivatives is primarily set out in Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012, as amended by Regulation (EU) 2019/834 of the European Parliament and of the Council dated 20 May 2019 (**EU EMIR**). A similar regime applies in the UK under EU EMIR as it forms part of domestic law in the UK (**UK EMIR**) as amended or supplemented or replaced from time to time. The UK government has indicated that UK EMIR will be repealed with domestic legislation under FSMA 2023. However, UK EMIR is not subject to immediate policy review or reform and so substantive requirements are not expected to change as a result of the repeal and replacement of UK EMIR.

The Issuer will be subject to certain regulatory requirements in relation to any Series Hedge Agreement relating to a Series as a consequence of the implementation of UK EMIR, which provides for certain OTC derivative contracts to be submitted to central clearing and imposes, amongst other things, margin posting and other risk mitigation techniques (such as including arrangements for timely confirmation of OTC derivatives contracts, portfolio reconciliation and dispute resolution), reporting and record keeping requirements and requires certain standardised derivatives to trade on an exchange or other electronic trading platform.

Investors should be aware of the following:

- regardless of the Issuer's classification under UK EMIR, the Issuer may need to appoint a third party and/or incur costs and expenses to enable it to comply with the regulatory requirements imposed by UK EMIR, in particular, in relation to reporting and record-keeping; and
- the characterisation of the Issuer under UK EMIR as currently in force will determine whether, among other things, it is required to comply with the clearing, margin and trading requirements in relation to each Series Hedge Agreement relating to a Series. If it were required to clear, post margin or trade on an exchange or other electronic platform, it is unlikely that the Issuer would be able to comply with such an obligation.

If the Issuer enters into each Series Hedge Agreement relating to a Series with an EU established Series Hedge Provider, the Issuer will require such Series Hedge Provider to co-operate with the Issuer to ensure the applicable rules under UK EMIR are complied with and such Series Hedge Provider will require the Issuer to co-operate with such Series Hedge Provider to ensure the applicable rules under EU EMIR are complied with.

The Issuer considers itself to be (a) a 'non-financial counterparty' below the clearing threshold for the purposes of UK EMIR and (b) a 'third country entity' for the purposes of EU EMIR (that would be a 'non-financial counterparty' below the clearing threshold under EU EMIR if it were established in the EU). Neither of those categories are subject to the clearing or the margin-posting requirements or the requirement to trade on an exchange or other electronic platform. Should the status of the Issuer change to a 'non-financial counterparty'

above the clearing threshold or 'financial counterparty' for the purposes of UK EMIR and/or a third country equivalent to a 'non-financial counterparty' above the clearing threshold or 'financial counterparty' for the purposes of EU EMIR, this may result in the application of the relevant clearing obligation or (more likely) the relevant collateral exchange obligation and relevant daily valuation obligation under the risk mitigation requirements, as it seems unlikely that any of the swap agreements would be a relevant type of OTC derivative contract that would be subject to the clearing obligation under UK EMIR and EU EMIR to date.

Prospective investors should be aware however that regulatory changes arising from UK EMIR and EU EMIR may adversely affect the Issuer's ability to engage in derivative transactions and the costs to the Issuer in doing so. Given that no material differences have applied between the applicable EU and UK regulatory rules since 1 January 2021, the Issuer will likely bear the same costs in meeting its and any Series Hedge Provider's requirements when entering into derivative transactions on or around the date of this Programme Prospectus, regardless of whether such Series Hedge Provider is established in the EU or the UK. However, over time, divergences between the UK EMIR (or any amendment, replacement or supplement thereof, including under FSMA 2023) and the EU EMIR rules may arise and this may ultimately lead to additional costs being incurred by the Issuer to the extent that it continues to enter into derivative transactions with any Series Hedge Provider established in both the UK and the EU, and this may in turn reduce amounts available to make payments with respect to the Notes and DCIs.

4.6.6 Requirements as to status of credit rating agencies providing ratings

Prospective investors are responsible for ensuring that an investment in the Notes or DCIs is compliant with all applicable investment guidelines and requirements and in particular any requirements relating to ratings.

- In this context, prospective UK regulated investors should note the provisions of the UK Credit Rating Agencies Regulation may require, among other things, issuers or related third parties intending to solicit a credit rating of a structured finance instrument to appoint at least two credit rating agencies to provide credit ratings independently of each other. Additionally, the UK Credit Rating Agencies Regulation requires certain additional disclosure to be made in respect of structured finance transactions.

Similarly, prospective European regulated investors should note the provisions of the EU Credit Rating Agencies Regulation may require, among other things, issuers or related third parties intending to solicit a credit rating of a structured finance instrument to appoint at least two credit rating agencies to provide credit ratings independently of each other. Additionally, the EU Credit Rating Agencies Regulation requires certain additional disclosure to be made in respect of structured finance transactions.

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

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

In relation to each Series, certain information with respect to each Series Rating Agency and ratings of the Notes of that Series will be set out in section J *Some regulatory disclosures* in the relevant Series Prospectus as at the relevant Series Closing Date. However, no assurance is provided that the registration or status of a Series Rating Agency relating to that Series (or any credit reference agency which endorses the ratings of that Series Rating Agency) for the purposes of the UK Credit Rating Agencies Regulation or, as applicable, the EU Credit Rating Agencies Regulation will not be withdrawn or suspended after the relevant Series Closing Date. If the registration of a Series Rating Agency is withdrawn or suspended after the relevant Series

Closing Date it may result in the Notes in the relevant Series rated by that Series Rating Agency ceasing to satisfy criteria required for applicable regulatory purposes for the Noteholders of such Notes which may adversely affect such Noteholder and may also adversely affect the marketability and value of such Notes.

4.6.7 **Eurosystem eligibility**

If the Series Prospectus relating to a Series indicates that one or more Classes of Notes is/are intended to be held in a manner which will allow Eurosystem eligibility, this simply means that those Notes are intended upon issue to be deposited with the relevant Global Noteholder and does not necessarily mean that those Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria including without limitation, the criteria set out in the Guideline 2015/510 of the European Central Bank on the implementation of the Eurosystem monetary policy framework (recast) (ECB/2014/60) as amended and applicable from time to time.

As at the date of this Programme Prospectus, GBP denominated Notes issued by the Issuer (being a non-EU domiciled entity) are not eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem. No assurance is given as to whether or not any Notes satisfy at any time any Eurosystem eligibility criteria and prospective investors in the Notes should reach their own conclusions and seek their own advice with respect to whether or not the relevant Notes constitute Eurosystem eligible collateral. If Notes do not or cease to satisfy Eurosystem eligibility criteria it may result in the Notes in the relevant Series not being recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem which may adversely affect the holder of such Notes and may also adversely affect the marketability and value of such Notes.

4.6.8 **Certain Volcker Rule considerations**

The regulations adopted to implement section 619 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the **Dodd-Frank Act**, and such section 619 together with such implementing regulations, the **Volcker Rule**) generally prohibit 'banking entities' (which term is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (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.

Under the Volcker Rule, unless jointly determined otherwise by specified federal regulators, a 'covered fund' does not include an issuer that may rely on an exclusion or exemption from the definition thereof or that may rely on an exception from the definition of 'investment company' under the U.S. Investment Company Act other than the exclusions contained in Section 3(c)(1) or Section 3(c)(7) thereof. The Issuer and each Series will be relying on an exclusion or exemption from the definition of 'covered fund' under the Volcker Rule or an exclusion or exemption from the definition of 'investment company' under the U.S. Investment Company Act, other than Section 3(c)(1) or Section 3(c)(7) of the U.S. Investment Company Act, as specified in the Series Prospectus relating to the relevant Series. Any prospective investor in the Notes and/or DCIs, including a United States or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule. If the Issuer or relevant Notes or DCIs in a Series do not or cease to qualify for an exclusion or exemption in respect of the Volcker Rule, it may adversely affect the marketability and/or value of such Notes or DCIs and any Noteholders or DCI Holders that are subject to the Volcker Rule may breach the Volcker Rule by holding such Notes or DCIs.

4.6.9 **Rule 2a-7 Notes**

If the Series Prospectus relating to a Series indicates that one or more Classes of Notes is/are intended to be Rule 2a-7 Notes (see 9.8.5 *Rule 2a-7 Notes*), the determination as to whether any of such Rule 2a-7 Notes will qualify as 'eligible securities' under Rule 2a-7 of the U.S. Investment Company Act will, among other things, involve investment determinations and interpretive questions that, as with qualification and compliance with other aspects of Rule 2a-7, will be solely the responsibility of each money market fund and its investment adviser. None of the Issuer, any Transaction Party or any affiliate of any of them or any other person on its or their behalf makes any representation as to the qualification of Rule 2a-7 Notes as such 'eligible securities' or compliance with other aspects of Rule 2a-7 or the suitability of such Notes for investment by money market funds subject to Rule 2a-7. A summary of some of the considerations that may be relevant to an investment in such Rule 2a-7 Notes may be included in the relevant Series Prospectus where the relevant Series includes Rule 2a-7 Notes.

4.7 Certain tax considerations

4.7.1 UK corporation tax position of the Issuer

The Issuer has been advised that it should fall within the permanent regime for the taxation of securitisation companies (as introduced by the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (the **TSCR**)), and as such should be taxed only on the amount of its 'retained profit' (as that term is defined in the TSCR), for so long as it satisfies the conditions of the TSCR. However, if the Issuer does not satisfy the conditions to be taxed in accordance with the TSCR (or subsequently does not), then profits or losses could arise in the Issuer which could have tax effects not contemplated in the cashflows for the transaction and relevant Series described in the Disclosure Documents and as such adversely affect the tax treatment of the Issuer and consequently payment on the Notes and DCIs.

4.7.2 Withholding tax under the Notes or DCIs

As of the date of this Programme Prospectus, no withholding or deduction for or on account of United Kingdom income tax will be required on interest payments to any holders of the Notes for the reasons indicated in 14.1 *United Kingdom taxation aspects of the Notes and DCIs*. In the event that any withholding or deduction for or on account of any taxes is imposed in respect of payments to Noteholders or DCI Holders of any amounts due under the Notes or DCIs, neither the Issuer nor any other person is obliged to gross up or otherwise compensate Noteholders or DCI Holders for the lesser amounts the Noteholders or DCI Holders will receive as a result of such withholding or deduction (see Base Condition 8 *Taxation*). However, in such circumstances, the Issuer may, in accordance with Base Condition 6.3 *Optional redemption for taxation and other reasons*, seek to avoid such an imposition.

4.7.3 FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA (**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 United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes and DCIs, including whether payments on instruments such as the Notes and DCIs would ever be treated as foreign passthru payments subject to withholding, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes and DCIs, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining 'foreign passthru payments' are published in the U.S. Federal Register. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes and/or DCIs. In the event that any withholding would be required pursuant to FATCA or an IGA in respect of payments to Noteholders or DCI Holders of any amounts due under the Notes or DCIs, neither the Issuer nor any other person is obliged to gross up or otherwise compensate Noteholders or DCI Holders for the lesser amounts the Noteholders or DCI Holders will receive as a result of such withholding or deduction (see Base Condition 8 *Taxation*).

As indicated in 1.1 *Prospective investors*, prospective Noteholders and DCI Holders should make their own assessment, including, without limitation, consult their own professional advisers to obtain a more detailed explanation of FATCA and how FATCA may affect them.

4.8 General investment, market and business risks

4.8.1 General political, economic and market conditions

The Notes and DCIs may be adversely affected, either directly or indirectly, by general political, economic and market conditions in the UK and elsewhere, including, without limitation, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws or regulatory requirements, and national and international political circumstances. In particular, these conditions may affect the level and volatility of prices, marketability, rating and liquidity of Notes and DCIs and the ability of a party or counterparty to perform its obligations under a Transaction Document or other arrangement. In addition, prospective investors should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of the Disclosure Documents), whereby there is a general lack of liquidity in the secondary market for certain types of investments, concerns over the liquidity of major financial institutions and the consequent effects on the general economy and the housing market. These political, economic and market conditions and their impact on Notes and DCIs cannot be predicted.

(a) **Market uncertainty**

Recent global social, political and economic events and trends, including current geopolitical risks and wars, such as the war between Russia and Ukraine and the ongoing conflict in the Middle East, have resulted in increased uncertainty in the currency and credit markets and, at the date of this Programme Prospectus, there continues to be volatility and disruption of the capital, financial, currency and credit markets, including the market for asset-backed securities, which, amongst other things, may affect repayment on mortgage loans. This may have implications for (1) the UK economy generally (in particular by increasing inflation and contributing to the broader trend toward higher interest rates) and (2) the quality of the assets in the portfolio.

In addition, potential investors should be aware that these prevailing market conditions affecting asset-backed securities 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 securitised portfolio. 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.

(b) **Brexit**

The UK left the EU on 31 January 2020 at 11pm and the transition period ended on 31 December 2020 at 11pm. As a result, the Treaty on the European Union and the Treaty on the Functioning of the European Union have ceased to apply to the UK. The UK is also no longer part of the EEA. The EU-UK Trade and Cooperation Agreement (the **Trade and Cooperation Agreement**), which governs the future relations between the EU and the UK, came into force on 1 May 2021. The Trade and Cooperation Agreement does not create a detailed framework to govern the cross-border provision of regulated financial services from the UK into the EU and from the EU into the UK.

In addition to the economic and market uncertainty, there are a number of potential risks for the Transaction that investors should consider:

- *Political uncertainty*

The UK is experiencing an extended period of political uncertainty following its departure from the EU. Such uncertainty could lead to a high degree of economic and market disruption and legal uncertainty. It is not possible to ascertain how long this period will last and the impact it will have on the UK in general and the market, including market value and liquidity, for asset-backed securities similar to the Notes in particular. The Issuer cannot predict when or if political stability will return, or what the market conditions relating to asset-backed securities similar to the Notes might be at that time. In addition, future UK political developments and/or any changes in government structure and policies, could affect the fiscal, monetary and regulatory landscape.

- *Legal uncertainty*

The EUWA and secondary legislation made under powers provided in the EUWA ensure that there is a functioning statute book in the UK. While temporary transitional measures introduced by the UK, and in certain cases the EU, may be available in certain circumstances, there are no broadly applied arrangements between the UK and the EU that accommodate mutual recognition or equivalence for regulatory purposes and no assurances can be made that any such arrangements will be available in the UK and/or the EU in the future.

Prospective investors should also note that the regulatory treatment, including the availability of any preferential regulatory treatment, of the Notes may be affected (see 4.6 *Certain regulatory risks applicable to the Notes and DCIs*).

A significant proportion of English law currently derives from or is designed to operate in concert with EU law. This is especially true of English law relating to financial markets, financial services, prudential and conduct regulation of financial institutions, bank recovery and resolution, payment services and systems, settlement finality, market infrastructure, and mortgage credit regulation. The EUWA aims to incorporate into UK law, with some exceptions and qualifications, the EU law that was applicable within the UK law the moment before the UK ceased to be a member of the EU, with the intention of limiting immediate legal change. The EUWA grants the UK Government wide powers to make secondary legislation in order to, among other things, implement the Trade and Cooperation Agreement and to adapt those laws that would otherwise not function sensibly now that the UK has left the EU, on the whole with minimal parliamentary scrutiny.

While most legislative frameworks affecting the Noteholders in the UK and EU currently remain broadly aligned (largely still consisting of EU law onshored into UK law following the UK's departure from the EU), as more time elapses since the UK's departure from the EU, the possibility of legislative divergence increases and, among other things, this could extend to the parallel regimes relating to financial markets, financial services, prudential and conduct regulation of financial institutions, bank recovery and resolution, payment services and systems, settlement finality, market infrastructure, and mortgage credit regulation or any other regulatory framework which affects the Noteholders.

The Issuer cannot predict what changes to English law may occur in areas relevant to the Transaction and the parties to the Transaction and how they may affect payments of principal and interest to the Noteholders.

- *Rating actions*

The UK's decision to leave the EU resulted in downgrades of the UK sovereign and the Bank of England by S&P, DBRS, Moody's and Fitch. As at the date of this Prospectus, S&P's, DBRS', Fitch's and Moody's respective UK sovereign rating and rating of the Bank of England indicated a stable outlook.

The rating of the sovereign affects the ratings of entities operating in its territory, and in particular the ratings of financial institutions. Further downgrades may cause downgrades to counterparties on the Transaction meaning that they cease to have the relevant required ratings to fulfil their roles and need to be replaced. If rating action is widespread, it may become difficult or impossible to replace counterparties on the Transaction with others who have the required ratings on similar terms or at all.

Moreover, a more pessimistic economic outlook for the UK in general could lead to increased concerns around the future performance of the securitised portfolio and accordingly the ability of the Issuer to pay interest and repay principal to Noteholders and the ratings assigned to the Notes on the Series Closing Date could be adversely affected.

While the extent and impact of these issues is unknown, Noteholders should be aware that they could have an adverse impact on Noteholders and the payment of interest and repayment of principal on the Notes.

The relationship between the UK and the EU is still developing and it is difficult to determine what the long-term impact will be on general economic conditions in the UK, including any implications for the UK sovereign ratings, ratings of the Notes and the relevant transaction parties and the performance of the UK housing market. These factors may cause investment decisions to be delayed, reduce job security and damage consumer confidence. The resulting adverse economic conditions may affect Borrowers' willingness or ability to meet their obligations, resulting in increased defaults in the securitised portfolio and may ultimately affect the ability of the Issuer to pay the Noteholders.

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 DCIs and/or the market value and/or liquidity of the Notes and/or DCIs in the secondary market.

4.8.2 General investment risk

Past performance is not a guide to future performance (including, without limitation, in relation to Mortgages and Transaction Parties). The value of Notes and DCIs and the income from them may go down as well as up and a Noteholder or, as applicable, DCI Holder may not get back the amount it invests. Changes in the rates of exchange between currencies may cause the value of Notes and DCIs to diminish or increase. Fluctuation may be particularly marked in the case of a higher volatility investment and the value of Notes and DCIs may fall suddenly and substantially. No guarantee or assurance is made with regards to the level of performance of Notes and DCIs or that an investment in Notes and/or DCIs will be successful, and investment results may vary substantially over time.

4.9 Risk of change of law, regulation and practice

The structure of the transaction including, among other things, the issue of the Notes and, as applicable, DCIs relating to the relevant Series on the relevant Series Closing Date and the ratings (if any) which are to be assigned to them are based on English law and, if the relevant Series Portfolio includes Northern Irish Mortgages, Northern Irish law and, if the relevant Series Portfolio includes Scottish Mortgages, Scots law, and administrative practice as it affects the parties to the transaction and the Portfolio, and having regard to the expected tax treatment of all relevant entities under such law and practice, in each case as at the date of

the relevant Series Prospectus relating to the relevant Series. No assurance can be given as to the impact of any possible change to such law (including any change in regulation which may occur without a change in primary legislation) and practice or tax treatment after the date of such Series Prospectus nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuer to make payments under the Notes and, as applicable, DCIs relating to the relevant Series. In addition other regulatory requirements (including any applicable due diligence and disclosure obligations) may be recast or amended and no assurance can be given that such changes will not adversely affect the compliance of the transaction with applicable law and regulation.

5. Overview of the Programme

This section is an overview and must be read as an introduction to the Programme. It is intended to provide only an overview of some aspects of the Programme. It does not purport to be complete and is qualified in its entirety by the remainder of this Programme Prospectus and, in relation to any particular Series, the applicable Series Prospectus.

The relevant Disclosure Documents should be considered as a whole prior to any decision by any investor whether or not to invest in any Notes or, as applicable, DCIs. No civil liability attaches to the Issuer solely in respect of the overview in this section, including any translation of this overview, unless it is misleading or inaccurate when read together with the other parts of the relevant Disclosure Documents relating to the relevant Notes and, as applicable, DCIs. Where a claim relating to the information contained in such Disclosure Documents is brought before a court in the UK, the plaintiff may under the laws applicable within the UK, be required to bear the costs of translating such Disclosure Documents before the legal proceedings are initiated.

5.1 Establishment of the Programme

5.1.1 Purpose of the Programme

The residential mortgage backed securities programme (the **Programme**) described in this Programme Prospectus has been established by the Programme Servicer for the purpose of financing portfolios of residential mortgage loans secured on properties located in the United Kingdom, each being a Series Portfolio, from time to time in each case primarily funded by the issue of a separate Series of Notes and, as applicable, DCIs by London Wall Mortgage Capital plc (the **Issuer**) under the Programme.

5.1.2 Programme size

At the date of this Programme Prospectus, there is no limit in respect of the aggregate principal amount of Notes or, as applicable, the number of DCIs which may be outstanding at any time under the Programme.

5.1.3 Authorisation of the Programme

The Issuer has obtained all consents, approvals and authorisations (if any) which are necessary in the United Kingdom at the date of this Programme Prospectus in connection with the establishment of the Programme. The establishment of the Programme was authorised pursuant to a resolution of the board of directors of the Issuer passed on 31 October 2016.

5.2 Overview of the Programme

5.2.1 Special purpose company

The Issuer has been established as a special purpose vehicle or entity for the purpose of issuing asset backed securities. Among other things, that includes acting as the Issuer in relation to the Programme, issuing the Notes and, as applicable, DCIs and purchasing each Series Portfolio (see further 6 *The Issuer and its corporate structure*). The Issuer's activities will be restricted by the Note Conditions, the DCI Conditions and the other Transaction Documents.

5.2.2 Servicing arrangements

As described in 8 *Provision of services to the Issuer*, the Issuer will enter into agreements under which it will engage service providers to provide certain services in connection with the Issuer's business and the Programme. Some of those agreements, being the General Services Agreements, relate to the Issuer's corporate and business infrastructure and the remainder of those agreements, being the Series Services Agreements, will be entered into on a Series by Series basis and relate to services required to be provided in relation to the relevant Series.

5.2.3 Issue of Notes and DCIs in Series

Subject to compliance with all relevant laws, regulations and directives, the Issuer may from time to time issue Notes (the **Notes**) and DCIs (the **DCIs**) as described in this Programme Prospectus, as supplemented in respect of each issue by a supplementary prospectus in respect of this Programme Prospectus (each, a **Series Prospectus**).

Notes and, as applicable, DCIs will be issued in series (each series of Notes and, as applicable, DCIs, being a **Series**) and references in this Programme Prospectus to:

- the **Note Conditions** in respect of any Notes in a Series are to the **Base Conditions** set out in 10 *Base Conditions*, as supplemented and amended in respect of those Notes by the **Note Specified Terms** as specified in F.1 *Note Specified Terms* in the applicable Series Prospectus relating to that Series; and

- the **DCI Conditions** in respect of any DCIs in a Series are to the Base Conditions as supplemented and amended in respect of those DCIs by the **DCI Specified Terms** as specified in F.2 *DCI Specified Terms* in the applicable Series Prospectus relating to that Series.

See further 9 *Certain features of the Notes and DCIs*.

5.2.4 **Acquisition of Series Portfolio using proceeds of Notes of a Series**

Except as may be indicated otherwise in the relevant Series Prospectus, on or about the Series Closing Date in relation to each Series the net proceeds received by the Issuer in respect of the issue of Notes in that Series will primarily be applied by the Issuer in paying the initial purchase consideration for the Series Portfolio relating to that Series, which will comprise residential mortgages and related assets purchased by the Issuer pursuant to each Series Portfolio Sale Agreement relating to that Series. The Series Portfolio in relation to a Series of Notes will be specified in the Series Prospectus for such Series. See further 7 *Series Portfolios*.

5.2.5 **Security and priority of payments and security ranking scheme**

The Security Deed entered into by the Issuer (together with each supplement thereto from time to time and including each Scottish Mortgage Trust Assignment and Scottish Mortgage Trust Supplemental Assignment entered into pursuant thereto) will create security over all of the Issuer's assets from time to time in favour of the Security Trustee. See further 12.1.1 *The Security Deed*.

However, the terms of the Security Intercreditor Deed provide that only the relevant Security in respect of the relevant Series Security Assets designated to a Series will be enforced and the proceeds will be applied in discharge of the obligations of the Issuer in respect of the relevant Series in accordance with the Series Payments Rules and priority of payments and security ranking prescribed by the applicable Series Priority of Payments, each as set out in section G *Series credit structure and cashflows* in the relevant Series Prospectus for such Series.

The relevant Series Security Assets will include the relevant Series Portfolio relating to that Series and the rights of the Issuer under certain documents specific to such Series, being the Series Documents, together with such Series Additional Security (if any) as may be described in the applicable Series Prospectus.

See further 12 *Security*.

5.2.6 **No cross default etc. between Series**

Unless a Note Event of Default in relation to a Series has occurred as a result of an Insolvency Supervening Event occurring, the occurrence of such a Note Event of Default in respect of a Series will only enable a Series Security Assets Realisation Notice to be served or a Series Note Acceleration Date to be declared in respect of such Series and not any other Series which also at such time exists. There is no cross-default between the Series and a Note Event of Default in respect of one Series will not trigger a Note Event of Default in respect of another Series. Therefore prospective Noteholders should note that (as long as there has not been an Insolvency Supervening Event) a specific Series may be subject to enforcement and/or acceleration whilst other Series are still in a pre-enforcement, pre-acceleration scenario. See Base Condition 10.3 *No cross default between Series*.

An enforcement of Security in respect of Notes and/or DCIs in relation to a Series will not necessarily result in the acceleration of such Notes, as this is subject to the discretion of the Series Note Trustee or the ability of Noteholders (or, as applicable, DCI Holders) to direct the Series Note Trustee as to the same pursuant to the Note Conditions (or, as applicable, DCI Conditions).

An Insolvency Supervening Event (see Base Condition 10.2 *Definition of Insolvency Supervening Event*) will constitute a Note Event of Default in respect of each Series which exists at such time and as such will allow a Series Security Assets Realisation Notice to be delivered to the Issuer in respect of each and every Series. Subject to and in accordance with the provisions of the Note Conditions, upon the occurrence of a Note Event of Default in respect of a Series, the applicable Series Note Trustee relating to that Series, at its discretion or at the direction of the then applicable and permitted Noteholders of such Series, will be entitled to serve a notice declaring a Series Note Acceleration Date. Such direction and/or service by the Series Note Trustee of any particular Series will be carried out independently to any such similar actions (or lack thereof) by a Series Note Trustee of a separate Series in a similar scenario. It may therefore be the case, for example, following a Note Event of Default as a result of an Insolvency Supervening Event, that a certain Series may be subject to a Series Security Assets Realisation Notice whereas another Series at such time (as a result of the exercise of independent discretion of the relevant Series Note Trustee or the differing directions of the Noteholders of differing Series) may not be the subject of a Series Security Assets Realisation Notice.

See 12.3.1 *Segregated enforcement of Security relating to, and realisation of, Series Security Assets*.

5.2.7 Credit support, hedging and segregated management of funds

In relation to each Series, the Issuer may enter or have entered into arrangements in relation to that Series (which may differ from Series to Series) with the intention that, among other things, on or about the relevant Series Closing Date all or some of the Notes of that Series will be assigned each initial rating (if any) from each relevant Series Rating Agency indicated in the *Note Ratings* section in the Note Specified Terms in the relevant Series Prospectus. Such arrangements may include:

- Series Credit Support Documents, Series Hedge Agreements and agreements relating to the organisation and holding of the Issuer's funds in respect of the relevant Series; and
- structuring the Issuer's liabilities in respect of the Series so that they are only due and discharged if and when amounts from the Issuer's funds in respect of the relevant Series are allocated to such liabilities pursuant to and in the order of priority specified in the Series Payments Rules and Series Priority of Payments relating to that Series.

Amounts received in respect of the relevant Series Portfolio and other Series Security Assets will be credited to a Series Account with a Series Account Provider (there being separate segregated accounts for each Series). Each Series may be structured differently.

See further 11 *Credit structure and cashflows* and 12 *Security and intercreditor arrangements*.

5.3 Transaction documentation

5.3.1 Transaction Documents

The **Transaction Documents** for the Programme comprise the Series Documents in respect of each Series and the General Documents.

5.3.2 General Documents

The **General Documents** comprise:

- the General Services Agreements (see further 8.1.1 *General Services*) which include:
 - the Programme Services Agreement (see further 8.4 *Programme Services*)
 - each General Account Agreement (see further 8.5 *General Account Services*);
 - each General Cash Management Agreement (see further 8.7 *General Cash Management Services*); and
 - the Corporate Services Agreement (see further 8.9 *Corporate Services*);
- each General Facility Agreement (if any) (see further 11.2.4 *Funds from the General Facility Provider*);
- the Security Deed and the Security Intercreditor Deed (see further 11.10.1 *Segregated priorities, enforcement and realisation scheme* and 12.1.1 *The Security Deed*);
- the Securitisation Framework Terms (see further 5.3.4 *Securitisation Framework Terms*); and
- (if any) each document indicated in the *General Supplemental Aspects* section in G Series credit structure and cashflows in any Series Prospectus as being a General Additional Document (each a **General Additional Document**).

5.3.3 Series Documents

In connection with each issue of a Series of Notes under the Programme and as described in this Programme Prospectus and the relevant Series Prospectus, a set of documents will be entered into and/or produced in respect of each Series, being the **Series Documents** comprising:

- the Notes (including the Note Conditions), (as applicable) the DCIs (including the DCI Conditions), a Series Prospectus, a Series Deed and a Series Note Trust Deed relating to that Series (see further 9.1.5 *Constitution under Series Note Trust Deed and by entry in Series Register*);
- each Series Note Additional Arrangements Document (if any) relating to that Series (see further 9.2.5 *Additional arrangements in relation to Series Notes*);
- each Series Subscription Agreement relating to that Series (see further 15.1 *Series Subscription Agreements*);
- each Security Supplemental Deed (if any) relating to that Series (see further 12.2.3 *Additional Security under Security Supplements*);

- each Series Portfolio Sale Agreement and (if any) each Series Scottish Mortgage Trust Deed relating to that Series (see further 7.2.2 *Series Portfolio Sale Agreements and Series Portfolio Seller* and 7.4.2 *No Series Portfolio Title Perfection Action until certain events occur*);
- each Series Services Agreement relating to that Series (see further 8.1.2 *Series Services*) which include:
 - each Series Mortgage Services Agreement relating to that Series (see further 8.2 *Series Mortgage Services*);
 - (if any) each Series Mortgage Servicer Standby Agreement relating to that Series (see further 8.3 *Series Mortgage Servicer Standby Services*);
 - each Series Transaction Account Agreement, Series Investment Account Agreement and Series Collection Account Agreement relating to that Series (see further 8.6 *Series Account Services*);
 - each Series Cash Management Agreement relating to that Series (see further 8.8 *Series Cash Management Services*); and
 - each Series Note Services Agreement relating to that Series (see further 8.10 *Series Note Services*);
- each Series Collection Account Trust Deed relating to that Series (see further 11.6.4 *Series Collection Account Trust Deeds*);
- (if any) each Series Credit Support Document relating to that Series (see further 11.2.5 *Obligations of Series Credit Support Providers to provide funds*);
- (if any) each Series Hedge Agreement (if any) relating to that Series (see further 11.2.6 *Funds from Series Hedge Providers*);
- (if any) each Series Funding Facility Agreement (if any) relating to that Series (see further 11.2.3 *Funds from Series Funding Facility Providers*); and
- (if any) each document indicated in the *Series Additional Documents* section in G *Series credit structure and cashflows* in the relevant Series Prospectus as being a Series Additional Document (each a **Series Additional Document**).

Each of such Series Documents will be described in the Disclosure Documents relating to the relevant Series. Series Documents may be constituted by the relevant parties entering into a **Series Deed** which specifies the terms of the relevant Series Document (and all or part of such terms may be incorporated by reference into one or more other documents).

5.3.4 **Securitisation Framework Terms**

Each of the General Documents and Series Documents (including the Notes and, as applicable, DCIs) incorporate by reference a specified edition of the **Securitisation Framework Terms** which, among other things, includes definitions of terms and forms of clauses for such purpose. Such definitions are substantially the same as the definitions of the same terms appearing in the Disclosure Documents.

5.3.5 **Governing law**

Each of the Transaction Documents is or will be governed by English law except that certain aspects of the Transaction Documents are or will be:

- governed by Northern Irish law to the extent that such aspects relate to Northern Irish Mortgages; or
- governed by Scots law to the extent that such aspects relate to Scottish Mortgages.

5.4 **Transaction parties**

5.4.1 **Transaction Parties**

The **Transaction Parties** comprise the Series Parties in respect of each Series and the General Parties.

5.4.2 **General Parties**

The **General Parties** comprise:

- the Security Trustee (see further 3.1 *Table of Transaction Parties* and 12.1.2 *The Security Trustee*);
- each General Servicer (see further 8.1.1 *General Services*) which includes:
 - the Programme Servicer (see further 3.1 *Table of Transaction Parties* and 8.4 *Programme Services*)

- each General Account Provider (see further 3.1 *Table of Transaction Parties* and 8.5 *General Account Services*);
- each General Cash Manager (see further 3.1 *Table of Transaction Parties* and 8.7 *General Cash Management Services*); and
- the Corporate Servicer (see further 3.1 *Table of Transaction Parties* and 8.9 *Corporate Services*); and
- each General Security Additional Creditor (if any) (see further 11.10.5 *General Security Creditors*).

5.4.3 **Series Parties**

In relation to a Series, the **Series Parties** comprise:

- the Noteholders, the DCI Holders and the Series Note Trustee relating to that Series (see further 9.1.5 *Constitution under Series Note Trust Deed and by entry in Series Register*);
- (if any) each Series Lead Manager, each Series Manager and each Series Arranger relating to that Series (see further 15.1.1 *Series Arrangers, Series Lead Managers and Series Managers*);
- (if any) each Series Note Additional Arrangements Party relating to that Series (see further 9.2.5 *Additional arrangements in relation to Series Notes*);
- each Series Portfolio Seller (see further 7.2.2 *Series Portfolio Sale Agreements and Series Portfolio Seller*);
- each Series Portfolio Legal Title Holder relating to that Series (see further 7.4.1 *Series Portfolio Legal Title Holder*);
- each Series Servicer relating to that Series (see further 8.1.2 *Series Services*) including:
 - each Series Mortgage Servicer relating to that Series (see further 8.2 *Series Mortgage Services*);
 - (if any) each Series Mortgage Servicer Standby relating to that Series (see further 8.3 *Series Mortgage Servicer Standby Services*);
 - each Series Transaction Account Provider, Series Investment Account Provider and Series Collection Account Provider relating to that Series (see further 8.6 *Series Account Services*);
 - each Series Cash Manager relating to that Series (see further 8.8 *Series Cash Management Services*); and
 - each Series Registrar, Series Paying Agent and Series Note Calculation Agent relating to that Series (see further 8.10 *Series Note Services*);
- (if any) each Series Credit Support Provider relating to that Series (see further 11.2.5 *Obligations of Series Credit Support Providers to provide funds* page 176);
- (if any) each Series Hedge Provider relating to that Series (see further 11.2.6 *Funds from Series Hedge Providers*);
- (if any) each Series Funding Facility Provider relating to that Series (see further 11.2.3 *Funds from Series Funding Facility Providers*); and
- (if any) each other Series Security Additional Creditor (if any) (see 11.10.3 *Series Security Creditors*).

Each Series Prospectus in relation to a Series will contain summary details of each Series Party relating to that Series as at the date of that Series Prospectus.

6. The Issuer and its corporate structure

6.1 Establishment and ownership of the Issuer

6.1.1 Incorporation

The Issuer is a public limited company incorporated in England and Wales on 11 February 2016 (company registration number 10001337) under the Companies Act 2006. The Issuer's Legal Entity Identifier (or LEI) is 213800QSO8J75OTK5919.

6.1.2 Share capital of the Issuer held by a charitable trust

The authorised and issued share capital of the Issuer is £50,000 divided into 50,000 ordinary shares of £1.00 each. All of those shares are one quarter paid up as to £0.25 each, with 50,000 of those shares being registered in the name of Holdings.

The authorised and issued share capital of Holdings is £1 comprising 1 ordinary share £1.00, fully paid up, and registered in the name of The Law Debenture Intermediary Corporation p.l.c. as trustee (in such capacity, the **Share Trustee**) under the terms of a trust established under English law by a Share Trust Deed (the **Share Trust Deed**) dated 27 May 2016 for the benefit of certain charitable purposes.

6.2 Issuer contact details

The address of the Issuer's registered office is 8th Floor, 100 Bishopsgate, London EC2N 4AG and its telephone number is 020 7696 5930.

6.3 Office holders and employees

6.3.1 Directors of the Issuer

The current directors of the Issuer are:

- L.D.C. Securitisation Director No. 3 Limited, being a private limited company incorporated in England and Wales on 30 January 2003 (company registration number 04652675) under the Companies Act 1985;
- L.D.C. Securitisation Director No. 4 Limited, being a private limited company incorporated in England and Wales on 30 January 2003 (company registration number 04652686) under the Companies Act 1985; and
- Mark Howard Filer,

each of whose business address is 8th Floor, 100 Bishopsgate, London EC2N 4AG and each of whose principal activity or business occupation is acting as a corporate director of special purpose companies.

The directors of each of L.D.C. Securitisation Director No. 3 Limited and L.D.C. Securitisation Director No. 4 Limited are Mark Howard Filer, Nicola Lambourne and Law Debenture Securitisation Services Limited, each of whose business address is 8th Floor, 100 Bishopsgate, London EC2N 4AG and whose principal activity or business occupation include the provision of directors and corporate management services to structured finance transactions. The directors of Law Debenture Securitisation Services Limited are Mark Howard Filer (whose principal activity is acting as a director) and Eliot Benjamin Givel Solarz (whose principal activity is acting as a director of The Law Debenture Trust Corporation p.l.c.), each of whose business address is 8th Floor, 100 Bishopsgate, London EC2N 4AG.

6.3.2 Company secretary of the Issuer

The company secretary of the Issuer is Law Debenture Corporate Services Limited, being a private limited company incorporated in England and Wales on 12 June 1997 (company registration number 03388362) under the Companies Act 1985 and whose business address is 8th Floor, 100 Bishopsgate, London EC2N 4AG.

6.3.3 Auditors of the Issuer

Ernst & Young (being registered to carry on audit work by the Institute of Chartered Accountants in England and Wales), whose address is Harcourt Centre, Harcourt Street, Dublin 2 D02 YA40, Ireland, are the Issuer's auditors.

6.3.4 Employees of the Issuer

The Issuer has no employees.

6.4 Activities of the Issuer

6.4.1 Special purpose company for the Programme

The Issuer has been established as a special purpose vehicle or entity for the purpose of issuing asset backed securities. Among other things, that includes acting as the Issuer in relation to the Programme, issuing the Notes and, as applicable, DCIs and purchasing each Series Portfolio (see further 6 *The Issuer and its corporate structure*) and carrying on business as an investment company issuing asset backed securities within the meaning of Article 1 of Regulation (EU) 2019/980, in so far as it forms part of the domestic law of the United Kingdom by virtue of the EUWA, supplementing the UK Prospectus Regulation. The Issuer's activities will be restricted by the Note Conditions, the DCI Conditions and the other Transaction Documents.

The objects and activities of the Issuer will be restricted by the Transaction Documents and will be limited, among other things, to being the issuer under, and maintaining, the Programme, the creation of Series and issues of Notes and DCIs from time to time under the Programme, the exercise of related rights and powers and other activities referred to in this Programme Prospectus and each Series Prospectus or reasonably incidental thereto.

6.4.2 Issuer's activities since it was established

The Issuer has not engaged, since its incorporation, in any material activities other than: (a) its registration as a public limited company under the Companies Act 2006 and obtaining a certificate from the Registrar of Companies pursuant to section 761 of the Companies Act 2006, (b) the authorisation of the issue of the Notes and DCIs and the matters contemplated in this Programme Prospectus and the authorisation, execution and implementation of the other documents referred to in the Disclosure Documents to which it is a party, and (c) submitting notifications under the data protection laws applicable to the Issuer, and, in each case, any other activities incidental to any of the foregoing.

6.5 Financial statements and current status

6.5.1 Financial periods and accounting reference date of the Issuer

The Issuer's accounting reference date is 31 December. The current financial period of the Issuer will end on 31 December 2024.

6.5.2 Financial statements of the Issuer

Since the date of incorporation, the Issuer has prepared and published audited annual financial statements for the period 1 January 2022 to 31 December 2022 and the period 1 January 2023 to 31 December 2023 (see 1.2.2 *Information incorporated by reference*). Please note, however, 4.2.13 *Financial statements of the Issuer*.

Those financial statements have been prepared according to International Financial Reporting Standards as adopted by the European Union based on Regulation (EC) No 1606/2002. Those financial statements have been independently audited and include the independent auditor's audit report which states, among other things, that those financial statements give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2006.

The Issuer is not required by English law to, and does not intend to, publish interim financial statements.

6.5.3 No material adverse change

There has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2023.

6.5.4 No significant adverse proceedings

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 ending on the date of this Programme Prospectus, which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

6.5.5 Annual confirmation to Security Trustee and Series Note Trustees

As a continuing obligation, written confirmation will be provided by the Issuer to the Security Trustee and each Series Note Trustee annually that no Note Event of Default or other matter which the directors of the Issuer consider is required to be brought to the attention of the Security Trustee or such Series Note Trustee has occurred.

7. Series Portfolios

7.1 Composition of Series Portfolios

7.1.1 Residential mortgages

Series Portfolio means at any time in relation to a particular Series, the Mortgages and related assets beneficially owned by the Issuer at that time in relation to that Series, where **Mortgages** means:

- residential mortgage loans (**Mortgage Loans** which includes further advances, if any) which meet or will meet certain **Lending Criteria** (certain aspects of which will be summarised in the relevant Series Note Final Terms or, as applicable, the relevant Series Prospectus); and
- **Mortgage Security** comprising the relevant Mortgage Property Security and Mortgage Other Security securing that Mortgage Loan.

The relevant Series Note Final Terms or, as applicable, the relevant Series Prospectus will contain summary details of the relevant Series Portfolio at the date of that Series Prospectus.

7.1.2 Mortgage Property Security

The **Mortgage Property Security** in relation to a Mortgage may comprise:

- a charge over freehold or leasehold property located in England or Wales (an **English Mortgage Property**) in which case the relevant Mortgage is an **English Mortgage**;
- a mortgage or charge over freehold or leasehold property located in Northern Ireland (a **Northern Irish Mortgage Property**) in which case the relevant Mortgage is a **Northern Irish Mortgage**; or
- a standard security over heritable or long lease residential property located in Scotland (a **Scottish Mortgage Property**) in which case the relevant Mortgage is a **Scottish Mortgage**,

in each case, the relevant property being a **Mortgage Property**. The relevant Series Note Final Terms or, as applicable, section E.3.1 *Features of the Mortgages* in the relevant Series Prospectus shall indicate whether or not the relevant Series Portfolio includes English Mortgages, Northern Irish Mortgages and/or Scottish Mortgages.

(a) No revaluation of any of the Mortgage Properties

There will be no revaluation of any of the Mortgage Properties relating to a Series for the purposes of the issue of the Notes or DCIs in relation to that Series. The relevant Series Note Final Terms or, as applicable, (unless indicated otherwise in the relevant Series Prospectus) section K *Series Provisional Portfolio summary data* in the relevant Series Prospectus will provide summary information of the LTV's of the Mortgages in the relevant provisional Series Portfolio calculation using the origination valuations made available to the Issuer (i.e. the valuations quoted in the relevant Series Prospectus will be as at the date of the original initial mortgage loan origination).

(b) Remaining term of leases for leasehold Mortgage Properties

In respect of leasehold or (in Scotland) long lease Mortgage Properties in relation to Mortgages in the relevant Series Portfolio, the lease has, except where permitted under the lending criteria, at least 80 years to run.

7.1.3 Mortgage Other Security

The **Mortgage Other Security** in relation to each Mortgage includes further collateral security which may include any guarantees, life assurance policies, security interests in respect of life assurance policies, rights against solicitors, conveyancers and/or valuers in respect of reports and certificates obtained at the time of origination of the relevant Mortgage (including reports on title, searches and valuation reports), rights (if any) of the mortgagee or, as applicable, heritable creditor under any Borrower Buildings Insurance Policies and Borrower Insurance Other Policies and the title deeds and other Mortgage records, in each case relating to the relevant Mortgage.

7.2 Purchase of Series Portfolios

7.2.1 Role of Programme Servicer

Pursuant to the Programme Services Agreement the Programme Servicer (see 8.4 *Programme Services*) may from time to time identify and refer portfolios of Mortgages to the Issuer for potential purchase, and assist the Issuer or such party designated by the Issuer on matters relating to the purchase and structuring of portfolios and negotiation of Series Portfolio Sale Agreements as the Issuer may request or reasonably require.

7.2.2 Series Portfolio Sale Agreements and Series Portfolio Seller

In relation to a Series the Issuer will enter into each agreement identified as a Series Portfolio Sale Agreement in the relevant Series Note Final Terms or, as applicable, in section E.1 *Sale of Series Portfolio* in the relevant Series Prospectus (each a **Series Portfolio Sale Agreement**) pursuant to which it will purchase Mortgages and related assets from London Wall Capital Investments LLP (the **Series Portfolio Seller**).

The relevant Series Note Final Terms or, as applicable, the relevant Series Prospectus will contain summary details of the relevant Series Portfolio Sale Agreement and Series Portfolio at the date of that Series Prospectus.

7.2.3 Substitute Mortgage Purchases

The relevant Series Note Final Terms or, as applicable, the *Substitute purchases* section in E.1 *Sale of Series Portfolio* in the relevant Series Prospectus will indicate whether or not the Series Portfolio Seller shall be entitled, by notice in writing pursuant to the Series Portfolio Sale Agreement relating to that Series, to request the Issuer to purchase any further Mortgage (each a **Substitute Mortgage**) from the Series Portfolio Seller on a Series Payments Date relating to that Series and, if so, will also indicate the applicable conditions that need to be satisfied. See further 4.2.11 *Substitute Mortgage Purchases*.

7.2.4 Prefunded Mortgage Purchases

The *Prefunding purchases* section in E.1 *Sale of Series Portfolio* in the relevant Series Prospectus will indicate whether or not a prefunding arrangement will apply to the relevant Series and, if so:

- It will also indicate the amount from the proceeds of the issue of the Notes that will be credited on the relevant Series Closing Date to a Series Investment Account relating to that Series (and a corresponding credit made to the Series Prefunded Mortgage Purchase Ledger relating to that Series).
- The amount standing to the credit of the Series Prefunded Mortgage Purchase Ledger may be applied by the Issuer at any time or times up to and including the relevant date specified in that *Prefunding purchases* section as the **Prefunded Mortgage Purchase Deadline** in payment of the initial consideration payable by the Issuer for the purchase (each a **Prefunded Mortgage Purchase**) of additional Mortgages (each a **Prefunded Mortgage**) from the Series Portfolio Seller in respect of that Series if, and to the extent that, each condition specified in that *Prefunding purchases* section as being a **Prefunded Mortgage Purchase Requirement** is satisfied in relation to the relevant Prefunded Mortgage Purchase.
- In addition, the Series Portfolio Seller will be required, pursuant to the terms of the Series Portfolio Sale Agreement relating to that Series, to make and/or assign, as at the date of the relevant Prefunded Mortgage Purchase, the same Series Portfolio Warranties in respect of any purchases of Prefunded Mortgages which that Series Portfolio Seller made and/or assigned as at the Series Closing Date relating to the relevant Series in relation to the similar Mortgages purchased on such Series Closing Date in relation to that Series.
- Any outstanding balance outstanding to the credit of the Series Prefunded Mortgage Purchase Ledger as at the Prefunded Mortgage Purchase Deadline in relation to a Series (taking into account any debits made on that Ledger on such date) will be credited on that Prefunded Mortgage Purchase Deadline to the Series Payments Principal Ledger.

See further 4.2.12 *Prefunded Mortgage Purchases*.

7.2.5 Series Portfolio Originators and Series Portfolio Previous Owners

Each originator of the Mortgages in the relevant Series Portfolio will be defined as a Series Portfolio Originator in the relevant Series Note Final Terms or, as applicable, in C.1 *Table of Transaction Parties* in the relevant Series Prospectus (each a **Series Portfolio Originator**).

The Series Portfolio Seller will have previously acquired the Mortgages in the relevant Series Portfolio from each person indicated section E.1 *Sale of Series Portfolio* in the relevant Series Prospectus (each a **Series Portfolio Previous Owner** in relation to the relevant Series) pursuant to an agreement (each a **Series Portfolio Previous Purchase Agreement**).

The relevant Series Note Final Terms or, as applicable, the relevant Series Prospectus will contain summary details of each Series Portfolio Originator in respect of the relevant Series Portfolio as at the date of that Series Note Final Terms or, as applicable, Series Prospectus.

7.2.6 **Series Portfolio Purchase Consideration**

The purchase consideration payable pursuant to the Series Portfolio Sale Agreement by the Issuer to the Series Portfolio Seller in respect of the relevant Series Portfolio purchased from the Series Portfolio Seller shall equal:

- the initial consideration as specified as the **Series Portfolio Sale Initial Consideration** in the *Consideration for sale of Series Portfolio* section in E.1 *Sale of Series Portfolio* in the relevant Series Prospectus, payable when indicated in that section; plus
- the deferred consideration as specified as the **Series Portfolio Sale Deferred Consideration** in the *Consideration for sale of Series Portfolio* section in E.1 *Sale of Series Portfolio* in the relevant Series Prospectus, payable when indicated in that section.

Except to the extent indicated otherwise in the relevant Series Prospectus, the Series Portfolio Sale Deferred Consideration will comprise the issue of DCIs to the Series Portfolio Seller embodying and representing the right to such deferred consideration pursuant to the Series Portfolio Sale Agreement and entitling it, as DCI Holder, to the payments in respect of such deferred consideration under the Series Priorities of Payments relating to that Series.

7.2.7 **Mortgage Prepayment Charges**

Except to the extent indicated otherwise in the relevant Series Prospectus all amounts received by the Issuer in respect of Mortgage Prepayment Charges relating to the Mortgages in the Series Portfolio relating to that Series will be credited to the Series Revenue Ledger relating to that Series and be available to be applied and distributed under the relevant Series Priority of Payments in accordance with the Series Payments Rules.

7.3 **Segregation of Series Portfolios by Series**

7.3.1 **Each Series Portfolio only forms part of a particular Series**

The Series Portfolio purchased by the Issuer pursuant to the Series Portfolio Sale Agreement relating to a Series forms part of the Series Security Assets for that Series (and does not form part of the Series Security Assets for any other Series).

7.3.2 **Each Series Mortgage serviced on a segregated basis**

The relevant Series Mortgage Servicer, Programme Servicer and Series Cash Manager relating to the Series will each agree in the relevant Series Services Agreement under which they agree to perform Series Services in relation to that Series that they will at all times keep all information and records in their possession or under their control from time to time relating to the relevant Series Portfolio (in each case, in their capacity as a Series Servicer) separately identified and distinct from other such information and records relating to other assets not relating to the relevant Series.

7.4 **Title to the Series Portfolios**

7.4.1 **Series Portfolio Legal Title Holder**

As at the relevant Series Closing Date, legal title to the Mortgages in Series Portfolio is held (or, following completion of any registration or recording process already in progress at that Series Closing Date, will be held) by each person defined as a Series Portfolio Legal Title Holder in C.1 *Table of Transaction Parties* in the relevant Series Prospectus (the **Series Portfolio Legal Title Holder**, which expression shall, if the context permits, include any successive holder of such legal title). The Series Portfolio Legal Title Holder will also be a party to the relevant Series Portfolio Sale Agreement and/or the relevant Series Mortgage Services Agreement.

7.4.2 **No Series Portfolio Title Perfection Action until certain events occur**

In relation to the sale of the relevant Series Portfolio under the relevant Series Portfolio Sale Agreement, the Series Portfolio Seller, the Issuer and the Security Trustee will agree in such Series Portfolio Sale Agreement or, as applicable, the relevant Series Portfolio Previous Purchase Agreement that, unless and until a Series Portfolio Title Perfection Event occurs (see 7.4.3 *Perfection action can be taken upon Series Portfolio Title Perfection Event*), the Issuer and the Security Trustee will not be entitled to take any **Series Portfolio Title Perfection Action** (being certain protective or perfection steps in relation to the transfer, assignment or assignation of the Series Portfolio to the Issuer (and/or another person nominated by the Programme Servicer to hold the legal title to all or any part of the Series Portfolio on bare legal trust for the Issuer), the right, title and interest of the Issuer as new owner, registered owner or heritable creditor of the Series Portfolio, or the Security (including, without limitation, assignments, assignations and charges) in respect of the Series Portfolio granted by the Issuer pursuant to the Security Deed or any Security Supplemental Deed in favour of the Security Trustee including, without limitation, the:

- effecting of any registration or recording in the **English Registers** (being H.M. Land Registry and the Central Land Charges Registry), the **Northern Irish Registers** (being the Land Registry of Northern Ireland and the Registry of Deeds in Belfast) or the **Scottish Registers** (being the General Register of Sasines and the Land Register of Scotland), as applicable; or
- giving of notice to the Borrower).

In view of this, until each appropriate Series Portfolio Title Perfection Action is taken (when permitted), the sale of the English Mortgages and Northern Irish Mortgages (if any) in the Series Portfolio to the Issuer will take effect in equity only and in relation to the Scottish Mortgages (if any) in the Series Portfolio will be given effect by means of each declaration of trust in respect of those Scottish Mortgages entered into on the relevant Series Closing Date by the Series Portfolio Legal Title Holder in favour of the Issuer (each, together with any declaration of trust supplemental thereto, a **Series Scottish Mortgage Trust Deed**).

See 4.2.8 *Legal title to the Mortgages* for some particular risk factors relating to the above position regarding Series Portfolio Title Perfection Actions.

7.4.3 **Perfection action can be taken upon Series Portfolio Title Perfection Event**

Under the Series Portfolio Sale Agreement, the Series Mortgage Services Agreement or the Series Portfolio Previous Purchase Agreement, as applicable and as indicated in the relevant Series Prospectus, and the Security Deed, the Issuer (with the consent of the Security Trustee) or the Security Trustee will each be entitled (but, in the case of the Security Trustee, not obliged) to take any Series Portfolio Title Perfection Action or effect such registrations, recordings and give such notices as it considers necessary to protect and perfect the interests respectively of the Issuer (as purchaser) and the Security Trustee (as assignee or chargee) in the Series Security Assets following the occurrence of any event within the definition of **Series Portfolio Title Perfection Event** in section E.2 *Legal title to the Series Portfolio* in the relevant Series Prospectus.

Except to the extent indicated otherwise in the relevant Series Prospectus, where the Series Portfolio Legal Title Holder in respect of a Mortgage is not the same person as the Series Portfolio Seller in respect of that Mortgage and a Series Portfolio Title Perfection Event occurs, then if the Issuer and Security Trustee agree (in their absolute discretion) the equivalent of the Series Portfolio Title Perfection Actions may be taken so that such Series Portfolio Seller or another person becomes the person holding legal title to the Mortgages instead of such Series Portfolio Legal Title Holder but without prejudice to the right of the Issuer or Security Trustee (in their absolute discretion) to demand that the Series Portfolio Title Perfection Actions be taken upon demand at a subsequent date.

7.4.4 **Security powers of attorney pending perfection of title**

The right of the Issuer, the Security Trustee, each Series Mortgage Servicer in relation to the Series and the Series Note Trustee in relation to the Series to exercise the powers of the registered proprietor, registered owner, beneficial owner or heritable creditor of the Mortgages in the relevant Series Portfolio pending registration or recording will be secured by irrevocable powers of attorney granted by each Series Portfolio Legal Title Holder in respect of that Mortgage and the Series Portfolio Seller, in each case in favour of the Issuer, the Security Trustee and each Series Mortgage Servicer in relation to the Series.

7.5 **Overview of Series Portfolio Warranties**

7.5.1 **No investigations etc by Issuer or any Transaction Party**

As indicated in more detail in 4.2.7 *Searches, investigations and Series Portfolio Warranties in relation to the Mortgages*, the Issuer, the relevant Series Note Trustee and/or the Security Trustee will rely entirely on the Series Portfolio Warranties regarding all matters and the circumstances relating to the relevant Series Portfolio and will not make any enquiries, searches or investigations (including, without limitation, those which a prudent purchaser of the relevant Series Portfolio would normally make). See also 1.1.4 *Prospective investors to conduct independent investigation and analysis*.

7.5.2 **Series Portfolio Warranties**

Section E.6 *Series Portfolio Warranties* in the relevant Series Prospectus will indicate the **Series Portfolio Warranties** in relation to the relevant Series Portfolio which:

- (unless indicated otherwise in that section of the relevant Series Prospectus) will include each **Series Portfolio Seller Warranty**, being each representation and warranty to be given under the relevant Series Portfolio Sale Agreement by the Series Portfolio Seller to the Issuer and the Security Trustee (see 7.6 *Base Series Portfolio Seller Warranties*); and
- (if indicated in that section of the relevant Series Prospectus) will include each **Series Portfolio Previous Owner Warranty** being each representation and warranty, if any, given by a Series Portfolio

Previous Owner to the Series Portfolio Seller under the relevant Series Portfolio Previous Purchase Agreement (in so far as relating to Mortgages in the relevant Series Portfolio) (and, if so included, that section will indicate how the Issuer and Security Trustee will have the benefit of each Series Portfolio Previous Owner Warranty); and

Section E.6 *Series Portfolio Warranties* in the relevant Series Prospectus will also indicate each relevant date that the relevant Series Portfolio Warranty is given (each a **Series Portfolio Warranty Date**).

Each such person who gives any Series Portfolio Warranty in relation to a Series is referred to as a **Series Portfolio Warrantor** in relation to the relevant Series.

Further details of Series Portfolio Warranties may be included in the relevant Series Prospectus.

7.5.3 Remedies for breach of Series Portfolio Warranties

Section E.6 *Series Portfolio Warranties* in the relevant Series Prospectus will also indicate the remedy against a Series Portfolio Warrantor in respect of breach of a Series Portfolio Warranty by that Series Portfolio Warrantor.

(a) Procedures administered by the Series Mortgage Servicer or Programme Servicer

The procedures set out in the relevant Series Portfolio Sale Agreement or, as applicable, the Series Portfolio Previous Purchase Agreement in relation to actual or potential breaches of Series Portfolio Warranties by the relevant Series Portfolio Warrantor shall be administered by either the applicable Series Mortgage Servicer on behalf of the Issuer in accordance with, as applicable, the Series Mortgage Servicer's obligations under the relevant Series Mortgage Services Agreement or by the Programme Servicer on behalf of the Issuer in accordance with, as applicable, the Programme Servicer's obligations under the Programme Services Agreement.

(b) Procedures and remedies regarding Series Portfolio Previous Owner Warranties

If the relevant Series includes any Series Portfolio Previous Owner Warranty, section E.6 *Series Portfolio Warranties* in the relevant Series Prospectus, will include a summary of those procedures to be used in determining whether a breach of any such Series Portfolio Previous Owner Warranty has occurred, and, if such a breach is determined to have occurred, the remedies for such breach.

Except to the extent indicated otherwise in section E.6 *Series Portfolio Warranties* in the relevant Series Prospectus, those procedures will include the following:

- the relevant Series Portfolio Warrantor will have a specified period in which it will have the opportunity to dispute an alleged breach of a Series Portfolio Warranty and, if so disputed, there will be a period in which the Series Portfolio Warrantor and Issuer are to use reasonable endeavours to resolve the dispute, failing which, either can require a determination from an independent person; and
- if the relevant breach is capable of remedy, the Series Portfolio Warrantor will have a specified period to attempt to remedy the breach (if the breach has been disputed, such period will commence after the dispute procedures have expired).

(c) Procedures regarding Series Portfolio Seller Warranties

Except to the extent indicated otherwise in section E.6 *Series Portfolio Warranties* in the relevant Series Prospectus, the Series Portfolio Sale Agreement will include the following procedure for determining whether a breach of a Series Portfolio Seller Warranty has occurred and, as applicable, the potential Series Portfolio Seller Warranty Indemnity Amount:

- The Series Portfolio Seller is obliged to give notice within 30 days of becoming aware of a matter or circumstance which constitutes, or which a Prudent Residential Mortgage Lender would consider to be or likely to result in, such breach and the Issuer may within 60 days of becoming aware of such matter or circumstance give notice of an alleged breach.
- There is then a 30 Business Day dispute opportunity period (which period, if the relevant Series includes any Series Portfolio Previous Owner Warranty and the alleged breach is also a breach of a Series Portfolio Previous Owner Warranty, begins when the procedures under the Series Portfolio Previous Purchase Agreement relating to such potential breach of a Series Portfolio Previous Owner Warranty have been completed) in which the Series Portfolio Seller can, if it has grounds, give notice that it wishes to dispute an alleged breach and/or the potential Series Portfolio Seller Warranty Indemnity Amount relating to that alleged breach.

- If such a notice is given, there is a 10 Business Day period in which the relevant parties are to use their reasonable endeavours to resolve the relevant dispute and in the event of failure to resolve the dispute a party can refer it to an independent expert to resolve it.
- If a breach is covered by a Fast Track Insurance Policy (if applicable to the relevant Series), the Programme Servicer will facilitate a claim under the Fast Track Insurance Policy and, where the Fast Track Insurer is entitled to do so, allow the Fast Track Insurer to take steps to remedy and/or mitigate the matter or circumstance in all material respects.
- If a breach is capable of remedy, the Series Portfolio Seller can have a 30 Business Day period (starting from the later of (as applicable):
 - (1) the expiry of the 30 Business Day dispute opportunity period referred to above, or if the breach has been disputed, from the date of resolution of the dispute; and
 - (2) if the breach is covered by a Fast Track Insurance Policy (if applicable to the relevant Series), the date the Fast Track Insurer has completed taking steps to remedy and/or mitigate the relevant matter or circumstance in all material respects),
- in which it is to use its reasonable endeavours to remedy the matter or circumstance in all material respects.
- A breach of a Series Portfolio Seller Warranty is deemed to have occurred if the above procedure is completed without, as applicable, the alleged breach having been determined not to have occurred (after having been disputed) or the alleged breach having been remedied in all material respects.

Series Portfolio Seller Warranty Indemnity Amount means in relation to a breach of a Series Portfolio Seller Warranty in respect of a Mortgage, an amount equal to the actual or likely monetary value of the loss incurred, or which may reasonably foreseeably be incurred by the Issuer in connection with such breach.

(d) **Limit on liability regarding Series Portfolio Seller Warranties**

Except to the extent indicated otherwise in section E.6 *Series Portfolio Warranties* in the relevant Series Prospectus, the Series Portfolio Seller is not liable if the claim for breach of a Series Portfolio Seller Warranty is in respect of a matter relating to the relevant Mortgage in respect of which all liabilities have been fully performed or redeemed; or would not have arisen but for a change in legislation after the completion date in respect of such Mortgage; or arises from or would not have arisen but for:

- any subsequent owner having made a further advance or having amended, altered or varied to any material extent any of the terms of that Mortgage.
- the Issuer (or any administrator of the Purchase Assets on behalf of the Issuer) doing or omitting to do any act or thing which: is not in the ordinary course of business of the Issuer (or any administrator of the Purchase Assets on behalf of the Issuer), and is not in accordance with the standards of a Prudent Residential Mortgage Lender, and is an act or thing which the Issuer knew or ought reasonably to have known would give rise to, or result in an increase in, any Series Portfolio Seller Warranty claim.

7.5.4 **Series Portfolio Warranty Guarantor**

If indicated in section E.6 *Series Portfolio Warranties* in the relevant Series Prospectus, the obligations of a Series Portfolio Warrantor in relation to breaches of the relevant Series Portfolio Warranties will (to the extent so specified in that section) be guaranteed by one or more persons indicate in that section (each a **Series Portfolio Warranty Guarantor**).

See 4.2.7 *Searches, investigations and Series Portfolio Warranties in relation to the Mortgages* and 4.4.2 *Limits on recourse to Transaction Parties and others* for some particular investment considerations relating to the purchase of the Series Portfolios.

7.6 Base Series Portfolio Seller Warranties

To the extent indicated in the relevant Series Note Final Terms or, as applicable, section E.6 *Series Portfolio Warranties* in the relevant Series Prospectus (which may set out any amendments and/or disapplications of the following base Series Portfolio Warranties and any additional Series Portfolio Warranties), the Series Portfolio Warranties to be given under the relevant Series Portfolio Sale Agreement by the Series Portfolio Seller to the Issuer and the Security Trustee in relation to each Mortgage as at the relevant **Series Portfolio Seller Warranty Date** indicated in E.6 *Series Portfolio Warranties* in the relevant Series Prospectus include the following:

7.6.1 **Sale and assignment or assignation to the Issuer**

(a) **Particulars of the Mortgage**

The particulars of the Mortgage set out in the relevant notice of sale by the Series Portfolio Seller to the Issuer pursuant to the Series Portfolio Sale Agreement and, if it is a Scottish Mortgage, in the relevant Series Scottish Mortgage Trust Deed are true, complete and accurate in all material respects.

(b) **Series Portfolio Seller's ownership of, and Series Portfolio Legal Title Holder's title to, the Mortgage**

Subject to 7.6.1(c) *Vesting of ownership and title*:

- (1) immediately prior to the sale of the Mortgage to the Issuer on the applicable Series Portfolio Seller Warranty Date, the Series Portfolio Seller was the valid, sole and absolute beneficial owner of, and the Series Portfolio Legal Title Holder was the valid and sole holder of the legal title to, the Mortgage or, in relation to a Scottish Mortgage, valid, sole and absolute heritable creditor of the Mortgage, free and clear of all equities and Security Interests (including, without limitation, rights of set-off or counterclaim and unregistered dispositions which override first registration and unregistered interests which override registered dispositions (as listed in Schedule 1 and Schedule 3, respectively, of the Land Registration Act 2002) in the case of any asset, interests or rights governed by English law) subject, in each case, only to the Borrowers' equity or right of redemption in relation to that Mortgage,
- (2) and the Series Portfolio Seller is not in breach of any covenant implied by reason of its selling the relevant Series Portfolio with, if it is an English Mortgage, or a Northern Irish Mortgage, full title guarantee or as beneficial owner or, if it is a Scottish Mortgage, with absolute warrandice, as the case may be.

(c) **Vesting of ownership and title**

All steps necessary to perfect the vesting of the full beneficial ownership of the Mortgage in the Series Portfolio Seller and:

- (1) if it is an English Mortgage or a Northern Irish Mortgage, the full legal title to the Mortgage in the Series Portfolio Legal Title Holder; or
- (2) if it is a Scottish Mortgage, to perfect the title of the Series Portfolio Legal Title Holder as the sole heritable creditor of the Mortgage,

were duly taken at the appropriate time or are in the process of being taken, in each case (where relevant) within any applicable priority periods or time limits for registration or recording with all due diligence and without undue delay and are pending and the Series Portfolio Seller is not aware of any notice or any other matter that would prevent such registration or recording.

(d) **Assignability etc of Mortgage**

The Series Portfolio Seller may freely assign and enter into trust arrangements in respect of all its rights, title, interests and benefits in and to the Mortgage as contemplated in the Series Portfolio Sale Agreement without breaching any term or condition applying to the Mortgage.

(e) **Consent of Borrower not required**

There is no requirement, in order for any transfer, assignment, assignation or creation of trust contemplated by the Series Portfolio Sale Agreement to be effective, to obtain the consent of the Borrower before, on or after any equitable or beneficial transfer or before any legal transfer of the Mortgage.

(f) **Steps necessary for sale of Mortgage**

With the exception of any Series Portfolio Title Perfection Actions, all formal approvals, consents and other steps necessary to permit a sale of the Mortgage under the Series Portfolio Sale Agreement have been obtained or taken.

(g) **No adverse effect of assignment etc on Mortgage**

Neither the entry into the Series Portfolio Sale Agreement by the Series Portfolio Seller, nor any transfer, assignment, assignation or creation of trust contemplated by the Series Portfolio Sale Agreement, adversely affects, or will adversely affect, the Mortgage.

(h) **Valid assignment of Mortgage to Issuer**

Upon the sale to the Issuer on the applicable Series Portfolio Seller Warranty Date, all the Series Portfolio Seller's rights as sole and absolute beneficial owner of the Mortgage have been assigned or, in the case of a Scottish Mortgage, are held on trust, and each assignment (or as applicable) trust is

enforceable against creditors of the Series Portfolio Seller, and is neither prohibited nor invalid save only for applicable laws affecting the rights of creditors generally.

(i) **Binding effect of Series Portfolio Sale Agreement on Series Portfolio Seller**

There are no authorisations, approvals, licences or consents required as appropriate for the Series Portfolio Seller to enter into or to perform its obligations under the Series Portfolio Sale Agreement or to make the Series Portfolio Sale Agreement legal, valid, binding, enforceable and admissible in evidence.

7.6.2 **Aspects of origination of the Mortgage**

(a) **Originated in ordinary course in GBP**

The Mortgage was originated by the Series Portfolio Originator in GBP in the ordinary course of business and is denominated in GBP.

(b) **Originated in accordance with Lending Criteria**

Prior to the making of each advance under the Mortgage, the Lending Criteria and all preconditions to the making of such advance were satisfied in all material respects subject only to exceptions as would be acceptable to a **Prudent Residential Mortgage Lender** (being in relation to Mortgages in a Series Portfolio a reasonable and prudent mortgage lender who originates, administers and holds to maturity residential mortgage loans and their collateral security which have in all material respects the same credit profile and are so originated, administered and held to maturity according to lending standards, lending criteria and procedures as were and/or were intended to be applied in relation to such Series Portfolio (or, where the relevant Series Portfolio comprises Mortgages originated by more than one Series Portfolio Originator, as were and/or were intended to be applied in relation to Mortgages in such Series Portfolio originated by that Series Portfolio Originator) or, if the relevant context relates to a specific Mortgage, as were and/or were intended to be applied in relation to such Mortgage).

(c) **Prior valuation obtained**

Not more than 12 months prior to the granting of the Mortgage, the Series Portfolio Originator received a valuation report in respect of the relevant Mortgage Property the contents of which were such as would be acceptable to a Prudent Residential Mortgage Lender.

(d) **Compliance with MCOB**

If the Mortgage is an MCOB Mortgage, so far as the applicable Series Portfolio Seller is aware, at the time it was made, the Mortgage:

- (1) complied in all material respects with all applicable requirements of law of MCOB other than the aspects referred to in the exceptions to section 7.6.4(b) (*Valid, binding and enforceable*); and
- (2) is not cancellable in whole or part as a result of being a 'distance contract' for the purposes of applicable law or regulations.

7.6.3 **Borrowers**

If the Mortgage was originated as an Individual Mortgage, all of the Borrowers are natural legal persons and were aged 18 years or older at the date of execution of the Mortgage.

7.6.4 **Terms of the Mortgage**

(a) **Mortgage Origination Documentation**

Other than exceptions made on a case by case basis and which would be acceptable to a Prudent Residential Mortgage Lender:

- (1) the Mortgage has been constituted substantially on the terms of the appropriate Mortgage Origination Documentation for the relevant type of Mortgage (so far as applicable) without any material variation thereto; and
- (2) as at the applicable Series Portfolio Seller Warranty Date the express terms of the Mortgage have not been subject to any variation, amendment, modification, waiver or exclusion of time of any kind which in any material way adversely affects its enforceability or collectability.

(b) **Valid, binding and enforceable**

The terms of the Mortgage constitute legal, valid, binding and enforceable obligations of the Borrower (except:

- (1) in relation to any term in respect of any early repayment charges or redemption fees;

- (2) in relation to any term of the Mortgage which is not binding by virtue of any applicable Unfair Terms Law; and
 - (3) enforceability may be limited by bankruptcy, insolvency or other similar laws of general applicability affecting the enforcement of creditors' rights generally and the courts' discretion in relation to equitable remedies and, for the avoidance of doubt, such laws include but are not limited to, the Consumer Rights Act 2015).
- (c) **Fraud**
- The Mortgage has not been entered into as a consequence of any conduct constituting fraud of the Series Portfolio Originator and, to the best of the Series Portfolio Seller's knowledge, the Mortgage has not been entered into fraudulently by the relevant Borrower.
- (d) **Unfair terms**
- If and to the extent that:
- (1) any Unfair Terms Law is applicable to any term of the Mortgage; and
 - (2) failure to comply with that Unfair Terms Law in relation to that term would have a material adverse effect on the enforceability or collectability of any Mortgage Loan comprised in the Mortgage,
- to the best of the Series Portfolio Seller's knowledge, that term (unless it relates to early repayment charges, the power to vary closing administration charges and the power to recover indemnity costs) complies with such Unfair Terms Law. In this warranty, references to Unfair Terms Law shall be construed as a reference to that Unfair Terms Law as amended, extended or re-enacted from time to time.
- (e) **Unfair relationships**
- No agreement included in or forming part of the Mortgage, whether alone or with any related agreement, gives rise to any unfair relationship between the creditor and the debtor for the purposes of Sections 140A to 140D of the Consumer Credit Act.
- (f) **Not a Regulated Credit Agreement**
- Each agreement included in or forming part of the Mortgage or any variation of such agreement is not or does not include:
- (1) a 'regulated credit agreement' under Article 60B of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001; or
 - (2) a 'regulated agreement' or 'regulated credit agreement' under Section 8 of the Consumer Credit Act 1974 (as amended, extended or re-enacted from time to time).
- (g) **Maturity date**
- The final maturity date of each Mortgage Loan relating to the Mortgage falls on a date which is at least 2 years prior to the furthest away Final Maturity Date in respect of Notes relating to the Series.
- (h) **No undisclosed outstanding obligations**
- Neither the Mortgagee nor its assignees are under an obligation to make further amounts available or to release retentions or to pay fees or other sums relating to the Mortgage to any Borrower other than as disclosed in the relevant notice of sale by the Series Portfolio Seller to the Issuer pursuant to the Series Portfolio Sale Agreement.
- (i) **Interest**
- Interest on each Mortgage Loan comprised in the Mortgage is charged in accordance with the Mortgage Origination Documentation.

7.6.5 Mortgage Security

- (a) **Type of Mortgage Property**
- Each Mortgage Loan in respect of the Mortgage is secured by a Mortgage Property Security on residential property in England or Wales (if it is an English Mortgage) or in Northern Ireland (if it is a Northern Irish Mortgage) or Scotland (if it is a Scottish Mortgage).
- (b) **Tenure of Mortgage Property**
- The Mortgage Property in respect of the Mortgage is either freehold, leasehold, commonhold or heritable and if such Mortgage Property is leasehold, written notice has been given to the landlord of the creation of the relevant Mortgage.

(c) First ranking Mortgage

The Mortgage includes a Mortgage Property Security in relation to the relevant Mortgage Property and each such Mortgage Property Security constitutes (subject, as applicable, to the matters referred to in 7.6.1(c) *Vesting of ownership and title* that are in the process of being taken):

- (1) in the case of an English Mortgage, a valid and subsisting charge by way of legal mortgage;
- (2) in the case of a Northern Irish Mortgage, a valid and subsisting legal charge or mortgage; or
- (3) in the case of a Scottish Mortgage, a valid and subsisting standard security,

in each case over the relevant Mortgage Property and (subject to, if the Mortgage was originated as a Right to Buy Mortgage, the priority of the relevant statutory charge or, in the case of a Mortgage Property in Scotland, a statutory standard security to the extent that this it is not material) which has first ranking priority for the whole of the Mortgage Current Balance in respect of the Mortgage.

(d) Certificate of title from solicitor of conveyancer

Prior to the entering into of the Mortgage Property Security (other than upon a remortgage), the Series Portfolio Originator:

- (1) instructed its solicitor or licensed conveyancer or (in Scotland) qualified conveyancer to carry out an investigation of title to the relevant mortgaged property and to undertake other searches, investigations, enquiries and other actions on behalf of the Series Portfolio Originator in accordance with the instructions which the Series Portfolio Originator issued to the relevant solicitor or licensed conveyancer or (in Scotland) qualified conveyancer as are set out in the applicable Lenders' Handbook or other comparable, predecessor or successor instructions and/or guidelines as may for the time being be in place, subject only to those variations made on a case-by-case basis as would be acceptable to a Prudent Residential Mortgage Lender (it being accepted that such a Prudent Residential Mortgage Lender would accept no search indemnity insurance in lieu of searches, investigations, enquiries and other actions where such Mortgage is being originated as a remortgage); and
- (2) received a certificate of title from such solicitor or licensed conveyancer or (in Scotland) qualified conveyancer relating to such mortgaged property, the contents of which would have been acceptable to a Prudent Residential Mortgage Lender at that time.

(e) Lettings of the Mortgage Property

If the Mortgage was originated as a Buy to Let Mortgage, as far as the Series Portfolio Seller is aware, the Mortgage Property has not been let by the Borrower otherwise than by way of a type of tenancy expressly permitted in the Mortgage Conditions applicable to that Mortgage.

(f) Third party occupancy rights relating to Mortgages

Where the Mortgage is an English Mortgage or Northern Irish Mortgage and was originated as an Owner Occupied Mortgage, each person aged 18 or older who at the date when the initial advance was made resided, or was notified to the Series Portfolio Originator as residing or to reside, in the relevant Mortgage Property relating to the Mortgage:

- (1) is named as a joint Borrower in respect of the Mortgage; or
- (2) has signed a form of consent declaring that he or she will assert no rights to any interest, whether or not such interest is an overriding interest (or would be so if the title to the relevant Mortgage Property title was registered), by occupation adverse to the rights of the mortgagee for the time being under the Mortgage Property Security and/or that he or she waives or postpones such his/her interest (if any) in the Mortgage Property so that it ceases to exist or ranks after the interest of the mortgagee created by the relevant Mortgage Property Security.

(g) Rights of occupation relating to Scottish Mortgages

Where the Mortgage is a Scottish Mortgage and was originated as an Owner Occupied Mortgage:

- (1) all necessary affidavits, declarations, consents or renunciations have been obtained so as to ensure that neither the relevant Mortgage nor the Mortgage Property secured thereby is subject to or affected by any
 - (A) 'occupancy rights' in respect of a 'matrimonial home' each having the meanings respectively ascribed to them by the Matrimonial Homes (Family Protection) (Scotland) Act 1981; and/or

- (B) 'occupancy rights' in respect of a 'family home' each having the meanings respectively ascribed to them by the Civil Partnership Act 2004; and
 - (2) a copy of each such affidavit, declaration, consent or renunciation has been placed with the title deeds relating to such Mortgage.
- (h) **Buildings insurance**
 The Mortgage Conditions require the Borrower to maintain (or procure the maintenance of):
 - (1) a buildings insurance policy arranged by the Borrower in relation to the Mortgage Property; or
 - (2) in the case of a leasehold property or a commonhold property, a buildings insurance policy arranged by the relevant landlord or property management company in relation to the building of which the Mortgage Property forms part,
 and since origination of the Mortgage neither the Series Mortgage Servicer, nor the Series Portfolio Legal Title Holder, nor the Series Portfolio Seller has received notice that such insurance is not being maintained.
- (i) **All English Mortgages are of registered land**
 If the relevant Mortgage is an English Mortgage, title to the relevant Mortgage Property was not at the time of completion of that English Mortgage required to be registered at the Land Registry (other than as a consequence of a transfer, conveyance or assignment of the land by the applicable Borrower immediately prior to completion of the New Mortgage).

7.6.6 Current status of Mortgage

- (a) **No notice of adverse claims regarding Mortgage**
 Neither the Series Portfolio Seller nor, as far as the Series Portfolio Seller is aware, any of its agents has received written notice of any litigation, claim, dispute or complaint (in each case, subsisting, threatened or pending) in respect of the Mortgage, any Borrower relating to the Mortgage or the Mortgage Property relating to the Mortgage which (if adversely determined) might have a material adverse effect on the Series Portfolio or any part of it.
- (b) **No set off etc**
 No lien or contractual right of set-off (excluding, if the Mortgage was originated as an Offset Mortgage or a Flexible Mortgage, set-off in relation to an Offset Mortgage or a Flexible Mortgage) or counterclaim has been created or arisen which would reduce the amount payable under the Mortgage between the Series Portfolio Seller and the relevant Borrower or between the Series Portfolio Legal Title Holder and the Borrower.

7.6.7 Records relating to the Mortgage

- (a) **Title deeds and loan files**
 Save for title deeds relating to the Mortgage held at the Land Registry or Registers of Scotland (as applicable) and such title deeds existing in dematerialised forms, the title deeds and loan files relating to the Mortgage (including, where applicable, in electronic form) are held by, or are under the control of the Series Portfolio Legal Title Holder, the Series Mortgage Servicer (on behalf of the Series Portfolio Legal Title Holder) or the Series Portfolio Legal Title Holder's solicitors, licensed conveyancers or (in Scotland) qualified conveyancers to the order of the Series Portfolio Legal Title Holder.

 Title deeds relating to the Mortgage held at the Land Registry or Registers of Scotland (as applicable) are held on the basis that they (other than the dematerialised copies of the Title Deeds) shall be returned to the Series Portfolio Legal Title Holder or the Series Mortgage Servicer or the relevant instructed solicitors or agents.
- (b) **Mortgage accounts, books and records**
 The Series Mortgage Servicer has, since the making of the initial advance in respect of the Mortgage, kept or procured the keeping of full and proper accounts, books and records as are necessary to show all material transactions, payments, receipts, proceedings and notices relating to the Mortgage.

7.6.8 Tax related aspects of the Mortgage

- (a) **No withholding tax**
 Under current law and as the transaction is structured, amounts due under the Mortgage is not subject to withholding or deduction for or on account of any tax in its jurisdiction of origination.

(b) UK tax classification

The Mortgage does not consist of or include any 'stock' or 'marketable securities' within the meaning of section 125 of the Finance Act 2003; and does not consist of or include a 'chargeable interest' for the purposes of either section 48 of the Finance Act 2003, section 4 of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 or section 4 of the Land and Buildings Transaction Tax (Scotland) Act 2013; and either does not consist of or include 'chargeable securities' for the purposes of section 99 of the Finance 1986, or consists of a debenture which is not a marketable security within the meaning of section 122 Stamp Act 1891.

The Mortgage and any related Mortgage Security (other than a rent charge) are interests or rights held for the purposes of securing the payment of money or the performance of another obligation.

(c) UK tax classification of Mortgages to companies

- (1) Any Borrower under the Mortgage that is not an individual is a company incorporated with limited liability or as an LLP in the UK.
- (2) Each of the Loans that have been made to a company or limited liability partnership borrower is one or both of:
 - (A) a 'debenture' which is not a marketable security for the purposes of paragraph 25 of Schedule 13 FA 1999; and/or
 - (B) loan capital that is exempt from all stamp duty on a transfer under section 79(4) FA 1986.

(d) Accounting classification

The Mortgage is a 'financial asset' as defined in International Accounting Standard 32.

7.7 Overview of Mortgage characteristics

The Mortgages included in a Series Portfolio may, except to the extent indicated otherwise in the relevant Series Note Final Terms or, as applicable, section E *Series Portfolio and Series Mortgage Services* in the relevant Series Prospectus, have one or more of the following characteristics:

7.7.1 Mortgage Conditions

All of the Mortgages in a Series Portfolio will, unless indicated otherwise in the relevant Series Note Final Terms or, as applicable, the relevant Series Prospectus, be originated by the relevant Series Portfolio Originator using sets of pro forma mortgage origination documentation developed and maintained by it (the relevant **Mortgage Origination Documentation**) which will include its standard mortgage conditions (**Mortgage Conditions**). The Mortgage Conditions contain various covenants and undertakings by the borrower in relation to the Mortgage (the **Borrower**) including covenants to make payments either monthly (each a **Mortgage Monthly Payment**) or as notified to the Borrower and to pay premiums on buildings insurance policies effected in relation to the relevant Mortgage Property. The Mortgage Conditions will also contain provisions for the usual remedies of a mortgagee upon default by the Borrower.

7.7.2 Governing law

The Mortgages are governed by:

- English law in the case of each English Mortgage in the relevant Series Portfolio;
- Northern Irish law in the case of each Northern Irish Mortgage (if any) in the relevant Series Portfolio; and
- Scots law in the case of each Scottish Mortgage (if any) in the relevant Series Portfolio.

7.7.3 Remaining term of leases for leasehold Mortgage Properties

In respect of leasehold or (in Scotland) long lease Mortgage Properties in relation to Mortgages in the relevant Series Portfolio, the lease has, except where permitted under the lending criteria, at least 30 years to run beyond the term of the relevant Mortgage.

7.7.4 Types of Borrower

The Mortgages in the Series Portfolio will be **Individual Mortgages** where each Borrower in respect of the relevant Mortgage is an individual. In addition, the relevant Series Note Final Terms or, as applicable, section E.3.1 *Features of the Mortgages* in the relevant Series Prospectus will indicate whether or not the Series Portfolio includes:

- **Corporate Mortgages** where the Borrowers are the type of limited liability entities indicated in that section; and/or

- **Non-Conforming Mortgages** which were underwritten in accordance with the Lending Criteria on terms generally consistent with those used by residential mortgage lenders lending to borrowers who do not satisfy the requirements of building societies or high street banks (including Mortgages made to Borrowers who may previously have been subject to a county court judgement or the Scottish or Northern Irish equivalent (**CCJ** which expression shall, in relation to Northern Irish Mortgages, include judgments of the High Court and a County Court), individual voluntary arrangement (**IVA**) or bankruptcy order (or the Scottish equivalent), Borrowers who may previously have been in arrears under a mortgage loan and Borrowers who were, at the time of application for their Mortgage, self-employed and Borrowers who were, at the time of application for their Mortgage, otherwise considered by bank and building society lenders to be non-standard borrowers (see 4.2.2(a) *Non-Conforming Mortgages and Arrears Mortgages* for some particular investment considerations relating to Non-Conforming Mortgages)).

7.7.5 No self-certified Mortgages

The Mortgages in the Series Portfolio will not include any Mortgage that was marketed and underwritten on the premise that the Mortgage applicant or, where applicable, intermediaries were made aware that the information provided by the Mortgage applicant might not be verified by the Mortgage lender (sometimes referred to as 'self-certified' Mortgages).

7.7.6 Use of Mortgage Properties

The relevant Series Note Final Terms or, as applicable, section E.3.1 *Features of the Mortgages* in the relevant Series Prospectus will indicate whether or not the Series Portfolio includes:

- **Owner Occupied Mortgages** which relate to a Mortgage Property purchased by the Borrower to be occupied as the primary residence of such Borrower; and/or
- **Buy to Let Mortgages** (also known as investment home mortgages) which relate to a Mortgage Property purchased by the Borrower to be occupied by tenants for residential purposes (but other than as an Owner Occupied Mortgage).

Section E.3.1 *Features of the Mortgages* in the relevant Series Prospectus will indicate whether or not the Series Portfolio includes Consumer Buy to Let Mortgages, being where the Borrower under the relevant Buy to Let Mortgage is an individual and the relevant Mortgage is not entered into by the Borrower wholly or predominantly for the purposes of a business carried on, or intended to be carried on, by the Borrower (see 7.12.1(b) *Regulatory regime for Consumer Buy to Let Mortgages*).

It will normally be the intention that the Mortgage Properties in respect of Buy to Let Mortgages will be let under an assured shorthold tenancy (or, in respect of Scottish Mortgages, a short assured tenancy or a private residential tenancy, or, in respect of Northern Irish Mortgages, an agreement which confers similar rights as an assured shorthold tenancy on the landlord and tenant) and that the lender will be able to obtain vacant possession in the circumstances described in 7.11.5(c) *Obtaining possession of tenanted Mortgage Properties* in relation to English Mortgages and Northern Irish Mortgages and 7.11.6(c) *Obtaining possession of tenanted Mortgage Properties* in relation to Scottish Mortgages. However, if the occupier's tenancy has been approved by the lender, the lender will not be able to sell with vacant possession if it wishes to enforce its security, until such time as the tenancy comes to an end. See 4.2.4 *Risks associated with Mortgages involving tenancies* for some particular investment considerations relating to Buy to Let Mortgages.

7.7.7 Right to Buy Mortgages and statutory charges

The relevant Series Note Final Terms or, as applicable, section E.3.1 *Features of the Mortgages* in the relevant Series Prospectus will indicate whether or not the Series Portfolio includes **Right to Buy Mortgages**, each being a Mortgage entered into by the relevant Borrower as a means to purchase a residential property from a local authority and certain other landlords (including, without limitation, in Northern Ireland, the Northern Ireland Housing Executive) by exercising such Borrower's rights to buy under the applicable **Right to Buy Legislation**, being the Housing Act 1985 (in the case of English Mortgages), the Housing (Scotland) Act 1987 (in the case of Scottish Mortgages) and the Housing (Northern Ireland) Order 1983 as amended by the Housing (Northern Ireland) Order 1986, the Housing (Northern Ireland) Order 1992, the Housing (Northern Ireland) Order 2003 and the Housing (Northern Ireland) Order 2006 (in the case of Northern Irish Mortgages).

Properties sold under the Right to Buy Legislation are sold by the relevant seller at a discount to market value calculated in accordance with the Right to Buy Legislation.

A purchaser must repay the whole of (or, in some cases, part of) the discount if he or she sells the property within a specified clawback period, namely, for a property in England or Wales five years (or three years in cases where the right to buy was exercised in relation to properties in England and Wales before 18 January 2005), for a property in Scotland three years and for a property in Northern Ireland either five years or three years dependent upon the date on which the purchaser acquired the property; i.e., either before or after the prescribed Northern Ireland clawback period was increased from three years to five years. Under the Right to Buy Legislation the seller benefits from a statutory charge (or, in the case of a Mortgage Property in Scotland, a statutory standard security) over the property in respect of the contingent liability of the purchaser under the scheme to repay the relevant amount of discount. Such statutory charge (or statutory standard security) ranks in priority to other charges (or standard securities) including that of any mortgage lenders except in certain circumstances.

Unless indicated otherwise in the relevant Series Prospectus, the Issuer will benefit from a Series Portfolio Warranty to the effect that each Right To Buy Mortgage either ranks in priority to any such statutory charge (or standard security), or the relevant statutory charge (or standard security) has expired or that any loss suffered by the Issuer in respect of such Right To Buy Mortgage by virtue of the any priority of any such statutory charge (or standard security) will be covered by insurance.

Amendments to the Housing Act 1985 introduced by the Housing Act 2004 give the relevant local authority (or other landlord) for a property in England or Wales where the right to buy is exercised after 18 January 2005 a right of first refusal should the relevant property be disposed of within the first 10 years following the exercise of the right to buy. The consideration payable by the relevant local authority (or other landlord) is the value of the property determined in the absence of agreement between the local authority (or other landlord) and the owner, by the district valuer. This right of first refusal may add to the time it takes to dispose of a property where the security is enforced and the district valuer may determine that the value of the property is lower than the lender believes is available in the market. A similar right of first refusal applies in Northern Ireland.

In Scotland, the Right to Buy scheme of the Housing (Scotland) Act 1987 ended on 31 July 2016 but will still apply to properties in Scotland purchased under the scheme on or prior to that date.

7.7.8 Scheduled repayment of Mortgages

- The relevant Series Note Final Terms or, as applicable, section E.3.1 *Features of the Mortgages* in the relevant Series Prospectus will indicate whether or not the Series Portfolio includes **Repayment Mortgage Loans**, being a Mortgage Loan to the extent that the principal amount in respect of that Mortgage Loan is required to be amortised by scheduled repayments of principal by the Borrower during the term of the Mortgage so that the entire principal amount of such Mortgage Loan is repaid by its stated maturity date; and/or
- The relevant Series Note Final Terms or, as applicable, section E.3.1 *Features of the Mortgages* in the relevant Series Prospectus will indicate whether or not the Series Portfolio includes **Interest Only Mortgage Loans**, being a Mortgage Loan to the extent that the principal amount in respect of that Mortgage Loan is not required to be amortised by scheduled repayments of principal by the Borrower during the term of the Mortgage Loan, so that such principal amount of such Mortgage Loan is repayable on its stated maturity date. See 4.2.3(b) *Risks relating to Interest Only Mortgage Loans* for some particular investment considerations relating to Interest Only Mortgage Loans.

A Mortgage Loan may at any time be a partial Interest Only Mortgage Loan with the remaining portion being a Repayment Mortgage Loan (sometimes known as a 'part and part' Mortgage).

See 7.9.4 *Mortgage Mandatory Further Advances in respect of Flexible Mortgages* in relation to certain flexible repayment terms which may apply to Mortgages in the relevant Series Portfolio if it includes Flexible Mortgages in relation to a Series.

The **Mortgage Principal Balance** in respect of a Mortgage on any given date is the then principal amount outstanding in respect of that Mortgage at such time (but avoiding double counting) including:

- the original amount advanced to the relevant Borrower and any further amount advanced on or before that given date to the relevant Borrower secured or intended to be secured by the related Mortgage; and
- any interest, disbursement, legal expense, fee, charge, rent, service charge, premium or payment which has been properly capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent and added to the amounts secured or intended to be secured by the related Mortgage,

as at the end of the Business Day immediately preceding that given date less any prepayment, repayment or payment of any of the foregoing made on or before the end of the Business Day immediately preceding that given date and excluding any retentions made but not released by the end of the Business Day immediately preceding that given date.

The **Mortgage Current Balance** in respect of a Mortgage on any given date is the aggregate balance of that Mortgage at such time (but avoiding double counting) including:

- the Mortgage Principal Balance of that Mortgage; and
- any other amount (including, for the avoidance of doubt, interest and arrears of interest) which is accrued (whether or not due) and which has not been paid by the relevant Borrower and has not been capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent but which is secured or intended to be secured by the related Mortgage,

as at the end of the Business Day immediately preceding that given date.

7.7.9 Early repayment of Mortgages and Mortgage Prepayment Charges

The Mortgages provide that the Borrower may prepay principal at any time without prior notice. The relevant Series Note Final Terms or, as applicable, section E.3.1 *Features of the Mortgages* in the relevant Series Prospectus will indicate whether or not the Series Portfolio may include Mortgages in respect of which, for a specified period, a prepayment of principal gives rise to an obligation to pay an additional sum (each a **Mortgage Prepayment Charge**). If so, the period and the size of that additional sum will be specified in the relevant Mortgage Conditions. The Programme Servicer will have the right, in applying the Series Mortgage Services Issuer Policy, to waive any such Mortgage Prepayment Charge payable by a Borrower. Except to the extent indicated otherwise in the relevant Series Prospectus, receipts of the Issuer in respect of Mortgage Prepayment Charge will be credited to the Series Revenue Ledger relating to the relevant Series and be available to be applied and distributed under the relevant Series Priority of Payments in accordance with the Series Payments Rules. See further 7.2.7 *Mortgage Prepayment Charges*.

7.7.10 Mortgage Loan Interest Rates

The relevant Series Note Final Terms or, as applicable, section E.3.1 *Features of the Mortgages* in the relevant Series Prospectus will indicate whether or not the Series Portfolio may include:

- Mortgage Loans which are (or, following any period in which such Mortgage is a Mortgage Restricted Rate Loan, may become) wholly or partially **Mortgage Variable Rate Loans** during each period in which interest accrues at a rate of interest which is variable and is capable of being reset by the Issuer or the Series Mortgage Servicer.
- Mortgage Loans (each a **Mortgage Restricted Rate Loan**) each of which is (or, following an agreed period, may become) wholly or partially:
 - a **Mortgage Fixed Rate Loan** during each agreed period in which interest accrues at a fixed rate of interest which is not capable of being reset during that period;
 - a **Mortgage Capped Rate Loan** during each agreed period in which interest accrues at a rate which is variable but which may not exceed a specified capped rate of interest; or
 - a **Mortgage Tracker Rate Loan** during each agreed period in which interest accrues at a fixed margin over a specified reference rate indicated in that section (each a **Mortgage Tracker Rate**) as determined periodically in accordance with the applicable Mortgage Conditions.
- Mortgage Loans which are wholly or partially **Mortgage Discount Rate Loans** during each agreed period in which interest accrues at a discounted rate of interest.

Also, unless indicated otherwise in the relevant Series Note Final Terms or, as applicable, section E.3.1 *Features of the Mortgages* in the relevant Series Prospectus, the terms of a Mortgage may provide that a Mortgage Restricted Rate Loan shall change to being another type of Mortgage Restricted Rate Loan or to a Mortgage Variable Rate Loan after a specified period of time and a Mortgage Variable Rate Loan may be converted into a Mortgage Restricted Rate Loan.

See 4.1.7 *Interest rate basis risks between the Notes and the Mortgages* and 11.3 *Hedging of interest basis risks* for some particular considerations relating to Mortgage Restricted Rate Loans.

Interest on the Mortgages is payable either monthly (or, if so indicated in section E.3.1 *Features of the Mortgages* in the relevant Series Prospectus, quarterly) at rates which will be set by or on behalf of the Issuer (subject to the restrictions mentioned above) and, except in certain limited circumstances in which the

Security Trustee will be entitled to take over this function, will be set by the relevant Series Mortgage Servicer upon direction by the relevant Programme Servicer implementing the Series Mortgage Services Issuer Policy on behalf of the Issuer and the Security Trustee (see further 7.11.1 *Series Mortgage Services Issuer Policies*).

7.7.11 **Offset Mortgages**

The relevant Series Note Final Terms or, as applicable, section E.3.1 *Features of the Mortgages* in the relevant Series Prospectus will indicate whether or not the Series Portfolio may include **Offset Mortgages**, each being a Mortgage which permits the Borrower to offset the amount of monies standing to the credit of specified bank account(s) against the current balance of the Mortgage for the purposes of reducing the interest bearing balance of the Mortgage.

7.7.12 **Lifetime Mortgages**

The relevant Series Note Final Terms or, as applicable, section E.3.1 *Features of the Mortgages* in the relevant Series Prospectus will indicate whether or not the Series Portfolio may include **Lifetime Mortgages**, each being a Mortgage with the following features:

- entry into the Mortgage is restricted to older Borrowers above a specified age; and
- the Mortgagee will not seek full repayment of the Mortgage (including interest, if any, outstanding) until the occurrence of one or more specified events (which may include, among others, the death of the Borrower(s), or the Borrower(s) leaving the Mortgage Property to live elsewhere and has/have no reasonable prospect of returning (for example by moving into residential care); and
- no (or restricted) instalment repayments of the capital and no (or restricted) payment of interest on the capital (other than interest charged when all or part of the capital is repaid voluntarily by the customer), are due or capable of becoming due,

(also sometimes referred to as an equity release Mortgage or reverse Mortgage).

7.7.13 **Arrears Mortgages**

The relevant Series Note Final Terms or, as applicable, section E.3.1 *Features of the Mortgages* in the relevant Series Prospectus will indicate whether or not the Series Portfolio may include **Arrears Mortgages** in respect of which the Borrowers are in arrears (and, if so, section K *Series Provisional Portfolio summary data* in the relevant Series Prospectus will include some further information regarding the level of arrears as at the date specified in that section). See 4.2.2(a) *Non-Conforming Mortgages and Arrears Mortgages* for some particular considerations relating to Arrears Mortgages.

7.7.14 **Fast Track Mortgages**

The relevant Series Note Final Terms or, as applicable, section E.3.1 *Features of the Mortgages* in the relevant Series Prospectus will indicate whether or not the Series Portfolio may include **Fast Track Mortgages**, each being a Mortgage originated by the relevant Series Portfolio Originator using an 'express completion' insurance approach. Except to the extent indicated otherwise in the relevant Series Prospectus, under that approach:

- A title insurance policy (each a **Fast Track Insurance Policy**) is entered into between an insurer (the **Fast Track Insurer**) and the Series Portfolio Originator (as the insured) in relation to the relevant Fast Track Mortgage. Details of any such Fast Track Insurance Policy and Fast Track Insurer shall be set out in the relevant Series Prospectus.
- The terms of such Fast Track Insurance Policy state that the Fast Track Insurer shall provide cover for losses of principal and interest (up to a specified limit) arising in respect of the insured risks stated in such Fast Track Insurance Policy subject to specified exclusions and the terms and conditions of such Fast Track Insurance Policy (including, in particular, compliance with criteria which requires specified tasks to be completed by the solicitors or licensed or qualified conveyancers acting for the Series Portfolio Originator in relation to that Fast Track Mortgage).
- The insured risks stated in such Fast Track Insurance Policy include a range of potential legal defects which may exist or occur in relation to the Borrower's title to the Mortgage Property and the validity of the Mortgage. Although those insured risks are similar in nature to the matters that would be addressed by a certificate of title given by a solicitor or licensed or qualified conveyancer who carried out the Standard Conveyancing Procedures (see below), there is no assurance that they are the same.
- Those specified tasks include those solicitors or licensed or qualified conveyancers being instructed by the Series Portfolio Originator to carry out certain procedures specified by the Fast Track Insurer in respect of investigation of the Borrower's title to the Mortgage Property and those solicitors or licensed

or qualified conveyancers providing to the Series Portfolio Originator, prior to completion of the Fast Track Mortgage, a certificate or request for funds (in a form approved or agreed by the Fast Track Insurer) confirming that those procedures have been duly completed.

- The Series Portfolio Originator does not require such solicitors or licensed or qualified conveyancers to carry out their standard conveyancing procedures (including, in the case of solicitors, the standard procedures specified by The Law Society or The Law Society of Scotland to be carried out by solicitors in such circumstances) (**Standard Conveyancing Procedures**) and does not require such solicitors or licensed or qualified conveyancers to provide to the Series Portfolio Originator, prior to completion of the Fast Track Mortgage, a certificate of title confirming that its procedures have been completed.

Where a Series Portfolio may include Fast Track Mortgages, details of the relevant Fast Track Insurance Policy and Fast Track Insurer will be set out in section E.1 *Sale of Series Portfolio* in the relevant Series Prospectus, which will include an indication of the interests the Issuer and the Security Trustee will have and in relation to such Fast Track Insurance Policy.

There is no assurance that losses suffered in respect of a Mortgage would be less, the same or more where the above 'express completion' approach has been used or where the Standard Conveyancing Procedures have been used or *vice versa*.

7.8 Mortgage Variations

On each occasion that a Borrower applies for an amendment to the terms of a Mortgage in the relevant Series Portfolio (each a **Mortgage Variation**), the Series Mortgage Servicer will provide details of the application to the Programme Servicer. If the Programme Servicer decides that the application is acceptable, the Mortgage Variation will only be made if the applicable conditions for Mortgage Variations indicated in section E.3 *The Mortgages* in the relevant Series Prospectus are satisfied including, without limitation, whether:

- the relevant Mortgage Variation can only be made after the relevant Mortgage is repurchased by the Series Portfolio Seller for a consideration equal to, or the Series Portfolio Seller procures that an advance is made under a Series Funding Facility Agreement equal to:
 - the then Mortgage Principal Balance of the relevant Mortgage, which will be paid into the Series Transaction Account and a corresponding credit made to the Series Principal Ledger; and
 - the amount (if any) by which the Mortgage Current Balance exceeds the Mortgage Principal Balance of the relevant Mortgage, which will be paid into the Series Transaction Account and a corresponding credit made to the Series Revenue Ledger,
 (in other words the relevant Mortgage is refinanced); or
- the relevant Mortgage Variation can be made without the above steps being taken and the conditions that need to be satisfied.

If the Mortgage Variation is to be made and the Mortgage is to continue to remain within the Series Portfolio (whether refinanced by the Series Funding Facility Agreement or not) it shall be carried out in the manner indicated in 7.12.3(b) *Mortgage Further Advances and Mortgage Variations* (whether or not the relevant Mortgage is an MCOB Mortgage). See also 4.1.10 *Yield to maturity and prepayment of Notes is variable and unpredictable*.

7.9 Further advances in respect of the Mortgages

7.9.1 Types of Mortgage Further Advances

Except to the extent indicated otherwise in the relevant Series Note Final Terms or, as applicable, the relevant Series Prospectus, subject to the satisfaction of certain conditions, further advances (each a **Mortgage Further Advance**) may be funded or purchased by the Issuer in relation to the Mortgages (and advanced by or on behalf of the relevant Series Portfolio Legal Title Holder on the basis that the benefit of such Mortgage Further Advance shall, in consideration of such funding, be owned by the Issuer) or in such other manner as described in 7.12.3(b) *Mortgage Further Advances and Mortgage Variations*. A Mortgage Further Advance does not include a Mortgage Variation (and *vice versa*) but in some circumstances the Borrower(s) may apply for both a Mortgage Further Advance and a Mortgage Variation in connection with the same circumstances in which case the requirements applicable to each need to be complied with and satisfied.

Each Mortgage Further Advance will be either:

- a **Mortgage Mandatory Further Advance** being either a Mortgage Retention Advance (see 7.9.3 *Mortgage Mandatory Further Advances in respect of Mortgage retentions*) or a Flexible Drawing Cash Advance (see 7.9.4 *Mortgage Mandatory Further Advances in respect of Flexible Mortgages*); or
- a **Mortgage Discretionary Further Advance** being any other further advance in respect of a Mortgage other than a Mortgage Mandatory Further Advance (see 7.9.2 *Mortgage Discretionary Further Advances*).

No Mortgage Further Advance may be funded or purchased by the Issuer in relation to a Mortgage unless such Mortgage Further Advance and each Mortgage Loan in respect of that Mortgage are included in the Series Portfolio of the same Series (and, without limitation, not in any Series Portfolio relating to a different Series).

7.9.2 **Mortgage Discretionary Further Advances**

In respect of a Series for which Mortgage Discretionary Further Advances are available, on each occasion that a Borrower applies for a Mortgage Discretionary Further Advance, the Series Mortgage Servicer will provide details of the application to the Programme Servicer. If the Programme Servicer decides that the application is acceptable, the Mortgage Discretionary Further Advance will only be made if the applicable conditions for Mortgage Discretionary Further Advances indicated in the relevant Series Note Final Terms or, as applicable, section E.3 *The Mortgages* in the relevant Series Prospectus are satisfied including, without limitation, whether:

- the relevant Mortgage Discretionary Further Advance can only be made after the relevant Mortgage is repurchased by the Series Portfolio Seller for a consideration equal to, or the Series Portfolio Seller procures that an advance is made under a Series Funding Facility Agreement equal to:
 - the then Mortgage Principal Balance of the relevant Mortgage, which will be paid into the Series Transaction Account and a corresponding credit made to the Series Principal Ledger;
 - the amount (if any) by which the Mortgage Current Balance exceeds the Mortgage Principal Balance of the relevant Mortgage, which will be paid into the Series Transaction Account and a corresponding credit made to the Series Revenue Ledger; and
 - (in the case of an advance under a Series Funding Facility Agreement) the amount of the relevant Mortgage Discretionary Further Advance, which will be paid into the Series Transaction Account and a corresponding credit made to the Series Principal Ledger,

(in other words the relevant Mortgage is refinanced and the relevant Mortgage Discretionary Further Advance is financed); or

- the relevant Mortgage Discretionary Further Advance can be made without the above steps being taken (and other funds available to the Issuer in respect of the Series can be used to provide funding of the relevant Mortgage Discretionary Further Advance) and the conditions that need to be satisfied.

If the Mortgage Discretionary Further Advance is to be made and the Mortgage is to continue to remain within the Series Portfolio (whether refinanced by the Series Funding Facility Agreement or not) it shall be carried out in the manner indicated in 7.12.3(b) *Mortgage Further Advances and Mortgage Variations* (whether or not the relevant Mortgage is an MCOB Mortgage). See also 4.1.10 *Yield to maturity and prepayment of Notes is variable and unpredictable*.

7.9.3 **Mortgage Mandatory Further Advances in respect of Mortgage retentions**

In relation to a Series, except to the extent indicated otherwise in the relevant Series Note Final Terms or, as applicable, the relevant Series Prospectus, under the terms of the relevant Series Portfolio Sale Agreement, the Issuer will be obliged to fund **Mortgage Retention Advances** to certain Borrowers, being a further advance of principal in respect of that Borrower's Mortgage representing any part of the original advance agreed to be made which was retained pending completion of construction, repairs, alterations for compliance with housing legislation or refurbishment, as and when it becomes payable to the relevant Borrower up to (in aggregate) the amount (if any) specified in G *Series credit structure and cashflows* in the relevant Series Prospectus. Each Mortgage Retention Advance will, when made, be beneficially owned by the Issuer and form part of the relevant Mortgage Loan and be secured by the relevant Mortgage Security for the Mortgage to which such Mortgage Retention Advance relates (although such Mortgage Retention Advance would be carried out in the manner indicated in 7.12.3(b) *Mortgage Further Advances and Mortgage Variations* (whether or not the relevant Mortgage is an MCOB Mortgage)). The Issuer's obligations in respect of such Mortgage Retention Advances (if any) will be taken into account in the calculation of the consideration

agreed to be paid by the Issuer to the Series Portfolio Seller for the sale and purchase of the relevant Series Portfolio.

7.9.4 **Mortgage Mandatory Further Advances in respect of Flexible Mortgages**

The relevant Series Note Final Terms or, as applicable, section E.3.1 *Features of the Mortgages* in the relevant Series Prospectus will indicate whether or not the Series Portfolio may include **Flexible Mortgages** where, except to the extent indicated otherwise in the relevant Series Prospectus, Borrowers have the right to make principal overpayments and, as described below, in certain circumstances to obtain from time to time Flexible Drawing Advances from time to time in the following two ways:

- the relevant Borrower may withdraw an amount from his Flexible Mortgage account (each such amount so withdrawn being a **Flexible Drawing Cash Advance**); and/or
- the relevant Borrower may request, and the Programme Servicer may consent, to one or more of such Borrower's Mortgage Monthly Payments being met (in whole or in part) by capitalising to his Flexible Mortgage account the amount of interest that was scheduled to be paid by the relevant Mortgage Monthly Payment (each such amount of interest so capitalised being a **Flexible Drawing Capitalised Advance**) and allowing the amount of principal (if any) that was scheduled to have been repaid by the relevant Mortgage Monthly Payment to remain outstanding on his Flexible Mortgage account,

in each case in accordance with the applicable Mortgage Conditions and to the extent that the amount of such Flexible Drawing Cash Advance or Flexible Drawing Capitalised Advance (each a **Flexible Drawing Advance**) does not exceed the then available amount.

If Flexible Mortgages are included in a Series Portfolio, the relevant Series Prospectus will contain further information and data relating to them.

7.10 **Insurance in relation to Mortgages**

7.10.1 **Borrower Buildings Insurance Policies**

Except to the extent indicated otherwise in the relevant Series Note Final Terms or, as applicable, the relevant Series Prospectus, under the relevant Mortgage Conditions each Borrower is required to maintain (or procure the maintenance of):

- a buildings insurance policy arranged by the Borrower in relation to the Mortgage Property; or
- in the case of a leasehold property or a commonhold property, a buildings insurance policy arranged by the relevant landlord or property management company in relation to the building of which the Mortgage Property forms part,

(each a **Borrower Buildings Insurance Policy**).

7.10.2 **Other Borrower Insurance Policies**

If, in relation to a Series, the Issuer and the Security Trustee are expected to have interests in any other insurance contract arranged by or on behalf of Borrowers in respect of Mortgages in a Series Portfolio (each a **Borrower Insurance Other Policy**), this will be indicated in the relevant Series Note Final Terms or, as applicable, section E.3 *The Mortgages* in the relevant Series Prospectus with a summary of some details of the relevant insurance contract.

7.10.3 **Mortgagee Insurance Policies**

If, in relation to a Series, the Issuer and the Security Trustee are expected to have interests in any insurance contract arranged by or on behalf of a Mortgagee in respect of Mortgages in a Series Portfolio (each a **Mortgagee Insurance Policy**), this will be indicated in the relevant Series Note Final Terms or, as applicable, section E.3 *The Mortgages* in the relevant Series Prospectus with a summary of some details of the relevant insurance contract.

7.11 **Aspects of servicing the Mortgages**

7.11.1 **Series Mortgage Services Issuer Policies**

The Issuer has established management policies (as varied from time to time, the **Series Mortgage Services Issuer Policies**) for managing its Series Portfolios. The Series Mortgage Servicer will agree to perform the Series Mortgage Services in line with and subject to the applicable Series Mortgage Services Issuer Policies. In certain circumstances the Series Mortgage Servicer must consult and follow guidance given by the Issuer (or by the Programme Servicer on behalf of the Issuer) as to the application of the Series Mortgage Services Issuer Policies to those circumstances.

The Series Mortgage Services Issuer Policies may be amended, updated and developed by the Programme Servicer from time to time in relation to a Series Portfolio in such manner as is necessary or desirable for the purposes of the Issuer's business, functions and activities provided that, where any such amendment, update and development:

- relates to:
 - operational procedures or aspects of the provision of the Series Mortgage Services in relation to that Series Portfolio; and/or
 - the implementation of changes or amendments to comply with any legislative or regulatory requirements of a regulatory authority or which would be agreed to by a prudent residential mortgage servicer,

and in each case, in the opinion of the Issuer and the Programme Servicer would not materially adversely affect the Security, it is approved by the Series Mortgage Servicer of the relevant Series, the Issuer and the Programme Servicer; or
- relates to any other aspects of the Series Mortgage Services, it is approved by the Series Mortgage Servicer of the relevant Series, the Issuer, the Programme Servicer, the Series Note Trustee of the relevant Series and the Security Trustee.

The Series Mortgage Services Issuer Policies for a Series Portfolio may differ from the Series Mortgage Services Issuer Policies which are applicable to another Series.

7.11.2 **Setting of Interest Rates in relation to Mortgages**

In relation to a Series Portfolio that may include Mortgage Variable Rate Loans (see 7.7.10 *Mortgage Loan Interest Rates*), the Series Mortgage Services Issuer Policies include a policy (as varied from time to time, the **Series Portfolio Interest Rate Setting Policy**) for the exercise of its powers to set interest rates applicable to Mortgage Variable Rate Loans.

Except to the extent indicated otherwise in the relevant Series Note Final Terms or, as applicable, the relevant Series Prospectus, the Programme Servicer will, on behalf of the Issuer and the Security Trustee, set, where relevant, the rates of interest applicable to the relevant Mortgage Variable Rate Loans comprised in the relevant Series Portfolio (subject to the terms of any Mortgage Restricted Rate Loans comprised in the Series Portfolio) in line with and subject to the applicable Series Portfolio Interest Rate Setting Policy and in line with the underlying Mortgage Conditions applicable to the relevant Mortgage Variable Rate Loans. The Series Mortgage Servicer will then administer any change in the rate of interest applicable to the relevant Mortgage Variable Rate Loans.

In addition, where the Mortgage Conditions applicable to Mortgage Tracker Rate Loans require the interest rate to be reset, the Series Mortgage Servicer will administer any change in the interest rate applicable to those relevant Mortgage Tracker Rate Loans in accordance with those Mortgage Conditions.

In limited circumstances, the Security Trustee or any substitute Programme Servicer appointed by the Security Trustee will be entitled to set the rates of interest applicable to the Mortgages comprised in the relevant Series Portfolio. These circumstances include a breach by the Programme Servicer of the terms of the Programme Services Agreement which, in the opinion of the Security Trustee, is materially prejudicial to the interests of the Series Noteholders. In such circumstances, the Security Trustee may, subject to the terms of the Programme Services Agreement, terminate the Programme Servicer's authority to set the rates of interest applicable to the Mortgages and/or terminate the appointment of the Programme Servicer in relation to the setting of interest rates in relation to Mortgages.

7.11.3 **Portfolio Mortgage Default Procedures**

The Series Mortgage Services Issuer Policies of the Issuer include procedures (as varied from time to time, the **Portfolio Mortgage Default Procedures**) for managing Mortgages that are in arrears, including early contact with Borrowers in order to find a solution to any financial difficulties they may be experiencing, and, if required, for taking enforcement action in relation to the relevant Mortgage Property.

The Series Mortgage Servicer in respect of a Series shall give details in writing to the Issuer, the Programme Servicer, the Security Trustee and the Series Note Trustee, in accordance with the terms of the relevant Series Mortgage Services Agreement, of the status of the enforcement procedures in relation to Mortgages in the relevant Series Portfolio in respect of which there are arrears and enforcement procedures being followed by the Series Mortgage Servicer in connection with those Mortgages.

7.11.4 Procedures for management of arrears and taking enforcement action

The following summarises the Portfolio Mortgage Default Procedures for managing Mortgages that are in arrears.

The Series Mortgage Servicer carries out detailed daily and monthly analyses of the performance of the Portfolio and arrears. Borrowers who fail to make payments when due are contacted by the Series Mortgage Servicer's collection staff within five Business Days after becoming aware of the first non-payment. This contact is maintained by reminder letters and telephone calls during the course of the next month. Depending on the results of initial contact, the Borrower may receive multiple calls and letters during the first month of delinquency.

Through such contact, the Series Mortgage Servicer will endeavour to collect the outstanding Mortgage Monthly Payment and any fees in full. However, if the Borrower is unable to make such payment in full, the Series Mortgage Servicer will require the Borrower to make an immediate payment and agree a schedule of payments to clear the arrears balance. If a Borrower is less than one month in arrears the Series Portfolio Seller will endeavour to agree an arrangement to repay over as short a period of time as possible but no greater than 12 months. Under no circumstances will an arrangement in excess of 12 months be agreed except with prior written consent from the Programme Servicer, unless where agreed by the court. Where relevant, the Series Mortgage Servicer will be obliged under the Series Mortgage Services Agreement to ensure that all procedures for the management of arrears comply with the MCOB requirements.

Where such contact fails, or if the Borrower does not forward the requisite payments, the Series Mortgage Servicer may instruct an independent debt counsellor to visit the property to ascertain the reason for non-payment and may obtain more details about the Borrower's circumstances. The debt counsellor's report will be reviewed to assess the action to be taken by the Series Mortgage Servicer and assess the condition of the property.

Once a Borrower falls two months' or more into arrears (i.e. the equivalent of two missed Mortgage Monthly Payments), the Issuer (or the Series Mortgage Servicer applying the Issuer's policies) will decide whether to instruct a solicitor and commence legal proceedings, or to delay litigation in order to give the Borrower time to perform under the arrangement to pay. Delays will only be sanctioned by the Issuer (or the relevant Programme Servicer applying the Issuer's policies) when there are clear signs that a satisfactory paying agreement will be reached shortly, or when the Department for Work and Pensions is contributing to Mortgage Monthly Payments. If no such delay is sanctioned, the Borrower will be issued with a notice giving seven days to clear all arrears or face enforcement procedures.

Once enforcement becomes necessary, the procedures may include one or more of:

- appointing a receiver of rent (or, in the case of Scottish Mortgages, the direct collection of rent by the Series Mortgage Servicer) where the relevant Mortgage Property has sitting tenants (as may, for example, be the case in relation to a Buy to Let Mortgage);
- making arrangements whereby a Borrower's payments may be varied;
- pursuing (including taking legal action against) one or more guarantors (if any) of the sums owing under the Mortgage;
- sale of the relevant Mortgage Property with sitting tenants as an investment (as may, for example, be the case in relation to a Buy to Let Mortgage); and
- taking legal action for possession and subsequent sale of the relevant Mortgage Property with vacant possession.

Whether the lender adopts one or more of the actions described above will depend upon a number of considerations including the existence of guarantors, the existence of tenants within the Mortgage Property and their propensity to pay rent, the ratio of rent received to monthly instalments due under the Mortgage, the security of tenure enjoyed by any tenants and the anticipated net receipts from a sale of the Mortgage Property with vacant possession or with sitting tenants.

Pursuant to MCOB a firm is restricted from repossessing a Mortgage Property in respect of an MCOB Mortgage unless all other reasonable attempts to resolve the position have failed and, in complying with such restriction, a firm is required to consider whether, given the borrower's circumstances, it is appropriate to take certain actions. Such actions refer to (amongst other things) the extension of the term of the mortgage, product type changes and deferral of interest payments. While the FCA has indicated that it does not expect each forbearance option to be explored at every stage of interaction with the Borrower, it is clear that the rules impose mandatory obligations on firms without regard to any relevant contractual obligations or

restrictions. As a result, the rules may operate in certain circumstances to require the Series Mortgage Servicer to take certain forbearance-related actions which do not comply with the Transaction Documents (and, in particular, the asset servicing arrangements contemplated by such Transaction Documents) in respect of one or more Mortgages.

Further aspects of these procedures are summarised in 7.11.5 *Aspects of enforcement relating to English Mortgages and Northern Irish Mortgages* and 7.11.6 *Aspects of enforcement relating to Scottish Mortgages*.

Where litigation is to be commenced, the Series Mortgage Servicer will select solicitors from a pre-selected panel. During litigation, the Series Mortgage Servicer will maintain constant contact with the Borrower to collect moneys or agree an arrangement to pay.

Where the court grants an eviction date and a property is taken into possession, the Series Mortgage Servicer will appoint managing agents with a view to achieving a swift sale at the best price. In England and Wales for a non-paying and non-responding Borrower, it can sometimes take over 12 months from the date of the first missed Mortgage Monthly Payment in respect of a mortgage to sell a property. Factors driving this timeline will include: how busy the courts are, the state of the property market and the relevant Borrower's special circumstances.

7.11.5 **Aspects of enforcement relating to English Mortgages and Northern Irish Mortgages**

The following summarises some aspects relevant to enforcement action in respect of English Mortgages.

(a) **Receiver of rent in respect of tenanted Mortgage Properties**

Where appointed, a receiver of rent (which is not available in Scotland) is deemed to be the agent of the Borrower and must collect any rents payable in respect of the Mortgage Property and apply them (after payment of certain statutorily prescribed outgoings) in payment of any interest and arrears accruing under the Mortgage and thereafter any surplus shall either be applied in discharge of principal if required by the lender, or paid to the Borrower.

(b) **Possession of Mortgage Property needed to realise the Mortgage Property Security**

In order to realise its security in respect of a Mortgage Property located in England, Wales or Northern Ireland, the relevant mortgagee (be it the relevant Series Portfolio Legal Title Holder (as legal title owner), the Issuer, the Series Note Trustee or any receiver appointed by the Series Note Trustee (if the Series Note Trustee has taken enforcement action against the Issuer) will need to obtain possession.

(c) **Obtaining possession of tenanted Mortgage Properties**

Any action for possession of a Mortgage Property which is the subject of a letting would include a claim not only against any tenants but also against the Borrower to assist in defeating any subsequent attempt by the Borrower to assert a right of occupation. In broad terms, a lender has the same (but no better) rights against a tenant (for example, to regain possession) as are enjoyed by the Borrower as landlord.

Where the tenant is an individual, he will, as an assured shorthold tenant (or, if in Northern Ireland, a tenant having similar rights as an assured shorthold tenant), have a limited right to security of tenure in that although an order for possession must be made against the tenant (provided, in certain cases, prescribed notices have been served) it cannot take effect earlier than six months after the beginning of the tenancy in the case of a periodic tenancy, or, in the case of a fixed term tenancy, before the expiry of the fixed term unless the tenant fails to keep to the provisions of the tenancy agreement.

Where the tenant is other than an individual, an order for possession cannot take effect before the expiry of the fixed term unless the tenant fails to keep to the provisions of the tenancy agreement.

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

(d) **Obtaining possession of owner occupied English Mortgage Properties**

In relation to an Owner Occupied Mortgage in England and Wales there are two means of obtaining possession of the property for this purpose: first, by taking voluntary surrender, and secondly, by obtaining a court order.

If a mortgagee takes physical possession it will, as mortgagee in possession, have an obligation to account to the Borrower for the realisation proceeds obtained from the property, be liable for any

damage to the property, have a limited liability to repair the property and, in certain circumstances, may be obliged to make improvements.

Actions to obtain a court order for possession are regulated by statute and the courts have certain powers to adjourn possession proceedings, to stay any possession order or postpone the date for delivery of possession (sometimes referred to as suspended possession orders). The court will exercise such powers in favour of a Borrower, broadly, where it appears to the court that such Borrower is likely to be able, within a reasonable period, to pay any sums due under the Mortgage or to remedy any default consisting of a breach of any other obligation arising under or by virtue of the Mortgage. The court has a very wide discretion and may adopt a sympathetic attitude towards a Borrower faced with eviction.

The pre-action protocol for repossessions based on Mortgage arrears in respect of residential property in England and Wales came into force on 19 November 2008 and 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 is subject to the wishes of the relevant Borrower and may not apply in cases of fraud. The protocol is addressed to residential mortgage lenders and may have adverse effects in markets experiencing above average levels of possession claims.

A further pre-action protocol for debt claims came into force on 1 October 2017 and applies to any business when claiming payment of a debt from an individual. That pre-action protocol encourages early and reasonable engagement between parties and aims to allow parties to resolve the matter without the need to start court proceedings. Such out of court proceedings would include discussing a reasonable payment plan or considering the use of alternative dispute resolution.

If a possession order in favour of the relevant mortgagee is granted, it may be suspended to allow the Borrower more time to pay.

(e) **Sale of Mortgage Property following possession**

Once possession of the property has been obtained, the relevant mortgagee has a duty to the Borrower to take reasonable care to obtain the best price reasonably obtainable at the time for the property. Any failure to do so will put the relevant mortgagee at risk of an action for breach of such duty by the Borrower, although it is for the Borrower to prove breach of such duty.

There is also a risk that a Borrower may also take court action to force the relevant mortgagee to sell the property within a reasonable time. The net proceeds of sale of the Mortgage Property (after payment of the costs and expenses of the sale) would be applied against the sums owing from the Borrower to the extent necessary to discharge the Mortgage.

(f) **Obtaining possession of Northern Irish Mortgage Properties**

If a Series includes and Northern Irish Mortgages, the relevant Series Note Final Terms or, as applicable, the relevant Series Prospectus will include a summary of some aspects relevant to enforcement action in respect of Northern Irish Mortgages.

7.11.6 **Aspects of enforcement relating to Scottish Mortgages**

Each Scottish Mortgage (if any) in the relevant Series Portfolio is secured over the relevant Mortgage Property by way of a standard security, being the only means of creating a fixed charge or security over heritable property (i.e. land or buildings) in Scotland. In respect of Scottish Mortgages, references in the Disclosure Documents to a 'mortgage' and a 'mortgagee' are to be read as references to such a standard security and the heritable creditor (being the technical term under Scots law for mortgagee) thereunder, respectively.

(a) **Variation of Standard Conditions to conform certain aspects to position under English Mortgages**

A statutory set of **Standard Conditions** is automatically imported into all standard securities, although the majority of these Standard Conditions may be varied by agreement between the parties. Most lenders in the residential mortgage market vary and extend the Standard Conditions by way of a 'Deed of Variations', the terms of which are in turn imported into each Scottish Mortgage. Except to the extent indicated otherwise in the relevant Series Prospectus, each Series Portfolio Originator has executed a Deed of Variations of Standard Conditions with a view to conforming as far as possible the terms of its Scottish and English Mortgages from an operational viewpoint (subject to such limitations as are inherent to the differences between Scots and English law).

(b) **Standard Conditions not varied in relation to enforcement and redemption**

The main provisions of the Standard Conditions which cannot be varied by agreement relate to enforcement and redemption. Generally, where a breach by a Borrower entitles the lender to require repayment an appropriate statutory notice must first be served.

Firstly, the lender may serve a 'calling up notice' with which the Borrower has two months to comply, failing which the lender may enforce its rights under the standard security by sale or the other remedies provided by statute. Subject to the requirements of the Home Owner and Debtor Protection (Scotland) Act 2010 (the 2010 Act), Part 1 of which contains provisions imposing additional requirements on heritable creditors in relation to the enforcement of standard securities over residential property in Scotland. 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 and, 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.

Alternatively, in the case of remediable breaches, the lender may serve a 'notice of default', in which event the Borrower has only one month in which to comply, but also has the right to object to the notice by court application within 14 days of the date of service.

In contrast to the position in England and Wales, a heritable creditor has no power to appoint a receiver under a standard security.

(c) **Obtaining possession of tenanted Mortgage Properties**

As indicated in 4.2.4(b) *Risk of having to sell Mortgage Property with sitting tenants*, a lender or security-holder may not be able to obtain vacant possession if it wishes to enforce its security unless one of the specific eviction grounds under the Private Housing (Tenancies) (Scotland) Act 2016 applies and the First Tier Tribunal exercises its discretion accordingly. It should be noted though that one of the grounds on which an eviction order can be sought is that a lender or security-holder intends to sell the property and requires the tenant to leave the property in order to dispose of it with vacant possession.

(d) **Rents in respect of tenanted Mortgage Properties**

The heritable creditor under a standard security is not entitled to recover the rents payable in respect of a Scottish Mortgage Property until either it has called up the relevant standard security (and the two month period of notice has expired) or it has been granted a court decree entitling the heritable creditor to recover the rents.

(e) **Grantor's statutory right to redeem a standard security after 20 years**

Under Section 11 of the Land Tenure Reform (Scotland) Act 1974 the grantor of any standard security over residential property has an absolute right, on giving appropriate notice, to redeem that standard security once it has subsisted for a period of 20 years, subject only to the payment of certain sums specified in Section 11 of that Act. The specified sums consist essentially of the principal monies advanced by the lender, interest thereon and expenses incurred by the lender in relation to that standard security.

7.12 Mortgage regulation in the United Kingdom**7.12.1 UK regulatory regimes in relation to Mortgages**(a) **Regulated mortgage contracts**

The main regulatory regime in the United Kingdom, in respect of which the Financial Conduct Authority (the **FCA**) is the regulator, relates to 'regulated mortgage contracts' (each an **MCOB Mortgage**) for the purposes of the FSMA. Subject to certain exemptions, a mortgage loan contract will be an MCOB Mortgage if:

- the Borrower is an individual or trustee;
- the contract provides for the obligation of the borrower to repay to be secured by a mortgage (whether or not it is a first ranking mortgage and whether or not it is a legal or equitable mortgage):
 - in relation to a contract entered into before 23:00 on 31 December 2020, land in the United Kingdom or within the territory of an EEA state, and
 - in relation to a contract entered into on or after 23:00 on 31 December 2020, land in the United Kingdom; and
- at least 40% of that land is used, or is intended to be used in the case of credit provided:

- to an individual, as or in connection with a dwelling; or
- to a trustee who is not an individual, as or in connection with a dwelling by an individual who is a beneficiary of the trust, or by a related person. 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.

In the context of the Programme, the main example of an MCOB Mortgage is an Owner Occupied Mortgage that is also an Individual Mortgage. In contrast, a Mortgage which is a Buy to Let Mortgage where the Borrower is acting as a business, a Consumer Buy to Let Mortgage and/or a Corporate Mortgage (unless the company is acting as a trustee) is not an MCOB Mortgage.

(b) **Regulatory regime for Consumer Buy to Let Mortgages**

Another regulatory regime in the United Kingdom, in respect of which the FCA is the regulator, came into effect on 21 March 2016 and relates to 'consumer buy-to-let mortgage contracts' (each a **Consumer Buy to Let Mortgage**) for the purposes of the Mortgage Credit Directive Order 2015 (**MCD Order**) which implemented certain aspects of Directive 2014/17/EU (known as the Mortgage Credit Directive, **MCD**) in the United Kingdom. This is a separate regime and Consumer Buy to Let Mortgages are not regulated by the FSMA (although some parts of the FCA Handbook apply to Consumer Buy to Let Mortgages). These facilities are subject to separate conduct of business requirements set out in the MCD Order.

Subject to certain exemptions, a mortgage loan contract will be a Consumer Buy to Let Mortgage if it is a 'buy-to-let mortgage contract' which is not entered into by the Borrower wholly or predominantly for the purposes of a business carried on, or intended to be carried on, by the Borrower. The MCD Order contains various provisions indicating when a contract is not to be treated as a Consumer Buy to Let Mortgage. The UK Treasury has stated that they would expect Consumer Buy to Let Mortgage activity to represent a small proportion of total Buy to Let Mortgages.

In the context of the Programme, the main example of a Consumer Buy to Let Mortgage is a Buy to Let Mortgage that is also an Individual Mortgage and where the Borrower is acting as a consumer. In contrast, a Mortgage which is any other Buy to Let Mortgage and/or a Corporate Mortgage and/or an Owner Occupied Mortgage is not a Consumer Buy to Let Mortgage.

(c) **Regulated Credit Agreements**

A further regulatory regime in the United Kingdom, in respect of which the FCA is the regulator, relates to 'Regulated Credit Agreements' (each a **Regulated Credit Agreement**) for the purposes of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (as amended) (the **Regulated Activities Order**). A credit agreement is a Regulated Credit Agreement if it is: (1) an agreement between an individual or relevant recipient of credit ('A') and any other person ('B') under which B provides A with credit of any amount; and (2) it is not an exempt agreement (i.e. it does not fall within one of the exemptions in Articles 60C to 60H of the Regulated Activities Order). A relevant recipient is defined to include partnerships consisting of two or three persons not all of whom are bodies corporate and unincorporated bodies of persons which do not consist entirely of bodies corporate and are not partnerships. There is a specific exemption for credit agreements in respect of Buy to Let Mortgages.

Chapter 14A of Part 2 of the Regulated Activities Order carves out MCOB Mortgages from regulation as Regulated Credit Agreements. However, any credit agreement intended to be an MCOB Mortgage under the FSMA might instead be wholly or partly regulated as a Regulated Credit Agreement under the Regulated Activities Order and the Consumer Credit Act 1974 (**Consumer Credit Act**) or treated as such, or unregulated, and any credit agreement intended to be a Regulated Credit Agreement or treated as such, or unregulated, might instead be an MCOB Mortgage under the FSMA, because of technical rules on (1) determining whether the credit agreement or any part of it falls within the definition of an MCOB Mortgage and (2) changes to credit agreements. If an agreement that was intended to be an MCOB Mortgage, a Consumer Buy to Let Mortgage or an unregulated Mortgage and is treated instead as wholly or partly regulated as a Regulated Credit Agreement, it will be unenforceable as it will not comply with the prescribed requirements applicable to Regulated Credit Agreements. That said, in the context of the Programme, a Series Portfolio is not expected to include any Regulated Credit Agreements (see 7.5.2 *Series Portfolio Warranties*).

7.12.2 Certain regulated activities in relation to Mortgages

(a) Main regulated activities in relation to MCOB Mortgages and Consumer Buy to Let Mortgages

Subject to any exemption, persons carrying on, by way of business:

- specified regulated activities related to MCOB Mortgages must be authorised by the FCA under the FSMA; or
- specified regulated activities relating to Consumer Buy to Let Mortgages must be registered with the FCA under the MCD Order.

In the context of the Programme, the relevant specified activities currently are:

- entering into an MCOB Mortgage or, as applicable, a Consumer Buy to Let Mortgage as lender;
- administering an MCOB Mortgage or, as applicable, a Consumer Buy to Let Mortgage (administering in this context means notifying borrowers of changes in mortgage payments and/or collecting payments due under the Mortgage);
- advising on an MCOB Mortgage or, as applicable, a Consumer Buy to Let Mortgage; and
- arranging an MCOB Mortgage or, as applicable, a Consumer Buy to Let Mortgage.

Agreeing to carry on any of these activities is also a regulated activity.

(b) Certain exclusions to regulated activities

The Regulated Activities Order and, as applicable, the MCD Order sets out certain exclusions to these provisions. Among other things, these exclusions state that a person who is not an authorised person does not carry on the regulated activity of administering an MCOB Mortgage or, as applicable, a Consumer Buy to Let Mortgage where that person:

- arranges for another person, being an authorised person with permission to carry on an activity of that kind, to administer the contract; or
- administers the contract himself during a period of not more than one month beginning with the day on which any such arrangement comes to an end.

(c) Consequence of regulated mortgage-related activity by an unauthorised person

If requirements as to, among other things, authorisation of lenders and brokers are not complied with, an MCOB Mortgage or, as applicable, a Consumer Buy to Let Mortgage will be unenforceable against the Borrower except with the approval of a court and the unauthorised person performing the regulated activity will commit a criminal offence.

An unauthorised person who carries on a regulated mortgage-related activity of administering or advising in respect of an MCOB Mortgage or, as applicable, a Consumer Buy to Let Mortgage that has been validly entered into may commit an offence, although this will not render the MCOB Mortgage or, as applicable, Consumer Buy to Let Mortgage unenforceable against the Borrower.

(d) Issuer's arrangements in respect of regulated mortgage-related activities

The Issuer will not need to be an authorised person under the FSMA in order to acquire legal or beneficial title to an MCOB Mortgage or, as applicable, a Consumer Buy to Let Mortgage. The Issuer does not itself propose to be an authorised person under the FSMA or a registered person under the MCD Order.

The Issuer will not carry on the regulated activity of administering MCOB Mortgages or, as applicable, Consumer Buy to Let Mortgages. Such Mortgages are to be administered pursuant to an administration agreement by an entity having the required FCA authorisation and permission or, as applicable, registration. If such administration agreement terminates, the Issuer will have to arrange for mortgage administration to be carried out by a replacement administrator having the required FCA authorisation and permission or, as applicable, registration. The Series Mortgage Servicer will undertake in the relevant Series Mortgage Services Agreement to have and maintain the required FCA authorisation and permission or, as applicable, registration to administer Mortgages in the Series Portfolio. The Series Mortgage Services Agreement will also provide that the appointment of the relevant Series Mortgage Servicer may be terminated if at any time that Series Mortgage Servicer (as the case may be) does not have any authorisation and permission or, as applicable, registration under the FSMA or, as applicable, MCD Order which it is required to have in order to perform the services which it has agreed in the Series Mortgage Services Agreement to perform. See further 8.2 *Series Mortgage Services*.

In particular, where compliance by a Series Mortgage Servicer relating to a Series with its obligations as contemplated in the relevant Series Mortgage Services Agreement relating to that Series would involve the Series Mortgage Servicer carrying on a regulated activity for the Issuer and the Issuer does not have the relevant authorisation and permission or, as applicable, registration under the FSMA or, as applicable, MCD Order at the appropriate time under the FSMA to carry on that regulated activity, then the Series Portfolio Legal Title Holder will agree to perform that regulated activity on behalf of the Issuer and to instruct that Series Mortgage Servicer to perform such obligations on behalf of the Series Portfolio Legal Title Holder (instead of the Issuer) as contemplated in that Series Mortgage Services Agreement (and/or, as applicable, the Series Portfolio Sale Agreement or, if any, the Series Portfolio Previous Purchase Agreement) regarding the performance of such regulated activities in such circumstances.

Unless indicated otherwise in the relevant Series Prospectus, pursuant to the relevant Series Portfolio Sale Agreement or, as applicable, the relevant Series Portfolio Purchase Agreement, the Series Portfolio Legal Title Holder will undertake to have and maintain the relevant authorisation and permission or, as applicable, registration under the FSMA or, as applicable, MCD Order as required for such arrangements while it holds legal title in respect of the relevant Mortgages in the relevant Series Portfolio (see 7.4.1 *Series Portfolio Legal Title Holder*).

The powers of attorney referred to in 7.4.4 *Security powers of attorney pending perfection of title* may be used to instruct that Series Mortgage Servicer to perform such obligations in respect of that regulated activity on behalf of the Series Portfolio Legal Title Holder (instead of the Issuer) as contemplated in that Series Mortgage Services Agreement regarding the performance of the relevant regulated activity in such circumstances.

(e) **Regulated activities in relation to Regulated Credit Agreements**

Entering into a Regulated Credit Agreement as lender is a regulated activity, requiring authorisation and permission from the FCA. It is also a regulated activity for the lender or another person to exercise, or to have the right to exercise, the lender's rights and duties under a Regulated Credit Agreement. Persons authorised by the FCA to carry on these regulated activities (including persons holding an FCA interim permission) must comply with the conduct of business rules in the FCA's Consumer Credit Sourcebook (known as CONC) and the Consumer Credit Act. The Issuer does not have or expect to have any arrangements in relation to regulated activities relating to Regulated Credit Agreements as it is expected that no Series Portfolio will include any Regulated Credit Agreements.

7.12.3 **Certain regulatory requirements in relation to Mortgages**

(a) **Mortgages Conduct of Business Sourcebook**

A person who carries on a regulated activity in relation to an MCOB Mortgage is subject to the requirements in the FCA's Mortgages and Home Finance: Conduct of Business Sourcebook (**MCOB**) and certain other parts of the FCA Handbook. These requirements relate to a wide range of activities and circumstances throughout the life cycle of an MCOB Mortgage including, without limitation:

- marketing activities and promotions in relation to certain types of Mortgages,
- the type, layout and content of information, disclosures, communications and warnings to be provided to a Borrower or prospective Borrower and the time such information is to be provided (pre-contract, start-of-contract and post-contract),
- the assessment of creditworthiness of each Borrower and the affordability of the Mortgage for the particular Borrower (including verifying income in all cases),
- undertaking stress tests to ensure mortgages remain affordable when interest rates increase,
- the role of intermediaries in the marketing and origination process,
- any ancillary financial products and/or services connected to or packaged with the Mortgage,
- the type and rate of fees and charges that can be applied to a Borrower,
- prepayment and redemption of the Mortgage,
- the right of the Borrower to make early repayment of the Mortgage,
- dealing with arrears and enforcement of the Mortgage,
- dealings with Borrowers, in particular treating each Borrower fairly at all times in relation to all aspects, and

- the administration of the Mortgage, including, without limitation, variation of terms of the Mortgage and changes to the interest rate.

MCOB and other rules relating to MCOB Mortgages and associated regulated activities are subject to ongoing review and amendments (including, without limitation, to implement requirements of the MCD and the Mortgage Market Review launched by the Financial Services Authority in 2009).

A Borrower who is a private person is entitled to claim damages for loss suffered as a result of any contravention by an authorised person of an FCA rule and may be able set-off the amount of the claim against the amount owing by the Borrower under a Mortgage. See further 4.2.6 *Set-off may adversely affect the return on the Notes and DCIs*.

(b) **Mortgage Further Advances and Mortgage Variations**

It is possible that the provision of a Mortgage Further Advance under a Mortgage or a Mortgage Variation (if and when permitted in relation to a Series, see 7.8 *Mortgage Variations* and 7.9 *Further advances in respect of the Mortgages*) could, depending on the circumstances in which it is made, constitute a new MCOB Mortgage being entered into. It will be a condition to the making or purchase of a Mortgage Further Advance or the making of a Mortgage Variation in respect of a Mortgage that either:

- the making of that variation or making or purchase of that advance (as the case may be) will not involve the Issuer, the Series Mortgage Servicer or the Series Portfolio Legal Title Holder carrying on a regulated activity in the United Kingdom; or
- if the making of that variation or making or purchase of that advance (as the case may be) would involve the Issuer, the Series Mortgage Servicer and/or the Series Portfolio Legal Title Holder carrying on a regulated activity in the United Kingdom, then the arrangements summarised in 7.12.2(d) *Issuer's arrangements in respect of regulated mortgage-related activities* would satisfy the applicable regulatory requirements.

Where a Borrower applies for a Mortgage Further Advance or a Mortgage Variation in respect of an existing Mortgage in a Series Portfolio and that existing Mortgage has been originated using the forms of origination documentation used by a Series Portfolio Originator who is not the person who then holds the legal title to that existing Mortgage (being either the Series Portfolio Legal Title Holder or the Series Portfolio Seller as described in 7.4 *Title to the Series Portfolios*), and the application is to be approved by or on behalf of the Issuer, then that Mortgage Further Advance or Mortgage Variation (as appropriate) may be effected by remortgaging that existing Mortgage with the result that such existing Mortgage is replaced by a new Mortgage originated using the forms of origination documentation used by such person who is then the Series Portfolio Legal Title Holder but where, in the case of a Mortgage Further Advance, such new Mortgage is to have an initial principal balance equal to the final balance of the replaced Mortgage plus the amount of the relevant Mortgage Further Advance.

Where a Mortgage Further Advance or a Mortgage Variation is to be made in respect of an existing Mortgage in a Series Portfolio, the Series Mortgage Servicer relating to the Series will agree under the Series Mortgage Services Agreement to give notice to the Series Portfolio Legal Title Holder and the Series Portfolio Legal Title Holder will agree under the Series Portfolio Sale Agreement, the Series Mortgage Services Agreement or, as applicable, Series Portfolio Previous Purchase Agreement to repurchase the relevant existing Mortgage from the Issuer within a specified period following receipt of such notice in consideration for the Issuer simultaneously purchasing the replacement Mortgage from the Series Portfolio Legal Title Holder plus, in the case of a Mortgage Further Advance, the Issuer paying to the Series Portfolio Legal Title Holder an amount equal to the Mortgage Further Advance.

(c) **Consumer Buy to Let Mortgage framework and conduct standards**

As well as setting out the regulatory framework for Consumer Buy to Let Mortgages, the MCD Order 2015 also establishes a set of conduct standards (based on MCD articles) that will apply to a firm conducting broking or lending activity with a buy-to-let consumer. In addition to the conduct standards in the MCD Order 2015, firms carrying on Consumer Buy to Let Mortgage activities have to comply with some parts of the FCA Handbook. The main areas of the Consumer Buy to Let Mortgage regime relate to: registration requirements; fees; aggregate data reporting; complaints and redress; supervision and enforcement.

(d) **Distance marketing of financial services**

The Financial Services (Distance Marketing) Regulations 2004 (the **Distance Marketing Regulations**) apply to, among other things, credit agreements entered into on or after 31 October 2004 by means of distance communication (i.e. without any substantive simultaneous physical presence of the originator

and the borrower). The Distance Marketing Regulations and MCOB require suppliers of financial services by way of distance communication to provide certain information to consumers before the consumer is bound by a distance contract, including amongst other things, general information in respect of the supplier and the financial service, contractual terms and conditions and whether or not there is a right of cancellation.

In general, consumers who enter into credit agreements by means of a distance communication will have a right to cancel the agreement during specified periods after the commencement of the contract if the consumer does not receive the prescribed information at the prescribed time. An MCOB Mortgage and a Consumer Buy to Let Mortgage will not be cancellable under the Distance Marketing Regulations but will be subject to related pre-contract disclosure requirements in MCOB (in the case of an MCOB Mortgage) and the MCD Order (in the case of a Consumer Buy to Let Mortgage).

Certain other credit agreements will be cancellable under the Distance Marketing Regulations, if the borrower does not receive prescribed information at the prescribed time, or in any event for certain unsecured lending. Where the credit agreement is cancellable under the Distance Marketing Regulations, the borrower may send notice of cancellation under the Distance Marketing Regulations at any time before the expiry of fourteen days beginning with (1) the day after the day on which the cancellable agreement is made (where all of the prescribed information has been provided prior to the contract being entered into); or (2) the day after the day on which the last of the prescribed information is provided (where all the prescribed information was not provided prior to the cancellable agreement being entered into). If the borrower cancels the credit agreement under the Distance Marketing Regulations, then: (a) the borrower is liable to repay the principal and any other sums paid by or on behalf of the lender to the borrower under or in relation to the cancelled agreement, within 30 calendar days of cancellation, beginning with the day of the borrower sending notice of cancellation or, if later, the originator receiving notice of cancellation; (b) the borrower is liable to pay interest, or any early repayment charge or other charge for credit under the cancelled agreement, only if the borrower received certain prescribed information at the prescribed time and if other conditions are met; and (c) any security provided in relation to the contract is treated as never having had effect in respect of the cancelled agreement.

Compliance with the Distance Marketing Regulations may be secured by way of injunction (interdict in Scotland), granted on such terms as the court thinks fit to ensure such compliance, and certain breaches of the regulations may render the supplier or intermediaries (and their respective relevant officers) liable to a fine. Failure to comply with MCOB rules relating to distance communications or, as applicable, the MCD Order could result in disciplinary action by the FCA and a possible claim by a Borrower who is a private person for loss suffered as a result of any such contravention by an authorised/registered person of a regulatory rule and such Borrower may be able set-off the amount of the claim against the amount owing by the Borrower under a Mortgage (see further 4.2.6 *Set-off may adversely affect the return on the Notes and DCIs*).

(e) **Consumer Protection from Unfair Trading Regulations 2008**

The Consumer Protection from Unfair Trading Regulations 2008 (as amended, the **Unfair Trading Regulations**) affect all contracts entered into with consumers (being persons who are natural persons and acting for purposes outside their respective business). Although the Unfair Trading Regulations are not concerned solely with financial services, they do apply (with some exclusions) to Mortgages.

The Unfair Trading Regulations prohibit certain practices which are deemed 'unfair' within the terms of the Unfair Trading Regulations including, but not limited to misleading and aggressive demands for payment and misleading marketing (whether by action or omission).

Under the Unfair Trading Regulations a commercial practice is to be regarded as unfair and therefore prohibited if it is:

- contrary to the standard of special skill and care which a trader may reasonably be expected to exercise towards consumers, commensurate with honest market practice and/or general principles of good faith in the trader's field of activity; and
- materially distorts or is likely to materially distort the economic behaviour of the average consumer (who is reasonably well-informed and reasonably observant and circumspect, and taking into account social, cultural and linguistic factors) who the practice reaches or to whom it is addressed (or where a practice is directed at or is of a type which may affect a particular group of consumers, the average consumer of that group).

In addition to the general prohibition on unfair commercial practices, the Unfair Trading Regulations contain provisions aimed at aggressive and misleading practices (including, but not limited to: (1) pressure selling; (2) misleading marketing (whether by action or omission); and (3) falsely claiming to be a signatory to a code of conduct) and a list of practices which will in all cases be considered unfair.

Breach of the Unfair Trading Regulations does not (of itself) render a Mortgage 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 a Mortgage may result in irrecoverable losses on amounts to which such Mortgage applies (see further 4.2.6 *Set-off may adversely affect the return on the Notes and DCIs*). The Unfair Trading Regulations give consumer Borrowers a right to redress for misleading or aggressive commercial practices (as defined in the Unfair Trading Regulations), including a right to unwind agreements within 90 days of entering into the Mortgage if a misleading or aggressive practice under the Unfair Trading Regulations was a significant factor in the consumer Borrower's decision to enter into the Mortgage. This will apply to any Consumer Buy to Let Mortgages in a Series Portfolio and any debt collection activity with regard to commercial demands for payment.

(f) **Unfair Terms Laws**

The main provisions of the Consumer Rights Act 2015 (the **Consumer Rights Act**) came into force on 1 October 2015 and significantly reform and consolidate consumer law in the United Kingdom. Among other things, the Consumer Rights Act creates a single regime in relation to 'unfair terms' in consumer contracts (including, without limitation, attempts to limit liability for breach of contract) (such regime and such provisions, in each case as applicable to a Mortgage, being the **Unfair Terms Laws**).

An unfair term in 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: take into account the nature of the subject matter of the contract; refer to all the circumstances existing when the term was agreed; and refer to all of the other terms of the contract or any other contract on which it depends.

Schedule 2 of the Consumer Rights Act contains an indicative and non-exhaustive 'grey list' of terms of consumer contracts that may be regarded as unfair. Notably, paragraph 11 lists 'a term which has the object or effect of enabling the trader to alter the terms of the contract unilaterally without a valid reason which is specified in the contract.' Although paragraph 22 provides that this does not include terms 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 consumer contract may not be assessed for fairness to the extent that (1) it specifies the main subject matter of the contract; and/or (2) the assessment is of the appropriateness of the price payable under the contract by comparison with the goods, digital content or services supplied under it; unless it appears on the 'grey list' referenced above. A trader must ensure that a written term of a consumer contract, or a consumer notice in writing, is transparent i.e. that it is expressed in plain and intelligible language and is legible.

Where a term of a consumer contract is 'unfair' it will not bind the consumer. However, the remainder of the contract, will, so far as practicable, continue to have effect in every other respect. Where a term in a consumer contract is susceptible of multiple different meanings, the meaning most favourable to the consumer will prevail. It is the duty of the court to consider the fairness of any given term. This can be done even where neither of the parties to proceedings have explicitly raised the issue of fairness. See 4.5.3 *Risks arising from regulation of contract terms of certain Mortgages*.

(g) **Unfair relationships**

Sections 140A to 140C of the Consumer Credit Act contain an 'unfair relationship' test that applies to all credit agreements other than those which are exempt agreements for the purposes of Chapter 14A of Part 2 of the Regulated Activities Order by virtue of article 60C(2) of that Order (regulated mortgage contracts and regulated home purchase plans). Accordingly, that test does not apply to MCOB Mortgages but does apply to Buy To Let Mortgages and Consumer Buy to Let Mortgages. If the court makes a determination that the relationship between a lender and a borrower is unfair, then it may make

an order, among other things, changing the terms of the Mortgage and/or requiring the originator, or any assignee such as the Issuer, to repay amounts received from such borrower.

In applying the 'unfair relationship' test, the courts are able to consider a wider range of circumstances surrounding the transaction, including the creditor's and the lender's conduct before and after making the agreement. There is no statutory definition of the word 'unfair' in the Consumer Credit Act as the intention is for the test to be flexible and subject to judicial discretion and it is therefore difficult to predict whether a court would find a relationship 'unfair'. However, the word 'unfair' is a familiar term in UK legislation due to the Unfair Terms Laws (see 7.12.3(f) *Unfair Terms Laws*). The courts may, but are not obliged to, look solely to the Consumer Credit Act for guidance. The principle of 'treating customers fairly' under the FSMA and regulatory guidance on that principle may also be relevant. Under the 'unfair relationship' regime, once the debtor alleges that an 'unfair relationship' exists, the burden of proof is on the creditor to prove the contrary. A November 2014 Supreme Court judgment has clarified that compliance with the relevant regulatory rules by the creditor (or a person acting on behalf of the creditor) does not preclude a finding of unfairness, as a wider range of considerations may be relevant to the fairness of the relationship that those which would be relevant to the application of the rules.

In June 2022, H.M. Treasury announced its intention to reform the Consumer Credit Act. It subsequently published a consultation paper on 9 December 2022 which aimed to gather views on the ways in which the Consumer Credit Act might be reformed and its provisions implemented through the FCA's rules. In its response to the consultation published in July 2023, H.M. Treasury confirmed that the reform will aim to be proportionate, aligned with current and future regulatory frameworks, forward-looking, deliverable and simplified, and that H.M. Treasury will consult further on the detail of the reforms in 2024. It is not possible to predict how a change to this area of law and regulation may impact the rules laid out above, or what impact, if any, a change in those rules may have on the regulatory treatment, enforcement and income derived from the Loans, and the ability of the Issuer to satisfy its obligations.

(h) **Consumer Duty**

The FCA has published final rules on the introduction of a new consumer duty on regulated firms (the **Consumer Duty**), 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 came into effect 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.

There are three main elements to the new Consumer Duty, comprising a new consumer principle, that 'a firm must act to deliver good outcomes for retail customers', cross-cutting rules supporting the consumer principle, and four outcomes, relating to the quality of firms' products and services, price and value, consumer understanding and consumer support.

The Consumer Duty applies not only at origination of a product but throughout its subsistence (so in the case of a mortgage loan, throughout the period the mortgage loan is outstanding). The cross-cutting rules include an obligation to avoid causing foreseeable harm to the consumer and the outcomes include an obligation to ensure that the product (for example, a mortgage loan) provides fair value to the retail customer. These obligations (as with the remainder of the Consumer Duty) must be assessed on a regular basis throughout the life of the product.

The Consumer Duty applies in respect of MCOB Mortgages (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 firms administering or servicing those mortgage loans. Although the Consumer Duty does not apply retrospectively, the FCA will require firms to apply the Consumer Duty to existing products on a forward-looking basis.

The FCA may further seek redress for customers who have suffered losses resulting from a firm's breach of the Consumer Duty. Under Section 384 of FSMA, the FCA has the power to require restitution if it is satisfied that a firm has contravened a relevant requirement (including requirements under the Consumer Duty), or has been knowingly concerned in the contravention of such a requirement, where the firm has made a profit as a result of the contravention or one or more persons have suffered loss or been otherwise adversely affected as a result of the contravention.

The FCA's guidance states that the Consumer Duty does not apply to unregulated buy to let mortgage loans but there are some circumstances in which the Consumer Duty would apply to the servicing of buy to let loans.

The industry is still navigating the post-implementation guidance/narrative from the FCA, whilst continuing to deliver the requirements for closed books (due by 31st July 2024) and, therefore, it is not yet possible to predict the precise effect of the new Consumer Duty on the Loans with any certainty.

(i) **Further protections for Borrowers, including response to the cost of living crisis**

(1) *Mortgages Tailored Support Guidance*

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 (as amended and supplemented from time to time, 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.

(2) *Guidance for firms supporting their existing mortgage borrowers impacted by the rising cost of living*

On 10 March 2023, the FCA published finalised guidance: *Guidance for firms supporting their existing mortgage borrowers impacted by the rising cost of living* (FG23/2). 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 (and that the Tailored Support Guidance remains also relevant in the case of borrowers in financial difficulty due to the rising cost of living). The FCA have said that the guidance clarifies the effect of their existing rules and principles and is not intended to set new expectations or requirements of lenders or to repeat the position set out in other documents such as the expectations around repossessions or the treatment of vulnerable customers. It explains how lenders can support borrowers in, or at risk of, payment difficulty and confirms the flexibility lenders have under FCA rules and guidance to support borrowers in different ways.

In March 2021, the FCA stated that as the more immediate impacts of coronavirus had begun to subside, they were considering whether they should make any permanent changes to their forbearance regimes for mortgages and credit in light of the Mortgages Tailored Support Guidance. It was proposed that this could include updating the rules and guidance in MCOB and incorporating elements of the Mortgages Tailored Support Guidance. On 25 May 2023, the FCA launched consultation CP23/13 setting out how they planned to incorporate aspects of the Mortgages Tailored Support Guidance into MCOB and withdraw the Mortgages Tailored Support Guidance.

On 10 April 2024, the FCA published PS24/2: *Strengthening protections for borrowers in financial difficulty: Consumer credit and mortgages* and the related Consumer Credit and Mortgages (Tailored Support) Instrument 2024 (FCA 2024/7). It also published FG24/2: *Guidance for firms supporting existing mortgage borrowers impacted by rising living costs*. The FCA have stated that they want to build on the Mortgages Tailored Support Guidance and provide a stronger framework for lenders to protect customers facing payment difficulties, they are doing this by

incorporating relevant aspects of the Mortgages Tailored Support Guidance into their Handbook, as well as introducing further targeted changes. For mortgages, the FCA have changed their guidance to allow lenders more scope to capitalise payment shortfalls where appropriate and to improve disclosure for all customers in payment shortfall. The new rules will come into force on 4 November 2024 and the Mortgages Tailored Support Guidance will be withdrawn at that time.

(3) *Mortgage Charter*

On 26 June 2023, 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**). 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 residential mortgage borrowers worried about high interest rates. The Mortgage Charter provides 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. Lenders that have signed the Mortgage Charter have also agreed to provide well-timed information and support for customers on switching to a new mortgage deal, including the ability to secure a new rate up to six months before their current fixed rate deal ends. In addition, lenders will permit borrowers who are up to date with their payments to: (a) switch to interest- only payments for six months; and/or (b) extend their mortgage term to reduce their monthly payments with the option to revert to their original term within six months by contacting their lender. 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 from 30 June 2023, the FCA amended the MCOB to allow (rather than require) lenders to give effect to the provisions in the Mortgage Charter. These changes enable lenders to offer support mechanisms set out in the Mortgage Charter even though such lenders were not original signatories to the Mortgage Charter. The amendments made by the FCA to MCOB do not apply to buy-to-let mortgages. As at the date of this Prospectus, it is not possible to predict how many Borrowers will seek to avail of the measures outlined in MCOB and whether it is appropriate in all cases to apply such measures to the Loans of such Borrowers. Therefore it is not possible to determine the impact that the new measures may have on the timing and amounts of payments in respect of the Loans.

The FCA has separately indicated in its Policy Statement PS23/8 that firms (including mortgage lenders and administrators) will also need to meet expectations set out under the 'consumer understanding' outcome which forms part of the Consumer Duty (see 7.12.3(h) *Consumer Duty* above). Firms will need to make sure customers understand the features, costs, and benefits of the option they choose. This extends the principles of the Mortgage Charter to other UK mortgage lenders, including those that are not direct signatories to the Mortgage Charter. The Mortgage Charter is currently voluntary and adhering to it will be a decision for lenders to make individually. The FCA announced that it intends to review the impact of the rule changes within 12 months. The FCA published updated data in June 2024.

(4) *Breathing Space Regulations*

The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 (the **Breathing Space Regulations**) (which came into force in England and Wales on 4 May 2021) gives eligible individuals in England and Wales with problem debt the right to legal protection from their creditors, including almost all enforcement action, during a period of 'breathing space'. A standard breathing space will give an individual with problem debt legal protection from creditor action for up to 60 days to receive debt advice; and a mental health crisis breathing space will give an individual protection from creditor action for the duration of their mental health crisis treatment (which is not limited in duration) plus an additional 30 days following the end of such treatment.

However, the Breathing Space Regulations do not apply to mortgages, except for arrears which are uncapitalised at the date of the application under the Breathing Space Regulations. Interest can still be charged on the principal secured debt during the breathing space period, but not on the arrears. Any mortgage arrears incurred during any breathing space period are not protected from creditor action. The Borrower must continue to make mortgage payments in respect of any mortgage secured against their primary residence (save in respect of arrears accrued prior to the

moratorium) during the breathing space period, otherwise the relevant debt adviser may cancel the breathing space period.

In February 2021, the FCA issued a policy statement (PS21/1) on the application of the Breathing Space Regulations, in which they confirm that no changes are currently being made to the rules under MCOB, in relation to how mortgage lenders should treat a 'breathing space' as an indicator of payment difficulties. The FCA's view is that this is something that firms should take into account, but should not be treated more specifically than other potential indicators of payment difficulties.

In Scotland, eligible individuals are afforded similar legal protection under the Bankruptcy (Scotland) Act 2016 although the moratorium period of 6 months is longer than in England and Wales and does not make any accommodation for mental health crisis. The Scottish Government has however introduced The Bankruptcy and Diligence (Scotland) Bill, which was passed by the Scottish Parliament on 6 June 2024 (and is anticipated to come into force in the second half of 2024), when 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.

7.12.4 **Financial Ombudsman Service**

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

Complaints properly brought before the Ombudsman for consideration must be decided on a case-by-case basis, with reference to the particular facts of any individual case. Each case would first be adjudicated by an adjudicator. Either party to the case may appeal against the adjudication. In the event of an appeal, the case proceeds to a final decision by the Ombudsman. See 4.5.3 *Risks arising from regulation of contract terms of certain Mortgages*.

8. Provision of services to the Issuer

8.1 Overview of provision of services to the Issuer

The Issuer is a special purpose company and does not have any employees (see 6.3 *Office holders and employees*). As described in this section, the Issuer either has or will enter into agreements under which it will engage service providers to provide certain services in connection with the Issuer's business and the Programme.

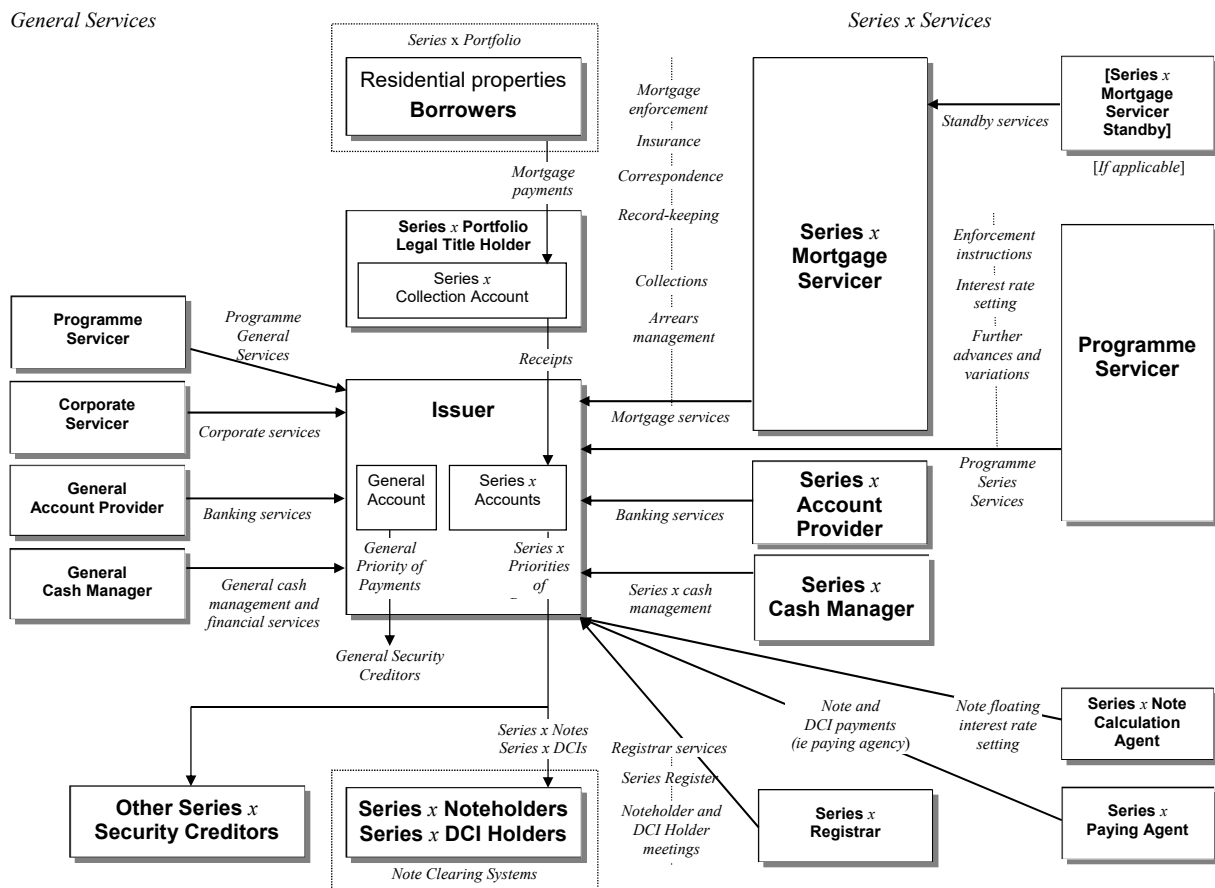
8.1.1 General Services

The **General Services** comprise the Corporate Services, the Programme General Services, the General Account Services, the General Cash Management Services and any General Additional Services. Each person who agrees to provide General Services is referred to as a **General Servicer** and each agreement pursuant to which such person agrees to provide the relevant General Services is referred to as a **General Services Agreement**.

8.1.2 Series Services

The **Series Services** comprise, in relation to a Series, the Series Mortgage Services, (if applicable) the Series Mortgage Servicer Standby Services, the Programme Series Services, the Series Account Services, the Series Cash Management Services, the Series Note Services and any Series Additional Services, in each case, relating to that Series. Each person who agrees to provide Series Services is referred to as a **Series Servicer** and each agreement pursuant to which such person agrees to provide the relevant Series Services is referred to as a **Series Services Agreement**.

The following diagram is intended to provide an overview of some aspects of the structure for the provision of services to the Issuer (showing, for illustration, the Series Services for one Series and the General Services):



8.2 Series Mortgage Services

8.2.1 Appointment of Series Mortgage Servicers under Series Mortgage Services Agreements

In relation to each Series, the Issuer, the Programme Servicer, the Security Trustee, the Series Note Trustee, the Series Mortgage Servicer, the Series Portfolio Seller and the Series Portfolio Legal Title Holder will enter into the Series Mortgage Services Agreement indicated in the relevant Series Note Final Terms or, as

applicable, in section E *Series Portfolio and Series Mortgage Services* in the relevant Series Prospectus (each a **Series Mortgage Services Agreement**) pursuant to which the person indicated in the relevant Series Note Final Terms or, as applicable, in C.1 *Table of Transaction Parties* in that Series Prospectus as being the Series Mortgage Servicer (the **Series Mortgage Servicer** which expression shall include any person appointed as its replacement) will agree to provide Series Mortgage Services in relation to that Series. Each Series Prospectus will contain summary details of the Series Mortgage Servicer in respect of the relevant Series as at the date of that Series Prospectus.

Section H *Series triggers tables* in the relevant Series Prospectus will provide details as to the circumstances in which the Series Mortgage Servicer can resign and/or in which its appointment can be terminated.

8.2.2 Overview of Series Mortgage Services

In relation to a Series, the services (being the **Series Mortgage Services**) to be performed by the Series Mortgage Servicer under the relevant Series Mortgage Services Agreement include:

- administering the Mortgages in the Series Portfolio in accordance with the Series Mortgage Services Issuer Policies (see 7.11.1 *Series Mortgage Services Issuer Policies*);
- taking all reasonable steps to recover all sums due to the Issuer in respect of the Series Portfolio, including, without limitation, by the institution of proceedings and/or the enforcement of any relevant Mortgage;
- taking all steps for and on behalf of the Series Portfolio Legal Title Holder and the Issuer to ensure that the Series Portfolio Legal Title Holder and the Issuer fully perform and comply with all legal and regulatory requirements applicable to the administration and servicing of the Series Portfolio;
- dealing in the Series Portfolio Legal Title Holder's name with all communications, administrative matters, collections, recovery of payments and enforcement in respect of Mortgages in the Series Portfolio;
- monitoring, operating and carrying out reconciliations in relation to the Series Collection Account in relation to the Series in accordance with the Series Collection Account Agreement and Series Collection Account Trust Deed;
- administering, receiving and disbursing monies in relation to Mortgages in the Series Portfolio;
- maintaining mortgage accounts for each Mortgage Loan comprised in the Series Portfolio and making all relevant entries and calculations in relation to the Mortgages in the Series Portfolio;
- acting as 'processor' in respect of 'personal data' in relation to Borrowers in compliance with applicable data protection laws;
- providing information and reports to relevant Transaction Parties, including the Programme Servicer, the Security Trustee, the Series Note Trustee and the Series Cash Manager and providing data for inclusion in the Series Investor Information Pack (in particular, regarding the allocation of Mortgage Receipts to Mortgage Principal Receipts, Mortgage Revenue Receipts and so on);
- considering and, in accordance with instructions from the Programme Servicer, administering and documenting, if permitted, the making or purchase of each Mortgage Further Advance in respect of a Mortgage in the Series Portfolio;
- considering and, in accordance with instructions from the Programme Servicer, administering and documenting, if permitted, the making of each Mortgage Variation in respect of a Mortgage in the Series Portfolio;
- administering, in accordance with instructions from the Programme Servicer, the Mortgage Loan Interest Rate Setting Power and make changes to the interest rate in respect of each Mortgage in the Series Portfolio;
- administering, maintaining and taking steps to ensure safe custody and separate identity of the Mortgage records and Mortgage title deeds in respect of each Mortgage in the Series Portfolio; and
- administering the insurances in which either the Issuer and/or the Security Trustee is noted or has an interest (or is treated as noted or having an interest) and which relate to the Series Portfolio,

provided always that the Series Mortgage Servicer shall not be expected or obliged to lend or provide any sum to the Issuer and that the Series Mortgage Servicer shall have no liability whatsoever to the Issuer, the Series Note Trustee, the Security Trustee or any other person for any failure by the Issuer to make any

payment due by it under any of the Transaction Documents (save where the failure to make such payment arises as a result of a breach of the Series Mortgage Servicer's obligations under such Transaction Documents). See further 7.11 *Aspects of servicing the Mortgages*.

The rate of fees payable to the Series Mortgage Servicer in respect of the Series Mortgage Services will be indicated in I *Series fees* in the relevant Series Prospectus.

8.3 Series Mortgage Servicer Standby Services

8.3.1 Appointment of Series Mortgage Servicer Standby

If so indicated in the relevant Series Note Final Terms or, as applicable, in the *Series Mortgage Servicer Standby* section in E *Series Portfolio and Series Mortgage Services* in the relevant Series Prospectus in relation to a Series, the Issuer will enter into each Series Mortgage Servicer Standby Agreement indicated in the relevant Series Note Final Terms or, as applicable, in that section (each a **Series Mortgage Servicer Standby Agreement**) pursuant to which the person indicated in the relevant Series Note Final Terms or, as applicable, in C.1 *Table of Transaction Parties* in the relevant Series Prospectus as being the Series Mortgage Servicer Standby (the **Series Mortgage Servicer Standby** which expression shall include any person appointed as its replacement) will agree to provide Series Mortgage Servicer Standby Services in relation to that Series. Each Series Prospectus will contain summary details of each Series Mortgage Servicer Standby in relation to the relevant Series as at the date of that Series Prospectus.

Section H *Series triggers tables* in the relevant Series Prospectus will provide details as to the circumstances in which the Series Mortgage Servicer Standby can resign and/or in which its appointment can be terminated.

8.3.2 Series Mortgage Servicer Standby Services

In relation to a Series, the services (being the **Series Mortgage Servicer Standby Services**) to be performed by the Series Mortgage Servicer Standby under the relevant Series Mortgage Servicer Standby Agreement include:

- agreeing to provide services equivalent to the relevant Series Mortgage Services to the Issuer and the Security Trustee instead of any Series Mortgage Servicer in the event that the appointment of such Series Mortgage Servicer is terminated and the Issuer or Security Trustee is unable to appoint another person to replace such Series Mortgage Servicer; and
- agreeing to establish and maintain arrangements which can be used to migrate relevant records from such Series Mortgage Servicer to such Series Mortgage Servicer Standby, including:
 - undertaking and completing a review of computer hardware, software, processes and facilities employed in the administration of the Series Portfolio by the Series Mortgage Servicer;
 - in conjunction with such Series Mortgage Servicer, producing a data mapping specification which will translate data descriptions in respect of Series Mortgage Services data into files in a format reasonably required by such Series Mortgage Servicer Standby;
 - either procuring that programmes are produced to extract that data from systems used by such Series Mortgage Servicer and reading such file and loading that data into such Series Mortgage Servicer Standby's computer systems or at such Series Mortgage Servicer Standby's discretion effect a manual transfer of data onto such Series Mortgage Servicer Standby's systems; and
 - in conjunction with such Series Mortgage Servicer, preparing a plan for enabling the transfer of data from systems used by such Series Mortgage Servicer into systems used by such Series Mortgage Servicer Standby to be completed as soon as reasonably practicable if and when such Series Mortgage Servicer Standby is appointed as Series Mortgage Servicer and in any event to use its reasonable endeavours to complete it within three months of such appointment,

in each case at the times indicated in the *Series Mortgage Servicer Standby* section in E *Series Portfolio and Series Mortgage Services* in the relevant Series Prospectus.

The rate of fees payable to the Series Mortgage Servicer Standby in respect of the Series Mortgage Servicer Standby Services will be either separately indicated in I *Series fees* in the relevant Series Prospectus or included in the *Other fees and expenses of the Issuer relating to the Series* section of I *Series fees* in the relevant Series Prospectus.

8.4 Programme Services

8.4.1 Appointment of Programme Servicer

On the Programme Establishment Date a Programme Services Agreement (the **Programme Services Agreement**) was entered into between the Issuer, the Programme Servicer and the Security Trustee pursuant to which the Programme Servicer will agree to provide Programme Services in return for a fee. See further 3.1 *Table of Transaction Parties* and 3.2.1 *London Wall Capital Investments LLP*.

The appointment of the Programme Servicer may be terminated in relation to the Programme General Services by either or both of the Issuer (with the prior written consent of the Security Trustee) or the Security Trustee on or after the occurrence of any of the following while continuing in relation to the Programme Servicer (subject to applicable grace periods for remedy and materiality thresholds): failure to make a payment in relation to the Programme General Services; non-compliance with any obligation under the Transaction Documents in relation to the Programme General Services; an insolvency event occurs in respect of it; or a Security Assets Realisation Notice is given in respect of all the Security Assets.

The appointment of the Programme Servicer may be terminated in relation to the Programme Series Services relating to a Series by either or both of the Issuer (with the prior written consent of the Security Trustee) or the Security Trustee on or after the occurrence of any of the following while continuing in relation to the Programme Servicer (subject to applicable grace periods for remedy and materiality thresholds): failure to make a payment in relation to those Programme Series Services; non-compliance with any obligation under the Transaction Documents in relation to those Programme Series Services; an insolvency event occurs in respect of it; or a Series Security Assets Realisation Notice is given in respect of that Series.

The Programme Servicer may resign from its appointment (whether in respect of the Programme General Services and/or the Programme Series Services in relation to one or more Series) upon giving at least 3 months' notice to each of the Issuer and the Security Trustee.

Such termination or, as applicable, resignation shall not take effect unless:

- a substitute is appointed substantially on the same terms; and
- if any Notes of the relevant Series (in the case of termination and/or resignation in respect of Programme Series Services relating to that Series) or of any Series (in the case of termination and/or resignation of Programme General Services) are at the relevant time rated by any Series Rating Agency, then (unless otherwise agreed by the then Series Note Trustee in respect of the relevant Series) a Rating Certificate is provided in relation to each such Series Rating Agency regarding the then current ratings of the Notes (if any) in the relevant Series which remain outstanding following such substitution.

8.4.2 Programme Services

In relation to a Series, the services (being the **Programme Services**) to be performed by each Programme Servicer under the relevant Programme Services Agreement include:

(a) Programme General Services

using its reasonable efforts to provide the following services (being the **Programme General Services**):

- assisting the Issuer in appointing and consulting with each Series Arranger (if any), each Series Lead Manager (if any) and each Series Manager (if any), funders and prospective funders in relation to the terms and features of any Series and the creation, management and implementation of any Series;
- assisting the Issuer in the preparation of each and any funding related disclosure document for use in connection with the Programme or any Series (including each Disclosure Document for use in the offering and sale of Notes and/or DCIs), and from time to time in the preparation of amendments and modifications thereto (without in any way assuming any responsibility for, or for the verification of, any such disclosure document);
- assisting the Issuer regarding the creation of each Series under the Programme (including the issuance of any Notes and DCIs) and the unwinding of any Series;
- assisting the Issuer in relation to the appointment of any agents of and/or services providers to the Issuer in relation to the Programme and in relation to Series under the Programme;
- assisting the Issuer in liaising with any Series Credit Support Provider in relation to the extent, timing, pricing and other terms of credit support facilities and other arrangements for the Issuer;

- assisting the Issuer in liaising with any Series Hedge Provider in relation to the extent, timing, pricing and other terms of interest rate and currency hedging arrangements for the Issuer;
- assisting the Issuer in obtaining and (and if requested to do so by the Issuer) in maintaining the listing of Notes with any Listing Institution;
- identifying and referring persons to the Issuer for potential appointment as a Series Servicer and providing such information to the Issuer on matters relating to such appointment and structuring of applicable Series Services and the negotiation of Series Services Agreements as the Issuer may request or reasonably require;
- identifying and referring any portfolios of Mortgages to the Issuer for potential purchase by the Issuer, and assisting the Issuer or such party designated by the Issuer on matters relating to the purchase, structuring and negotiation of such purchases;
- assisting the Issuer on all aspects of any refinancing of a Series Portfolio by means of a securitisation transaction or otherwise, including the identification and referral of Security Assets to the Issuer for potential disposal by the Issuer and the possibility of early redemption of a Series of Notes in connection with the sale of such Security Assets;
- assisting the Issuer in negotiating the terms upon which prospective purchasers of Security Assets may be prepared to enter into a Disposal Transaction in respect of such Security Assets;
- provision of guidance and instructions to the General Cash Manager in respect of, if applicable, the making and liquidation of General Authorised Investments; and
- upon the General Account Provider ceasing to have the relevant required ratings, carrying out procedures with a view to arranging for a guarantor or a replacement with the required ratings (but without any liability if such procedures are not successful),

and it may (but is not obliged to) provide administrative services to the Issuer in relation to each General Cash Management Agreement and General Account Agreement (except where any Transaction Document specifies that another party is to provide the relevant services and/or carry out the relevant things); and

(b) **Programme Series Services**

using its reasonable efforts to provide the following services (being the **Programme Series Services**) in relation to each Series:

- provision of guidance and instructions to the relevant Series Mortgage Servicer as to the interpretation and application of the Series Mortgage Services Issuer Policies;
- exercise on behalf of the Issuer in accordance with the Issuer's Series Portfolio Interest Rate Setting Policy, the Issuer's powers to set interest rates applicable to Mortgages in the relevant Series Portfolio (subject to the terms of Mortgage Restricted Rate Loans);
- provision of guidance and instructions to the relevant Series Mortgage Servicer upon enforcement action in relation to a Mortgage in the relevant Series Portfolio as to the interpretation and application of the Portfolio Mortgage Default Procedures;
- provision of guidance and instructions to the relevant Series Mortgage Servicer in respect of, if permitted, the making and purchase of Mortgage Further Advances in respect of the relevant Series Portfolio;
- provision of guidance to the Issuer and the relevant Series Mortgage Servicer in respect of matters pertaining to an individual Mortgage if a material risk is identified;
- administration of the Issuer's rights and obligations in respect of making amendments to the terms of a Mortgage in the relevant Series Portfolio (see 7.8 *Mortgage Variations*), including the transfer of a Mortgage to another Mortgage Property (commonly known as porting), the addition of an additional Borrower to the Mortgage;
- provision of guidance and instructions to the relevant Series Cash Manager in respect of, if applicable, the making and liquidation of Series Authorised Investments;
- provision of guidance and instructions to the relevant Series Cash Manager in respect of, as applicable, dealing with Series Party Collateral, whether in the form of cash and/or securities

(including, without limitation, the Issuer opening further Series Accounts and entering into further Series Account Agreements and custody arrangements);

- administration of the Issuer's obligations in respect of any Substitute Mortgage Purchases (see 7.2.3 *Substitute Mortgage Purchases*);
- administration of the Issuer's obligations in respect of any Prefunded Mortgage Purchases (see 7.2.4 *Prefunded Mortgage Purchases*);
- administration of the Issuer's obligations in respect of any alleged or actual breach of a Series Mortgage Warranty (see 7.5.3 *Remedies for breach of Series Portfolio Warranties*); and
- upon a Series Account Provider ceasing to have the relevant required ratings, carrying out procedures with a view to arranging for a guarantor or a replacement with the required ratings (but without any liability if such procedures are not successful),

and it may (but is not obliged to) provide administrative services to the Issuer in relation to each other Series Document (except where any Transaction Document specifies that another party is to provide the relevant services and/or carry out the relevant things).

The fees and other amounts payable to the Programme Servicer in respect of the Programme Services will be a General Series Liability to be funded and paid under the General Payments Rules (see 11.12 *General Payments Rules*) and the Series Pro Rata Amount and Series Referable Amount in respect of those fees will be included in the *Other fees and expenses of the Issuer relating to the Series* section in I *Series fees* in the relevant Series Prospectus.

8.5 General Account Services

8.5.1 Appointment of General Account Provider

On the Programme Establishment Date a General Account Agreement (the **General Account Agreement**) was entered into between the Issuer, the Programme Servicer, the General Account Provider, the General Cash Manager and the Security Trustee pursuant to which the General Account Provider will agree to provide General Account Services in return for a fee. See further 3.1 *Table of Transaction Parties* and additional information regarding the General Account Provider will be set out in C.2 *Additional information about certain Transaction Parties* in the relevant Series Prospectus.

The appointment of the General Account Provider may be terminated by either or both of the Issuer (or the General Cash Manager acting on behalf of the Issuer) in each case with the prior written consent of the Programme Servicer or the Security Trustee on or after the occurrence of any of the following while continuing in relation to the General Account Provider (subject to applicable grace periods for remedy and materiality thresholds): a tax deduction or withholding is imposed, or appears likely to be imposed, in respect of the interest payable by it; it ceases to have certain ratings (as indicated in section H *Series triggers tables* in the then most recently published Series Prospectus); non-compliance with any obligation under the Transaction Documents; it ceases to be an authorised institution under the FSMA; an insolvency event occurs in respect of it; unlawfulness in respect of the General Account Provider performing its obligations; or a Security Assets Realisation Notice is given in respect of all the Security Assets.

The General Account Provider may resign from its appointment upon giving at least 90 days' notice to each of the Issuer, the Programme Servicer, the General Cash Manager and the Security Trustee.

Such termination or, as applicable, resignation shall not take effect unless:

- a substitute is appointed on similar terms (unless the Programme Servicer certifies that, taking into account the then prevailing market conditions, it is not practicable to achieve similar terms); and
- if any Notes of a Series are at the relevant time rated by any Series Rating Agency, then (unless otherwise agreed by the then Series Note Trustee in respect of the relevant Series) a Rating Certificate is provided in relation to each such Series Rating Agency regarding the then current ratings of the Notes (if any) in the relevant Series which remain outstanding following such substitution.

8.5.2 General Account Services

The banking services (being the **General Account Services**) to be performed by each General Account Provider under the relevant General Account Agreement include:

- providing the Issuer with one or more bank accounts (each a **General Account**) from time to time for the purposes of the Programme;

- paying interest on amounts standing to the credit of each General Account;
- providing statements in respect of each General Account (which may be satisfied by the statements being made available through the relevant General Account Provider's online facilities); and
- carrying out instructions received from the General Cash Manager in relation to each General Account including, without limitation, the debiting and crediting of amounts and putting or liquidating monies from the General Account(s) on deposit or investing monies from the General Account in General Authorised Investments.

The General Account Agreement will also set out the arrangements for the operation of the General Account including the issue of mandates by the Issuer authorising specified persons to operate the General Account.

The Issuer may, with the prior written consent of the Security Trustee, open additional or replacement General Accounts.

The fees, charges and other amounts payable to the General Account Provider in respect of the General Account Services will be a General Series Liability to be funded and paid under the General Payments Rules (see 11.12 *General Payments Rules*) and the Series Pro Rata Amount in respect of those fees and charges will be included in the *Other fees and expenses of the Issuer relating to the Series* section in I *Series fees* in the relevant Series Prospectus.

8.6 Series Account Services

8.6.1 Appointment of Series Account Providers

(a) Appointment of Series Collection Account Provider

In relation to each Series, the Issuer, the Security Trustee, the Series Note Trustee, the Programme Servicer, the Series Mortgage Servicer, the Series Portfolio Legal Title Holder and the Series Collection Account Provider will enter into the Series Collection Account Agreement indicated in the relevant Series Note Final Terms or, as applicable, in section G *Series credit structure and cashflows* in the relevant Series Prospectus (each a **Series Collection Account Agreement**) pursuant to which the person indicated in the relevant Series Note Final Terms or, as applicable, in C.1 *Table of Transaction Parties* in that Series Prospectus as being the Series Collection Account Provider (the **Series Collection Account Provider** which expression shall include any person appointed as its replacement) will agree to provide Series Account Services in relation to each relevant Series Collection Account maintained (for the benefit of the Issuer pursuant to the Series Collection Account Trust Deed) by the Series Portfolio Legal Title Holder with that Series Collection Account Provider in relation to that Series.

(b) Appointment of Series Transaction Account Provider

In relation to each Series, the Issuer, the Security Trustee, the Series Note Trustee, the Programme Servicer, the Series Cash Manager and the Series Transaction Account Provider will enter into the Series Transaction Account Agreement indicated in the relevant Series Note Final Terms or, as applicable, in section G *Series credit structure and cashflows* in the relevant Series Prospectus (each a **Series Transaction Account Agreement**) pursuant to which the person indicated in the relevant Series Note Final Terms or, as applicable, in C.1 *Table of Transaction Parties* in that Series Prospectus as being the Series Transaction Account Provider (the **Series Transaction Account Provider** which expression shall include any person appointed as its replacement) will agree to provide Series Account Services in relation to each relevant Series Transaction Account opened by the Issuer with that Series Transaction Account Provider in relation to that Series.

(c) Appointment of Series Investment Account Provider

In relation to each Series, the Issuer, the Security Trustee, the Series Note Trustee, the Programme Servicer, the Series Cash Manager and the Series Investment Account Provider will enter into the Series Investment Account Agreement indicated in the relevant Series Note Final Terms or, as applicable, in section G *Series credit structure and cashflows* in the relevant Series Prospectus (each a **Series Investment Account Agreement**) pursuant to which the person indicated in the relevant Series Note Final Terms or, as applicable, in C.1 *Table of Transaction Parties* in that Series Prospectus as being the Series Investment Account Provider (the **Series Investment Account Provider** which expression shall include any person appointed as its replacement) will agree to provide Series Account Services in relation to each relevant Series Investment Account opened by the Issuer with that Series Investment Account Provider in relation to that Series.

Section H *Series triggers tables* in the relevant Series Prospectus will provide details as to the circumstances in which the Series Collection Account Provider, Series Transaction Account Provider or Series Investment Account Provider can resign and/or in which its appointment can be terminated.

Each Series Collection Account Provider, Series Transaction Account Provider, Series Investment Account Provider and provider of any other Series Account in relation to that Series (including, without limitation, any Series Party Collateral Cash Account and/or Series Party Collateral Securities Account in relation to that Series) is referred to as a **Series Account Provider** and each Series Collection Account Agreement, Series Transaction Account Agreement and Series Investment Account Agreement in relation to that Series and each account agreement in respect of any other Series Account in relation to that Series is referred to as a **Series Account Agreement**.

In relation to a Series, the Issuer may enter into further Series Account Agreements with further Series Account Providers provided that, where there are Notes outstanding in respect of the relevant Series which are at the relevant time rated by any Series Rating Agency, the Security Trustee and the relevant Series Note Trustee has received a Rating Certificate in relation to each Series Rating Agency regarding the then current ratings by such Series Rating Agency of such Notes (if any) which will remain outstanding following the entering into of the relevant further Series Account Agreement.

Each Series Prospectus will contain summary details of each Series Account Provider in relation to the Series as at the date of that Series Prospectus.

8.6.2 **Series Accounts**

In relation to each Series, the Series Portfolio Legal Title Holder will maintain (for the benefit of the Issuer pursuant to a Series Collection Account Trust Deed) at least one collection account (each a **Series Collection Account** which expression includes any replacement of such account) with a Series Collection Account Provider.

In relation to each Series, the Issuer will open and maintain at least one transaction account (each a **Series Transaction Account** which expression includes any replacement of such account) with a Series Transaction Account Provider.

If the Issuer enters into a Series Investment Account Agreement in relation to a Series, the Issuer will open and maintain at least one investment account (each a **Series Investment Account** which expression includes any replacement of such account) with a Series Investment Account Provider in respect of that Series.

Each Series Collection Account, Series Transaction Account, Series Investment Account and additional or replacement account in relation to that Series (including, without limitation, any Series Party Collateral Cash Account and/or Series Party Collateral Securities Account in relation to that Series) is referred to as a **Series Account**. The Issuer may, with the prior written consent of the Security Trustee, open additional or replacement Series Accounts.

8.6.3 **Series Account Services**

The banking services (being the **Series Account Services**) to be performed by each Series Account Provider under the relevant Series Account Agreement include:

- providing the Issuer with each relevant Series Account from time to time for the purposes of the Series;
- paying interest on amounts standing to the credit of such Series Account;
- providing statements in respect of each such Series Account (which may be satisfied by the statements being made available through the relevant Series Account Provider's online facilities); and
- carrying out instructions received from:
 - in the case of a Series Collection Account, the Series Mortgage Servicer, including, without limitation, the debiting and crediting of amounts to and from such Series Collection Account; and
 - in the case of any other Series Account, the Series Cash Manager including, without limitation, the debiting and crediting of amounts and putting or liquidating monies from such Series Account on deposit or investing monies from such Series Account in Series Authorised Investments.

Each Series Account Agreement also sets out the arrangements for the operation of each relevant Series Account including the issue of mandates by the Issuer and, in the case of a Series Collection Account, the Series Portfolio Legal Title Holder authorising specified persons to operate each relevant Series Account.

The fees, charges and other amounts payable to the Series Collection Account Provider, Series Transaction Account Provider, Series Investment Account Provider and any other Series Account Provider respectively in respect of the Series Account Services provided by it under the applicable Series Account Agreement will be included in the *Other fees and expenses of the Issuer relating to the Series* section in I *Series fees* in the relevant Series Prospectus.

8.7 General Cash Management Services

8.7.1 Appointment of General Cash Manager

On the Programme Establishment Date a General Cash Management Agreement (the **General Cash Management Agreement**) was entered into between the Issuer, the Programme Servicer, the General Cash Manager and the Security Trustee pursuant to which the General Cash Manager will agree to provide General Cash Management Services in return for a fee. See further 3.1 *Table of Transaction Parties* and additional information regarding the General Cash Manager will be set out in C.2 *Additional information about certain Transaction Parties* in the relevant Series Prospectus.

The appointment of the General Cash Manager may be terminated by either or both of the Issuer (with the prior written consent of the Programme Servicer) or the Security Trustee on or after the occurrence of any of the following while continuing in relation to the General Cash Manager (subject to applicable grace periods for remedy and materiality thresholds): failure to make a payment; non-compliance with any obligation under the Transaction Documents; force majeure which is continuing after 10 Business Days; an insolvency event occurs in respect of it; unlawfulness in respect of the General Cash Manager performing its obligations; or a Security Assets Realisation Notice is given in respect of all the Security Assets.

The General Cash Manager may resign from its appointment upon giving at least 90 days' notice to each of the Issuer and the Security Trustee.

Such termination or, as applicable, resignation shall not take effect unless:

- a substitute is appointed on similar terms (unless the Programme Servicer certifies that, taking into account the then prevailing market conditions, it is not practicable to achieve similar terms); and
- if any Notes of a Series are at the relevant time rated by any Series Rating Agency, then (unless otherwise agreed by the then Series Note Trustee in respect of the relevant Series) a Rating Certificate is provided in relation to each such Series Rating Agency regarding the then current ratings of the Notes (if any) in the relevant Series which remain outstanding following such substitution.

8.7.2 General Cash Management Services

The services (being the **General Cash Management Services**) to be performed by the General Cash Manager under the General Cash Management Agreement include:

- acting as General Payments Administrator and administering the General Payments Rules, including, without limitation, making calculations, allocations, transfers and payments on each General Payments Calculation Date and on each General Payments Date (including pursuant to each applicable General Priority of Payments) as indicated in those General Payments Rules (see further 11.10 *Priorities scheme in respect of the Security Assets* to 11.12 *General Payments Rules*);
- operating each General Account on behalf of the Issuer according to the applicable terms of the Transaction Documents;
- administering the Issuer's funds by putting or liquidating monies from the General Account(s) on deposit or investing monies from the General Account in General Authorised Investments (or liquidating such investments), in each case on the instruction of the Programme Servicer (see further 11.6.7 *Reinvestment of funds in General Authorised Investments*);
- establishing and maintaining each General Ledger and making credits and debits to the relevant Series Ledger at the times, in the amounts and in the manner indicated in the Transaction Documents (see further 11.8 *Organisation of the Issuer's funds and liabilities*); and
- preparing reports on the operation of each General Account and administration of the General Payments Rules.

The fees and other amounts payable to the General Cash Manager in respect of the General Cash Management Services will be a General Series Liability to be funded and paid under the General Payments Rules (see 11.12 *General Payments Rules*) and the Series Pro Rata Amount in respect of those fees will be included in the *Other fees and expenses of the Issuer relating to the Series* section in I *Series fees* in the relevant Series Prospectus.

8.8 Series Cash Management Services

8.8.1 Appointment of Series Cash Managers

In relation to each Series, the Issuer will enter into the Series Cash Management Agreement indicated in section G *Series credit structure and cashflows* in the relevant Series Prospectus (each a **Series Cash**

Management Agreement) pursuant to which the person indicated in C.1 *Table of Transaction Parties* in that Series Prospectus as being the Series Cash Manager (the **Series Cash Manager** which expression shall include any person appointed as its replacement) will agree to provide Series Cash Management Services in relation to that Series. Each Series Prospectus will contain summary details of the Series Cash Manager in respect of the relevant Series as at the date of that Series Prospectus.

Section H *Series triggers tables* in the relevant Series Prospectus will provide details as to the circumstances in which the Series Cash Manager can resign and/or in which its appointment can be terminated.

8.8.2 **Series Cash Management Services**

In relation to a Series, the services (being the **Series Cash Management Services**) to be performed by the Series Cash Manager under the relevant Series Cash Management Agreement include:

- acting as Series Payments Administrator and administering the Series Payments Rules, each as defined in G *Series credit structure and cashflows* in the relevant Series Prospectus relating to that Series, including, without limitation, making calculations, allocations, transfers and payments on each Series Payments Calculation Date and on each Series Payments Date (including pursuant to each applicable Series Priority of Payments) as indicated in those Series Payments Rules (see further 11.10 *Priorities scheme in respect of the Security Assets*);
- operating each Series Transaction Account and Series Investment Account relating to that Series according to the applicable terms of the Transaction Documents;
- establishing and maintaining each Series Ledger and Series Record relating to that Series and making credits and debits to the relevant Series Ledger at the times, in the amounts and in the manner indicated in the Transaction Documents (see further 11.8 *Organisation of the Issuer's funds and liabilities* and 11.9 *Recording principal deficiencies*);
- (in accordance with instructions from the Programme Servicer) making and unwinding Series Authorised Investments in relation to cash comprised from time to time in the relevant Series Security Assets (see further 11.6.6 *Reinvestment of funds in Series Authorised Investments*); and
- (in accordance with instructions from the Programme Servicer) administering Series Party Collateral (if any) comprised from time to time in the relevant Series Security Assets (see further 11.7.2 *Series rating triggers*); and
- preparing and providing a quarterly investor report (the **Series Investor Report**) after each Series Payments Date setting out, among other things, certain aggregated loan data in relation to the Series Portfolio and the application of funds according to the Series Priorities of Payments.

For the purpose of the Series Cash Management Services, the Series Cash Manager will be authorised to operate the Series Accounts.

The rate of fees payable to the Series Cash Manager in respect of the Series Cash Management Services will be either separately indicated in I *Series fees* in the relevant Series Prospectus or included in the *Other fees and expenses of the Issuer relating to the Series* section of I *Series fees* in the relevant Series Prospectus.

8.9 **Corporate Services**

8.9.1 **Appointment of Corporate Servicer**

On the Programme Establishment Date a Corporate Services Agreement (the **Corporate Services Agreement**) was entered into between the Issuer, the Corporate Servicer, Holdings, the Share Trustee, the Security Trustee and the Programme Servicer pursuant to which the Corporate Servicer will agree to provide Corporate Services in return for a fee. See further 3.1 *Table of Transaction Parties* and 3.2.2 *Law Debenture Corporate Services Limited*.

The Corporate Servicer may resign from its appointment upon the later of the day which is 3 calendar months after the day on which notice in writing is given by the Corporate Servicer, and the date a person acceptable to the Issuer and the Security Trustee has been appointed by the Issuer as Corporate Servicer on terms substantially the same as those set out in the Corporate Services Agreement.

The Issuer may terminate the appointment of the Corporate Servicer:

- upon the later of the day which is 3 calendar months after the day on which notice in writing is given, with the prior written consent of the Security Trustee, by the Issuer and the date a person acceptable to the Security Trustee has been appointed by the Issuer as Corporate Servicer on terms substantially the same as those set out in the Corporate Services Agreement; or

- upon the date notice is given in writing, with the prior written consent of the Security Trustee, by the Issuer or given by the Security Trustee if: the Corporate Servicer or the Issuer breaches any of the terms of the Corporate Services Agreement and, where such breach is capable of remedy, has not remedied such breach within 14 days after service of notice requiring the same to be remedied; or an insolvency event occurs in relation to the Corporate Servicer; or the date all Security Liabilities are discharged in full and the Issuer has been struck off the Register of Companies.

8.9.2 Corporate Services

The services (being the **Corporate Services**) to be performed by the Corporate Servicer under the Corporate Services Agreement include:

- providing the services of directors of the Issuer in England and Wales, providing a company secretary for the Issuer and providing persons to act as signatories of the Issuer;
- the performance of all general book-keeping, secretarial, registrar and company administration services as may be required in the normal course of the businesses of the Issuer and, in order to comply with the laws and regulations of England and Wales, dealing with correspondence relating to the businesses of the Issuer (in each case except to the extent to be prepared by, maintained by or dealt with by the General Cash Manager, Series Cash Managers and Series Mortgage Servicers); and
- making available telephone, fax and registered office facilities and within its premises such non-exclusive space as may be necessary for the purposes of the businesses of the Issuer and, in particular, facilities for meetings of the directors of the Issuer from time to time.

The fees and other amounts payable to the Corporate Servicer in respect of the Corporate Services will be a General Series Liability to be funded and paid under the General Payments Rules (see 11.12 *General Payments Rules*) and the Series Pro Rata Amount in respect of those fees will be included in the *Other fees and expenses of the Issuer relating to the Series* section in I *Series fees* in the relevant Series Prospectus.

8.10 Series Note Services

8.10.1 Appointment of the Series Note Servicers

In relation to each Series, the Issuer will enter into the Series Note Services Agreement indicated in the relevant Series Note Final Terms or, as applicable, in section F.3 *Rights of Noteholders and DCI Holders and relationship with other Security Creditors* in the relevant Series Prospectus (each a **Series Note Services Agreement**) pursuant to which:

- the person indicated in the relevant Series Note Final Terms or, as applicable, in C.1 *Table of Transaction Parties* in the relevant Series Prospectus as being the Series Registrar (the **Series Registrar** which expression shall include its successors as such under the Series Note Services Agreement, such Series Registrar being Citibank, N.A., London Branch) will agree to provide Series Registrar Services in relation to that Series in return for a fee;
- the person indicated in the relevant Series Note Final Terms or, as applicable, in C.1 *Table of Transaction Parties* in the relevant Series Prospectus as being the Series Paying Agent (the **Series Paying Agent** which expression shall include its successors as such under the Series Note Services Agreement, such Series Paying Agent being Citibank, N.A., London Branch) will agree to provide Series Paying Agent Services in relation to that Series in return for a fee; and
- the person indicated in the relevant Series Note Final Terms or, as applicable, in C.1 *Table of Transaction Parties* in the relevant Series Prospectus as being the Series Note Calculation Agent (the **Series Note Calculation Agent** which expression shall include its successors as such under the Series Note Services Agreement) will agree to provide Series Note Calculation Services in relation to that Series in return for a fee.

Each Series Registrar, Series Paying Agent and Series Note Calculation Agent in relation to that Series is referred to as a **Series Note Servicer**. Each Series Prospectus will contain summary details of each Series Note Servicer in respect of the relevant Series as at the date of that Series Prospectus.

Section H *Series triggers tables* in the relevant Series Prospectus will provide details as to the circumstances in which the Series Registrar, Series Paying Agent and/or the Series Note Calculation Agent can resign and/or in which its appointment can be terminated.

8.10.2 **Series Registrar Services**

In relation to a Series, the services (being the **Series Registrar Services**) to be performed by the Series Registrar under the relevant Series Note Services Agreement include:

- establishing, maintaining and operating the Series Register in relation to the Notes and, as applicable, DCIs in relation to that Series;
- issuing, authenticating, procuring the effectuation of (if applicable) and delivering certificates in respect of the Notes and, as applicable, DCIs in that Series (when required);
- dealing with transfers of Notes and, as applicable, DCIs in that Series (as described in 9.5 *Restrictions on transfers of Notes and DCIs*) and the cancellation of Notes and, as applicable, DCIs in that Series; and
- exchanging interests in Global Notes for definitive Notes and in in Global DCIs for definitive DCIs in that Series.

The fees and other amounts payable to the Series Registrar in respect of the Series Registrar Services will be included in the *Other fees and expenses of the Issuer relating to the Series* section in I *Series fees* in the relevant Series Prospectus.

8.10.3 **Series Paying Agent Services**

In relation to a Series, the services (being the **Series Paying Agent Services**) to be performed by the Series Paying Agent under the relevant Series Note Services Agreement include:

- paying or causing to be paid (at the places and in the manner provided in the Note Conditions or, as applicable, the DCI Conditions) on the Issuer's behalf the amounts due in respect of Notes and, as applicable, DCIs in that Series in accordance with the applicable Series Priorities of Payments (and, therefore, act as principal paying agent and provide paying agency services in relation to such Notes and, as applicable, DCIs) using the amounts paid to it for such purpose in accordance with the applicable Series Payments Rules.
- arranging for the issuance of notices in relation to Notes and, as applicable, DCIs in that Series; and
- providing services in relation to arranging and holding of any meetings of Noteholders in respect of those Notes and arranging and holding of any meetings of DCI Holders in respect of any DCI relating to that Series.

The fees and other amounts payable to the Series Paying Agent in respect of the Series Paying Agent Services will be included in the *Other fees and expenses of the Issuer relating to the Series* section in I *Series fees* in the relevant Series Prospectus.

8.10.4 **Series Note Calculation Services**

In relation to a Series, the services (being the **Series Note Calculation Services**) to be performed by the Series Note Calculation Agent under the relevant Series Note Services Agreement include determining and calculating Interest Rates applicable to Notes in that Series and calculating certain amounts payable to Noteholders in respect of Notes in that Series and, as applicable, payable to DCI Holders in respect of DCIs in that Series. See further 10 *Base Conditions*.

The Series Registrar Services, the Series Paying Agent Services and Series Note Calculation Services in relation to that Series are referred to as the **Series Note Services**.

The fees and other amounts payable to the Series Note Calculation Agent in respect of the Series Note Calculation Services will be included in the *Other fees and expenses of the Issuer relating to the Series* section in I *Series fees* in the relevant Series Prospectus.

8.11 **Additional services**

8.11.1 **General Additional Services**

Subject to complying with applicable requirements in the Transaction Documents, the Issuer may enter into one or more further agreements (each a **General Additional Services Agreement**), to be a General Document, pursuant to which it appoints a person (each a **General Additional Servicer** which expression shall include any person appointed as its replacement), to be an additional General Servicer, to provide additional services to the Issuer (each a **General Additional Service**) to form part of the General Services. If so, each Series Prospectus published by the Issuer on or after the date such General Additional Services Agreement is entered into will contain summary details of each General Additional Services Agreement,

each General Additional Servicer and the relevant General Additional Services as at the date of that Series Prospectus (in particular the *General Supplemental Aspects* section in G *Series credit structure and cashflows* in each such Series Prospectus will indicate the name of each General Additional Services Agreement and each General Additional Servicer).

8.11.2 **Series Additional Services**

In relation to a Series, the Issuer will enter into each agreement (if any) indicated in the *Series Additional Documents* section in G *Series credit structure and cashflows* in the relevant Series Prospectus as being a Series Additional Services Agreement (each a **Series Additional Services Agreement**) pursuant to which it will appoint each person indicated in that section as being a Series Additional Servicer (each a **Series Additional Servicer** which expression shall include any person appointed as its replacement) to provide such services in relation to that Series as may be described in that relevant Series Prospectus (each a **Series Additional Service**). Each Series Prospectus will contain summary details of each Series Additional Services Agreement, the relevant Series Additional Servicer and the relevant Series Additional Services as at the date of that Series Prospectus.

9. Certain features of the Notes and DCIs

The information set out in this section relating to the Clearing Systems, Book Entry Interests and the rules, regulations and procedures of the relevant Clearing Systems is derived from information obtained from the Clearing Systems and the Issuer believes that such sources are reliable, but prospective investors are advised to make their own enquiries as to such procedures. The Issuer accepts responsibility for the accurate reproduction of such information from publicly available information and, as far as the Issuer is aware and is able to ascertain from information published by the Clearing Systems, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such information is subject to any change in or reinterpretation of the rules, regulations and procedures of the relevant Clearing Systems currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer or any other Transaction Party (nor any person associated with any of them), will have any responsibility for the performance by the Clearing Systems or their respective direct or 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 in the Disclosure Documents.

9.1 Issue and constitution of Notes and DCIs

9.1.1 Issue of Series of Classes

Notes and DCIs may be issued by the Issuer from time to time in series (each a **Series**) each comprising one or more classes of Notes and/or one or more classes of DCIs (each a **Class**) with no minimum size (other than any minimum denomination applicable). The Notes or, as applicable, DCIs comprising each Class may be issued on different dates, the relevant date of issue being the Series Closing Date specified in the relevant Series Note Final Terms or, as applicable, in F.1.2 *Constitution of the Notes* of the relevant Note Specified Terms or, as applicable, F.2.2 *Constitution of the DCIs* of the relevant DCI Specified Terms (each such date being a **Series Closing Date** and each such issue of Notes and/or DCIs being a **Note Issue**).

Where a Series comprises more than one Class of Notes, the **Tranche** of such Class (and relative seniority of each Tranche) shall be as specified F.1.2 *Constitution of the Notes* in the relevant Series Prospectus (a Class of Notes may have the same Tranche as another Class of Notes).

9.1.2 Issue price

Notes may be issued at their Note Initial Principal Amount or at a discount or premium to their Note Initial Principal Amount. The issue price of Notes shall be as specified in the *Issue Price* section in the Note Specified Terms.

9.1.3 Partly paid Notes

Partly-paid Notes may not be issued under the Programme. DCIs do not involve a principal amount and therefore this is not applicable to DCIs.

9.1.4 Further issues of Notes and DCIs to constitute an additional Series

The Issuer will be entitled (but not obliged) from time to time without the consent of Noteholders to constitute a new separate Series (including the issue of further Notes and/or, as applicable, DCIs forming part of that new Series), provided that the Series Security Assets relating to each existing Series are not included in the Series Security Assets relating to such new separate Series and subject, among other things, to the terms and conditions of such Notes and/or, as applicable, DCIs forming part of that new Series. Each time Notes and/or, as applicable, DCIs are issued in respect of a new Series under the Programme, the Issuer will enter into the Series Documents.

Each time (where permitted) further Notes are issued in respect of an existing Series, the Issuer will procure that the existing Series Documents relating to that Series are amended to extend to those Further Notes or, as appropriate, the Issuer shall enter into additional Series Documents relating to that Series.

If indicated in the Note Specified Terms relating to Notes in a Series, the Issuer will be entitled (but not obliged) from time to time, without the consent of Noteholders and/or DCI Holders in relation to that Series, to constitute and issue additional Notes and/or DCIs to be consolidated into and form a single Class with any Notes and/or DCIs in a Class already in issue and/or to constitute new Classes in relation to that Series (in which case those further Notes and/or DCIs will be backed by the same assets as the existing Notes and/or DCIs in that Series and may be fungible with all or some of those existing Notes and/or DCIs), subject to the terms and conditions of existing Notes in the relevant Series (which, among other things, will require:

- (a) notice to be given to the Noteholders and/or DCI Holders of Notes and/or DCIs previously issued and outstanding under that relevant Series in accordance with Base Condition 17 *Notices*;

- (b) a Rating Certificate to be obtained by the Issuer under Base Condition 14 *Rating Certificates*; and
- (c) the issue of a supplemental prospectus in relation to that relevant Series).

9.1.5 Constitution under Series Note Trust Deed and by entry in Series Register

In relation to a Series the Issuer will enter into a Series Note Trust Deed as indicated in the relevant Series Note Final Terms or, as applicable, F.1 *Note Specified Terms* in the relevant Series Prospectus (each a **Series Note Trust Deed**) with the person defined as the Series Note Trustee in the relevant Series Note Final Terms or, as applicable, in C.1 *Table of Transaction Parties* in the relevant Series Prospectus (the **Series Note Trustee** in relation to such Series, which expression shall include all persons for the time being acting as the note trustee or note trustees under the relevant Series Note Trust Deed).

Each of the Notes and, as applicable, DCIs will be constituted pursuant to the Series Note Trust Deed relating to that Series on the relevant Series Closing Date, and by appropriate entries being made in the Series Register. Entry of a person's name in the Series Register for a Series:

- as the Noteholder in respect of a Note of that Series is conclusive evidence of that person's title to and ownership of that Note; and
- as the DCI Holder in respect of a DCI of that Series is conclusive evidence of that person's title to and ownership of that DCI.

References in this Programme Prospectus to **Noteholder** mean the person in whose name a Note is registered in the relevant Series Register and to **DCI Holder** mean the person in whose name a DCI is registered in the relevant Series Register (Base Condition 1.1 *Definitions*).

9.1.6 Series Register

Each time a new Series of Notes and/or DCIs is created under the Programme, the Issuer will appoint a Series Registrar (see 8.10.1 *Appointment of the Series Note Servicers*) who will be responsible for maintaining an up-to-date register in relation to those Notes and/or, as applicable, DCIs in relation to that Series (the **Series Register**). That Series Register shall be kept at an office of the relevant Series Registrar in respect of which prior written notice of the address has been given by the Series Registrar to the Issuer, the Programme Servicer and the Security Trustee.

Among other things, the relevant Series Registrar will be required to enter into the relevant Series Register:

- the names and addresses of current and previous Noteholders of each Note in the Series and the relevant dates of all transfers of, registrations of and cessations of holdings of Notes, the Note Initial Principal Amount and the dates and amounts of each redemption of principal in respect of each Series Note; and
- (if applicable) the names and addresses of current and previous DCI Holders of each DCI in the Series and the relevant dates of all transfers of, registrations of and cessations of holdings of DCIs.

The Series Registrar will not be liable for any mistake in the Series Register or in any purported copy except to the extent that the mistake is attributable to the Series Registrar's own fraud, gross negligence or wilful default.

In order to calculate the amount payable to each Noteholder or DCI Holder, the relevant Series Register may be closed by the relevant Series Registrar from 3:30pm on such Business Day as the Issuer determines from time to time (not exceeding 5 consecutive Business Days) and be re-opened at the commencement of business on the Business Day immediately following the day the amounts payable to each Noteholder or DCI Holder are payable.

Subject to the provisions of the relevant Note Conditions, the Series Register shall be made available by the relevant Series Registrar at its Series Registrar Specified Office to a Noteholder or, as applicable, DCI Holder and its authorised representatives for inspection of that part of the Series Register which relates to that Noteholder or, as applicable, DCI Holder free of charge at any reasonable time when such Series Registrar Specified Office is open for business.

See 8.10.2 *Series Registrar Services* for further details relating to the maintenance of the Series Register.

9.1.7 Note Currency and Note Currency Unit

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency. The **Note Currency** of a Note at the Series Closing Date will be the currency indicated in relation to such Note in the relevant Series Note Final Terms or, as applicable, in section F.1.3 *Note Currency* in the Note Specified Terms. The Note Currency Unit in relation to a Note is 0.01 in the Note Currency in respect of that

Note (for example, if the Note Currency of a Note is GBP, the Note Currency Unit would be GBP 0.01). See 1.1 *Definitions*.

DCIs will always be denominated in GBP.

9.2 Note Conditions, DCI Conditions and other terms

9.2.1 Disclosure documents for issue of Notes or DCIs

Each Series of Notes will be subject to a final terms (being the relevant Series Note Final Terms) or a drawdown prospectus (being the relevant Series Prospectus). Where a Series also includes DCIs, those DCIs will be subject to a pricing supplement (being the relevant Series DCI Pricing Supplement) or the relevant Series Prospectus.

(a) Series Note Final Terms

A Series Note Final Terms in relation to a Series will, for the purpose of that Series only, supplement the Base Conditions of the Notes in this Programme Prospectus, must be read in conjunction with this Programme Prospectus, will be based upon the form set out in 17 *Form of Series Note Final Terms* and will, among other things, contain the Note Specified Terms.

(b) Series DCI Pricing Supplement

A Series DCI Pricing Supplement in relation to a Series will, for the purpose of that Series only, supplement the Base Conditions of the DCIs in this Programme Prospectus, must be read in conjunction with this Programme Prospectus, will be based upon the form set out in 18 *Form of Series DCI Pricing Supplement* and will, among other things, contain the DCI Specified Terms.

(c) Series Prospectus

A Series Prospectus in relation to a Series will, for the purpose of that Series only, constitute a prospectus in relation to that Series and will incorporate by reference the relevant parts of this Programme Prospectus and will, among other things, contain the Note Specified Terms of the Notes relating to that Series and, as applicable, the DCI Specified Terms of the DCIs relating to that Series.

9.2.2 Note Conditions and DCI Conditions

Notes in each Class in each Series shall be issued on and subject to the applicable Note Conditions, being the Base Conditions (set out in 10 *Base Conditions*) as supplemented and amended in respect of each issue of Notes in that Series by the relevant Series Note Final Terms or, as applicable, the Note Specified Terms in the relevant Series Prospectus for that Series and by any other document specified as doing so by the Note Specified Terms.

DCIs in each Class in each Series shall be issued on and subject to the applicable DCI Conditions, being the Base Conditions (set out in 10 *Base Conditions*) as supplemented and amended in respect of each issue of DCIs in that Series by the relevant Series DCI Pricing Supplement or, as applicable, the DCI Specified Terms in the relevant Series Prospectus for that Series and by any other document specified as doing so by the DCI Specified Terms.

The relevant Note Specified Terms or, as applicable, DCI Specified Terms and any such other document may vary, amend, supplement or disapply any of the Base Conditions set out in this Programme Prospectus in any respect and the descriptions in this Programme Prospectus shall be read as being subject to any variations, amendments and disapplications accordingly.

9.2.3 Series Note Additional Provisions

In addition, as provided in Base Condition 2.1 *Constitution*, each Note and DCI will be subject to, and each Noteholder and each DCI Holder will be bound by, and is deemed to have notice of, all the Series Note Additional Provisions (which comprise the provisions of the applicable Transfer Regulations, the Series Payments Rules, the Series Note Trust Deed, the Series Note Services Agreement, the Security Deed, the Security Intercreditor Deed and each Security Supplemental Deed). The Disclosure Documents contain and/or, as applicable, will contain summaries of aspects of such Series Note Additional Provisions. The Issuer shall procure that copies of each of the Series Note Additional Provisions are available for inspection during normal business hours at the Series Note Trustee Specified Office, Security Trustee Specified Office and Series Registrar Specified Office.

9.2.4 Governing Law

The Notes and DCIs will be governed by, and construed in accordance with, English law (see Base Condition 19.1 *English law*).

9.2.5 Additional arrangements in relation to Series Notes

The Series Prospectus relating to a Series may contain details of additional arrangements relating to the Notes in that Series, including:

- each **Series Note Additional Arrangements Document** (if any) in relation to that Series, being:
 - each Series Clearing System Note Currency Exchange Agreement (if any) relating to that Series (see 9.6.5 *Currency exchange arrangements in relation to Global Notes*);
 - each Series Rule 2a-7 Arrangements Document (if any) relating to that Series (see 9.8.5 *Rule 2a-7 Notes*); and
 - each other document (if any) indicated in the *Series Additional Documents* section in G *Series credit structure and cashflows* as being a Series Note Additional Arrangements Document in the relevant Series Prospectus; and
- each **Series Note Additional Arrangements Party** (if any) in relation to that Series, being:
 - each Series Global Note Currency Exchange Agent (if any) relating to that Series (see 9.6.5 *Currency exchange arrangements in relation to Global Notes*);
 - each Series Rule 2a-7 Arrangements Party (if any) relating to that Series (see 9.8.5 *Rule 2a-7 Notes*); and
 - each other person (if any) indicated in the *Series Additional Documents* section in G *Series credit structure and cashflows* as being a Series Note Additional Arrangements Party in the relevant Series Prospectus.

9.3 Form and holdings of the Notes and DCIs

9.3.1 Form of Notes and DCIs

Notes and DCIs will be issued in registered form (see Base Condition 2.2 *Form*).

9.3.2 Denomination of Notes

Subject to compliance with all relevant laws, regulations, directives, stock exchange and listing requirements, Notes will be issued in such denominations as may be specified in the *Minimum Denomination* section in the Note Specified Terms and DCIs will be issued in such denominations as may be specified in the *Minimum Denomination* section in the DCI Specified Terms (see Base Condition 2.3 *Denominations and permitted holdings*). No Notes will be issued with a denomination of less than GBP 100,000 (or, if higher, the amount of GBP which is, at the date of issuance of the relevant Notes, equal to EUR 100,000 as determined at a market spot rate of exchange determined by the Programme Servicer as at that date).

9.3.3 Note or DCI certificates only issued in limited circumstances

No certificates (each, in relation to a Note, being a **Note Certificate** and, in relation to a DCI, being a **DCI Certificate**) or other evidence of title will be issued in respect of a Note or, as applicable, DCI unless:

- the Issuer determines that certificates should be made available as required by law or chooses to make certificates available; or
- a Note Certificate or, as applicable, DCI Certificate is specifically requested by the relevant Noteholder or, as applicable, DCI Holder and specifically agreed to between the Issuer and such Noteholder or DCI Holder.

Any such Note Certificates or DCI Certificates would be evidence of entitlement only. In the event of any inconsistency between a Note Certificate, DCI Certificate or other evidence of title and an entry in the relevant Series Register, the entry in the relevant Series Register will always govern.

9.4 Notes and DCIs held in a Clearing System

9.4.1 Clearing Systems, Global Notes and Global DCIs

Unless indicated otherwise in the relevant Series Prospectus, all Notes and/or, as applicable, DCIs in a Class will upon the relevant Series Closing Date be registered in the name of a person (being, in the case of Notes, the **Global Noteholder** or, in the case of DCIs, the **Global DCI Holder**) as common safekeeper, common depository, custodian and/or nominee for each clearing system specified in relation to such Class in the *Clearance / settlement* section of the Note Specified Terms or, as applicable, DCI Specified Terms (each a **Clearing System**). Each Note is a **Global Note** or, as applicable, each DCI is a **Global DCI** throughout the

period in which it is registered in the name of a Global Noteholder or, as applicable, Global DCI Holder as common safekeeper, common depository, custodian and/or nominee for a Clearing System.

If Euroclear Bank S.A./N.V., as operator of the Euroclear System (**Euroclear**) and/or Clearstream Banking, *société anonyme*, Luxembourg (**Clearstream**) is a Clearing System in relation to a Class comprised in a Series, the Global Note or, as applicable, Global DCI will be held by the Global Noteholder or, as applicable, Global DCI Holder under the arrangements for registered notes known as the 'new safekeeping structure' which Euroclear and Clearstream have designed in co-operation with market participants (**New Safekeeping Structure**).

If Euroclear and/or Clearstream is a Clearing System in relation to a Class comprised in a Series, the Issuer understands that:

- Euroclear and Clearstream each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of certificates and any risk from lack of simultaneous transfers of securities.
- Euroclear and Clearstream each provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream each also deal with domestic securities markets in several countries through established depository and custodial relationships.
- Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective Clearing System Participants may settle trades with each other.
- Clearing System Participants in both Euroclear and Clearstream are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations.
- Indirect access to both Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with a Clearing System Participant of either system.

If The Depository Trust Company (**DTC**) is a Clearing System in relation to Notes comprised in a Series, the Issuer understands that:

- DTC is a limited-purpose trust company organised under the New York Banking Law, a 'banking organisation' within the meaning of the New York Banking Law, a member of the Federal Reserve System, a 'clearing corporation' within the meaning of the New York Uniform Commercial Code, and a 'clearing agency' registered pursuant to the provisions of Section 17A of the U.S. Exchange Act.
- DTC was created to hold securities of its participants and to facilitate the clearance and settlement of transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates.
- DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations, some of whom (and/or their representative) own DTC.

9.4.2 Holding of beneficial interests in Global Notes and Global DCIs

Ownership of interests by any person (other than the relevant Global Noteholder) in Global Notes or, as applicable, (other than the relevant Global DCI Holder) in Global DCIs will be limited to such interests (if any) that arise under applicable laws in favour of:

- persons (each a **Clearing System Participant**) that have an account with a relevant Clearing System relating to such Global Notes or, as applicable, Global DCIs (including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearing System, either directly or indirectly); or
- persons (each a **Clearing System Indirect Participant**) that hold interests in the Global Notes or, as applicable, Global DCIs through Clearing System Participants or through other Clearing System Indirect Participants;

each such interest being a **Book Entry Interest**.

The Issuer expects that, upon registration of Notes in the name of a Global Noteholder and/or, as applicable, DCIs in the name of a Global DCI Holder, the relevant Clearing System will credit each of its Clearing System Participants' accounts on such Clearing System's book-entry registration and transfer system with the

principal amount of Notes or, as applicable, DCIs for which that Clearing System Participant has subscribed and paid (as advised to the relevant Clearing System by the relevant Series Subscriber(s)).

The Issuer understands that Book Entry Interests in the Global Notes or, as applicable, Global DCIs will be shown on, and transfers of Book Entry Interests or an interest in Book Entry Interests will be effected only through, accounts and records in the respective Clearing System Participants' name on such Clearing System's book-entry registration and transfer system maintained by the relevant Clearing System (with respect to the Book Entry Interests of their Clearing System Participants) and on the accounts and records of Clearing System Participants or Clearing System Indirect Participants (with respect to the Book Entry Interests of their Clearing System Indirect Participants).

9.4.3 **Clearing System Participants etc are not Noteholders or DCI Holders**

The Global Noteholder or, as applicable, Global DCI Holder will be treated by the Issuer, the Series Note Trustee, the Series Registrar, the Series Paying Agent and Security Trustee and any of their respective agents as the Noteholder of the relevant Notes and DCI Holder of the relevant DCIs for all purposes whatsoever. Clearing System Participants or Clearing System Indirect Participants in a Clearing System:

- (in the case of Notes) will not be considered Noteholders of such Notes under the Note Conditions or the Series Note Trust Deed;
- (in the case of DCIs) will not be considered DCI Holders of such DCIs under the DCI Conditions or the Series Note Trust Deed;
- will have no rights in respect of Global Notes and/or, as applicable, Global DCIs under any Transaction Document (including, without limitation, the Note Conditions or, as applicable, DCI Conditions, the relevant Series Note Trust Deed, the Security Deed and the relevant Note Series Services Agreement);
- will not be entitled to have Global Notes or, as applicable, Global DCIs registered in their names; and
- will not receive or be entitled to receive Note Certificates for such Notes or, as applicable, DCI Certificates for such DCIs;

in each case, unless and until such Notes or, as applicable, DCIs are removed from each relevant Clearing System as described in 9.4.6 *Removal of Notes from Clearing Systems*.

9.4.4 **Rules and procedures of the relevant Clearing System etc**

A Clearing System Participant's Book Entry Interests and overall contractual relations with a Clearing System are governed by the respective rules and operating procedures of the relevant Clearing System and any applicable laws. Accordingly:

- each person holding a Book Entry Interest in respect of a Global Note or, as applicable, Global DCI must rely on the rules and procedures of the relevant Clearing System; and
- Clearing System Indirect Participants must rely on the procedures of the Clearing System Participants or Clearing System Indirect Participants through which such person owns any Book Entry Interest in the relevant Global Notes or, as applicable, Global DCIs;

in each case, to influence or direct the exercise any rights and obligations of a Noteholder in respect of Global Notes or, as applicable, Global DCIs.

The Issuer understands that, under existing industry practices, if either:

- the Issuer or the relevant Series Note Trustee requests any action of owners of Book Entry Interests in Global Notes or, as applicable, Global DCIs; or
- if an owner of a Book Entry Interest in a Global Note or, as applicable, Global DCI desires to give instructions or take any action that a Noteholder or, as applicable, DCI Holder is entitled to give or take under the Series Note Trust Deed,

the relevant Clearing System would authorise the Clearing System Participants owning the relevant Book Entry Interest in the Global Note or, as applicable, Global DCI to give instructions or take such action, and such Clearing System Participants would authorise Clearing System Indirect Participants to give or take such action or would otherwise act upon the instructions of such Clearing System Indirect Participants.

Each Clearing System acts under such rules and operating procedures only on behalf of its Clearing System Participants, and has no record of or relationship with persons holding Book Entry Interests through its Clearing System Participants.

9.4.5 **Notices to Noteholders and DCI Holders may be made to the Clearing System**

Any notice to Noteholders in respect of Global Notes or to DCI Holders in respect of Global DCIs shall be deemed to have been duly given if sent to each relevant Clearing System in respect of such Global Notes or, as applicable, Global DCIs and shall be deemed to have been given on the date on which such notice was so sent (see Base Condition 17 *Notices*).

9.4.6 **Removal of Notes from Clearing Systems**

Notes which are Global Notes and DCIs which are Global DCIs will remain as such until the occurrence of the circumstances specified in Base Condition 2.8 *Removal of Notes or DCIs from Clearing Systems*.

9.4.7 **Clearing System codes and identification numbers for Global Notes and Global DCIs**

The Clearing System codes and identification numbers (being the **Common Code** and **ISIN** (or International Securities Identification Number) where Euroclear and Clearstream are Clearing Systems in respect of the relevant Global Notes or, as applicable, Global DCIs and **CUSIP Number** where DTC is a Clearing System in respect of the relevant Global Notes) for:

- each Class comprising Global Notes will be set out in the *Clearing system codes* section in the Note Specified Terms in the relevant Series Prospectus; and
- each Class comprising Global DCIs will be set out in the *Clearing system codes* section in the DCI Specified Terms in the relevant Series Prospectus.

DTC shall not be a Clearing System in relation to DCIs.

9.5 **Restrictions on transfers of Notes and DCIs**

9.5.1 **Certain restrictions in relation to the Notes**

Title to the Notes or, as applicable, DCIs will pass by transfer and registration in the relevant Series Register as described in Base Condition 2.5(a) *Title and transfers*.

9.5.2 **Restrictions in the Transfer Regulations**

Each of the Notes and, as applicable, DCIs in the Series will be subject to the applicable Transfer Regulations (as defined in Base Condition 1.1 *Definitions*). The Transfer Regulations will require, among other things, that transfers can only be effected by delivery to the relevant Series Registrar of a duly completed and executed Transfer Form and such other evidence (including legal opinions) as the Issuer and the relevant Series Registrar may reasonably require to prove the validity and effect of the Transfer Form or documents accompanying it, the title of the transferor or his right to transfer the Note or, as applicable, DCI and his identity. See further 16 *Transfer Regulations*.

9.5.3 **General restrictions under applicable laws and regulations**

Each of the Notes and, as applicable, DCIs in the Series will also be subject to other restrictions on the promotion (including the distribution of offering material), offer, sale, purchase, resale, pledge or transfer of such Notes and, as applicable, DCIs as arise under applicable laws and investors are responsible for ascertaining and complying with such restrictions (see 1.8 *Restrictions must be ascertained and observed*).

In particular, the Notes and DCIs have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States or any other relevant jurisdiction. Each Rule 144A Note (if any) is being offered within the United States or to, or for the benefit of, a U.S. person in reliance on Rule 144A under the U.S. Securities Act only to Qualified Institutional Buyers. Each Reg S Note and DCI is being offered solely outside the United States in reliance on Reg S to non-U.S. Persons in offshore transactions (as defined in Reg S). During the Reg S Distribution Compliance Period, beneficial interests in a Reg S Note may only be transferred to a person that takes delivery in the form of a beneficial interest in a Rule 144A Note so long as the transfer is made to a Qualified Institutional Buyer in a transaction in reliance on Rule 144A and the transferor provides the Series Registrar with a written certification in the form required by the Series Note Trust Deed or applicable Transfer Regulations.

9.5.4 **ERISA and other restrictions on purchase of Notes by employee benefit plans**

The U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**), imposes certain requirements on 'employee benefit plans' (within the meaning of Section 3(3) of ERISA) that are subject to Title I of ERISA and on certain pension plans, profit-sharing plans, and entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, **ERISA Plans**), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, such as the requirements of investment prudence,

diversification and that an ERISA Plan's investments be made in accordance with the ERISA Plan's governing documents.

Section 406 of ERISA and Section 4975 of the U.S. Tax Code prohibit certain transactions involving the assets of an ERISA Plan and of a 'plan' (within the meaning of and subject to Section 4975 of the U.S. Tax Code, such as individual retirement accounts and 'Keogh' plans (together with ERISA Plans, **Plans**)) and certain persons (referred to as 'parties in interest' under ERISA and 'disqualified persons' under Section 4975 of the U.S. Tax Code (collectively, **Parties in Interest**)) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A Party in Interest who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the U.S. Tax Code.

The Notes and DCIs comprised in a Series are not expected to be eligible for purchase by Plans or Parties in Interest by such employee benefit plans or plans unless indicated, and subject to the conditions indicated, in the *ERISA* section (if any) in the *Subscription and sale of the Notes and DCIs* section in the relevant Series Prospectus.

9.5.5 Deemed representations by holders and transferees of interests in Notes and DCIs

A person acquiring a beneficial interest in a Note or, as applicable, DCI will be deemed to have made certain representations relating to, among other things, compliance with all applicable securities, ERISA and tax laws and shall be deemed to have agreed to be bound by the Transfer Regulations applicable to such Note or, as applicable, DCI (see 16.3 *Representations etc of Global Transferees*).

9.5.6 Procedures applicable to transfers of Book Entry Interests in Global Notes and Global DCIs

Permitted transfers of a Book Entry Interest in a Global Note or, as applicable, Global DCI will be subject to and effected in accordance with the rules and procedures for the time being of the relevant Clearing System.

While DTC and either or both of Euroclear and Clearstream are Clearing Systems in relation to Notes comprised in a Series, the Issuer understands that while a Note is represented by a Global Note:

- Subject to compliance with the transfer restrictions applicable to Notes under 15.2 *Selling restrictions* and 16 *Transfer Regulations*, cross-market transfers between DTC, on the one hand, and, directly or indirectly Euroclear or Clearstream, or their respective Clearing System Participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be.
- However, these cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in the system in accordance with its rules and procedures and within its established deadlines (Brussels time).
- Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to their Global Noteholder to take action to effect final settlement on its behalf by delivering or receiving interest in a Reg S Note in DTC, and making or receiving payment in accordance with normal procedures for immediately available funds settlement applicable to DTC. Clearing System Participants of Euroclear or Clearstream may not deliver instructions directly to their Global Noteholder.
- Because of time zone differences, the securities account of a Clearing System Participant in Euroclear or Clearstream purchasing an interest in a Global Note from a Clearing System Participant in DTC will be credited during the securities settlement processing day (which must be a Business Day for Euroclear and Clearstream) immediately following the DTC settlement date and the credit of any transaction in interests in a Global Note settled during the processing day will be reported to the relevant Clearing System Participant in Euroclear or Clearstream, as the case may be, on that day. Cash received by Euroclear or Clearstream as a result of sale interests in a Global Note by or through a Clearing System Participant in Euroclear or Clearstream to a Clearing System Participant in DTC will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the Business Day following settlement in DTC.
- Although DTC, Euroclear and Clearstream have agreed to certain procedures to facilitate transfers of beneficial interests in the Global Notes among Clearing System Participants of DTC and Clearing System Participants of Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Issuer, the relevant Series Note Trustee or any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective Clearing System

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

9.5.7 **Restrictions relating to the form of the Notes or DCIs**

The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in certificated definitive form. While a Note is a Global Note or, as applicable, a DCI is a Global DCI this may impair the ability to own, transfer or pledge book-entry interests.

9.5.8 **Charges and indemnity in respect of transfers**

No service charge will be made for any registration of transfer or exchange of Notes or DCIs of any class, but the Issuer, the relevant Series Note Trustee and/or the relevant Series Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

9.6 **Procedures for payments in respect of the Notes**

9.6.1 **Note Conditions, DCI Conditions and Series Note Services Agreement**

Each payment of principal and interest in respect of each Note shall be made in accordance with Base Condition 9 *Payments* as supplemented by the relevant Note Specified Terms. Each payment in respect of each DCI shall be made in accordance with Base Condition 9 *Payments* as supplemented by the relevant DCI Specified Terms. As part of the relevant Series Paying Agent Services, the relevant Series Paying Agent will administer the applicable payment procedures and arrangements which apply in relation to the Notes (see section 8.10.3 *Series Paying Agent Services*).

9.6.2 **Payments only made to registered Noteholder of Notes and DCI Holder of DCIs**

Principal and interest on each Note will be payable to the registered Noteholder of that Note and such registered Noteholder (being the relevant Global Noteholder in respect of a Global Note) will be the only person entitled to receive payments in respect of that Note and the Issuer will be discharged by payment to, or to the order of the registered Noteholder of that Note in respect of each amount so paid. No person other than the registered Noteholder of the Note shall have any claim against the Issuer in respect of any payment due on that Note.

Payments of DCI Amounts on each DCI will be payable to the registered DCI Holder of that DCI and such registered DCI Holder (being the relevant Global DCI Holder in respect of a Global DCI) will be the only person entitled to receive payments in respect of that DCI and the Issuer will be discharged by payment to, or to the order of the registered DCI Holder of that DCI in respect of each amount so paid. No person other than the registered DCI Holder of the DCI shall have any claim against the Issuer in respect of any payment due on that DCI.

9.6.3 **Taxation**

Payments of principal and interest in respect of the Notes or, as applicable, DCIs will be made subject to withholding tax (if any) applicable to the Notes or, as applicable, DCIs without the Issuer being obliged to pay further amounts as a consequence (see Base Condition 8 *Taxation*).

9.6.4 **Credits to Clearing System Participants etc in respect of payments on the Global Notes**

The Issuer expects that:

- (in accordance with the rules and procedures for the time being of the relevant Clearing System) after receipt of a payment in respect of a Global Note or, as applicable, Global DCI, the relevant Clearing System will promptly credit its Clearing System Participants' accounts with payments in amounts proportionate to their respective Book Entry Interests in such Global Note or, as applicable, Global DCI as shown in the records of each relevant Clearing System in relation to the relevant Class; and
- payments by Clearing System Participants to owners of Book Entry Interests in a Global Note or, as applicable, Global DCI held through such Clearing System Participants or through Clearing System Indirect Participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers registered in their 'street name' or in the names of nominees for such customers.

However, each such credits and payment made or to be made will be the responsibility of the relevant Clearing System or such Clearing System Participants or Clearing System Indirect Participants (as appropriate) and none of the Issuer, the Security Trustee, the Series Note Trustee, any Series Subscriber, any Series Registrar, any Series Paying Agent and any of their respective agents will have any responsibility or liability for any aspect of any such payment or credit made or to be made by any Clearing System, Clearing System Participant or Clearing System Indirect Participant on account of Book Entry Interests in a Global

Note or, as applicable, Global DCI or Book Entry Interests in a Global Note or, as applicable, Global DCI held through any Clearing System Participant or Clearing System Indirect Participant or for maintaining, supervising or reviewing any records of any Clearing System, Clearing System Participant or Clearing System Indirect Participant relating to any such payments, credits and Book Entry Interests.

9.6.5 **Currency exchange arrangements in relation to Global Notes**

If indicated in the relevant Series Prospectus, a Global Note may be held in a Clearing System that is unable to accept payments denominated in the relevant Note Currency of the Global Note (for example, where a Global Note denominated in GBP is held by a Global Noteholder for DTC), in which case:

- Section F.3 *Rights of Noteholders and DCI Holders and relationship with other Security Creditors* of the relevant Series Prospectus will provide details of the agreement (each a **Series Global Note Currency Exchange Agreement**) that the Issuer will enter into, on the Series Closing Date relating to the relevant Series, with each person indicated as a **Series Global Note Currency Exchange Agent** in C.1 *Table of Transaction Parties* in the relevant Series Prospectus.
- A Clearing System Participant in respect of a Book Entry Interest in that Global Note must notify the Series Paying Agent relating to the Series prior to the relevant Series Register Record Date with respect to any payment that such Clearing System Participant wishes to be paid in the relevant Note Currency of that Global Note and of the relevant bank account details into which such payments are to be made.
- If such instructions are not received by the Series Paying Agent relating to the Series, the relevant Series Global Note Currency Exchange Agent will, pursuant to the relevant Series Global Note Currency Exchange Agreement, exchange the relevant Note Currency amounts into a currency which the relevant Clearing System is able to accept at the exchange rate quoted by that Series Global Note Currency Exchange Agent (or other bank in the relevant financial centre for the relevant currency chosen by that Series Global Note Currency Exchange Agent and approved by the Series Paying Agent) and the relevant amount in such currency received as a result of such exchange of such Note Currency amount at such exchange rate will be paid to the relevant Global Noteholder. Upon written request by such Global Noteholder or the relevant Clearing System, the relevant Series Global Note Currency Exchange Agent will provide information regarding the relevant exchange rate (and any relevant commission) with respect to any such exchange relating to such payment made to such Global Noteholder.
- The Issuer will agree in the relevant Series Global Note Currency Exchange Agreement to indemnify the relevant Series Global Note Currency Exchange Agent in connection with its activities thereunder.

9.6.6 **Record of payments in Series Register**

The Issuer will procure that a record of each payment made in respect of a Note, distinguishing between any payment of principal and/or payment of interest, will be recorded in the Series Register in respect of such Note by the Series Registrar and such record shall be prima facie evidence that the payment in question has been made.

9.7 **Interest on the Notes**

The Note Specified Terms in relation to a Series shall indicate the rate of interest that shall apply in relation to a Class of Notes from time to time and, among other things:

- whether or not such Class will be:
 - Floating Rate Notes, where the Interest Rate may comprise a Reference Rate, which is reset at or prior to each Interest Period (see further Base Condition 5.3 *Reference Rate*), plus an Interest Margin, each as indicated in the Note Specified Terms; or
 - Fixed Rate Notes, where the applicable fixed Interest Rate will be indicated in the Note Specified Terms;
- the accrual of interest and payment of interest on the relevant Class of Notes (unless indicated otherwise in the Note Specified Terms, interest is expected to be paid by reference to successive Interest Periods, where accrued interest is expected to be payable in arrear immediately following the end each Interest Period, unless Interest Deferral applies to all or part of that accrued interest, in which case interest (referred to in the Base Conditions as Additional Interest) is expected to accrue at the applicable Interest Rate on the deferred amount (referred to as the Note Deferred Interest Outstanding in the Base Conditions) (see further Base Conditions 5.1 *Accrual of interest* and 5.2 *Payment and deferral of interest*); and

- the method and procedures for the calculation of interest to be paid in respect of Notes and notified to Noteholders (see further Base Condition 5.4 *Interest calculations and notifications*).

9.8 Maturity and redemption of the Notes

9.8.1 Maturities

Subject to compliance with all relevant laws, regulations and directives, Notes or, as applicable DCIs may be issued with any Final Maturity Date as may be specified the relevant Series Note Final Terms or, as applicable, in F.1 *Note Specified Terms* or, as applicable, F.2 *DCI Specified Terms* in the relevant Series Prospectus.

9.8.2 Redemption by instalments

Prior to enforcement and unless indicated otherwise in the relevant Series Note Final Terms or, as applicable, in F.1 *Note Specified Terms* in the relevant Series Prospectus, the Notes will be subject to mandatory redemption by instalments on each Series Payments Date in relation to such Notes in accordance with Base Condition 6.2 *Mandatory redemption in part*.

In the case of Base Condition 6.2(b) *Pass-through mandatory redemption in part*, Subject to the Series Payments Rules in the relevant Series Prospectus, such mandatory redemption by instalments will be primarily caused by receipt of Mortgage Receipts upon redemption of a Mortgage (typically upon sale of the Mortgage Property) or upon prepayments (whether voluntarily by the Borrowers or as a result of enforcement of security in respect of the related Mortgage Property) as indicated in 7.7.8 *Scheduled repayment of Mortgages*.

9.8.3 Optional redemption

The relevant Series Note Final Terms or, as applicable, section F.1 *Note Specified Terms* in the relevant Series Prospectus for a Series will state whether the Notes of such Series may be redeemed prior to their stated maturity pursuant to Base Condition 6.4 *Full redemption at the option of the Issuer* and, if so, the conditions applicable to such redemption.

9.8.4 Other early redemption

Except as provided above, Notes will be redeemable prior to maturity only pursuant to Base Condition 6.3 *Optional redemption for taxation and other reasons*.

9.8.5 Rule 2a-7 Notes

If so indicated in F.1.2 *Constitution of the Notes* in the relevant Series Prospectus for a Series, the Notes in a Class (**Rule 2a-7 Notes**) are intended to be structured as 'eligible securities' for purchase by money market funds under Rule 2a-7 (**Rule 2a-7**) of the U.S. Investment Company Act. Details relating to the relevant Rule 2a-7 Notes shall be set out in the relevant Series Prospectus and, in particular, may include:

- each **Series Rule 2a-7 Arrangements Document**, (if any) specified as such in the *Series Additional Documents* section in G *Series credit structure and cashflows* in the relevant Series Prospectus; and
- each person indicated in C.1 *Table of Transaction Parties* in the relevant Series Prospectus as being a **Series Rule 2a-7 Arrangements Party**.

See 4.6.9 *Rule 2a-7 Notes* for some particular risks relating to Rule 2a-7 Notes.

9.9 Ratings of Notes and DCIs

Notes and/or, as applicable, DCIs of any Series may be rated by one or more rating agencies (each a **Series Rating Agency**). If so:

- each Series Rating Agency (if any) in relation to the relevant Series will be indicated in C.1 *Table of Transaction Parties* in the relevant Series Prospectus and the status of each Series Rating Agency in respect of the Credit Rating Agencies Regulation will be indicated in J *Some regulatory disclosures* in the relevant Series Prospectus; and
- the Note Specified Terms and, as applicable, DCI Specified Terms set out in the relevant Series Prospectus will indicate each rating (if any) (being the **Note Rating** in respect of the relevant Notes or, as applicable, the **DCI Rating** in respect of the relevant DCIs) that is expected to be assigned by a Series Rating Agency on or about the relevant Series Closing Date to any Notes and/or DCIs issued in relation to that Series.

Any Note Rating and/or DCI Rating assigned in relation to Notes and/or DCIs in a Series reflects the views of the relevant Series Rating Agency and is based on, among other things, the Mortgages and the structural

features of the transaction (including, without limitation, the ratings of certain other Transaction Parties involved in the Series).

A Note Rating or a DCI Rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn at any time by the relevant Series Rating Agency. See further 4.1.14 *Ratings of the Notes and/or DCIs*.

Unrated Notes and/or, as applicable, DCIs may also be issued.

9.10 Listing of Notes

9.10.1 UK listing

As indicated in 1.2.4 *Application for listing on FCA's Official List and admission to trading on London Main Market*, an application may be made to the FCA (as competent authority under the UK Prospectus Regulation) for Classes of Notes issued under the Programme during the period of 12 months from the date of this Programme Prospectus to be admitted to the FCA's Official List in which case an application will also be made to the London Stock Exchange for such Classes of Notes to be admitted to trading on the London Main Market. No such applications will be made in respect of any DCIs issued in respect of any Series.

It is expected that each Class of Listed Notes which is to be listed on the FCA's Official List of the FCA (as competent authority under the UK Prospectus Regulation) and admitted to trading by the London Main Market will be so admitted separately as and when issued, subject to the issue of the relevant Notes comprised in the Class. If the relevant Global Note or Global Note Certificate is not issued, the Series in respect of such Notes may be cancelled.

Prior to such listing and admission to trading, however, dealings in the Listed Notes of the relevant Series will be permitted by the London Stock Exchange in accordance with its rules.

9.10.2 Possibility of other listings and unlisted Notes

However, Notes may be issued pursuant to the Programme which:

- will not be listed on the FCA's Official List and traded on the London Main Market or any other Listing Institution; or
- will be listed with a Listing Institution other than, or in addition to, the FCA's Official List and admission to trading on the London Main Market.

In relation to each Series, the name of each Listing Institution (if any) on which any Class of Notes is or is expected, as at the relevant Series Closing Date, to be listed will be indicated in the relevant Series Note Final Terms or, as applicable, in the *Application for Listing* section in the Note Specified Terms in the relevant Series Prospectus.

9.11 Limited role and liability of Series Note Trustee

9.11.1 Change of Series Note Trustee

Unless otherwise specified in the relevant Series Prospectus, subject to certain restrictions, the Series Note Trustee may resign its appointment upon not less than three months prior written notice although such resignation shall not take effect until a successor Series Note Trustee has been duly appointed. In order to be eligible to act as Series Note Trustee, among other things, such successor Series Note Trustee must agree to be bound by the terms of the Security Deed and Security Intercreditor Deed and must meet the applicable eligibility requirements under the Series Note Trust Deed. If within 60 days of having given notice of its intention to retire, the Issuer has failed to appoint a replacement Series Note Trustee, the outgoing Series Note Trustee will be entitled to appoint its successor.

9.11.2 Series Note Trustee fee and expenses

Each Series Note Trustee is entitled to charge a fee for its role under the relevant Series Note Trust Deed and other Transaction Documents to which it is a party and is entitled to reimbursement of certain expenses incurred by it in connection with the relevant Series Note Trust Deed and those other Transaction Documents, payable on each Series Payments Date subject to and in accordance with the relevant Series Priorities of Payments. The fees payable to the Series Note Trustee will be included in the *Other fees and expenses of the Issuer relating to the Series* section in I *Series fees* in the relevant Series Prospectus.

9.11.3 Exclusion of liability and limitations on duties

Among other things, each Series Note Trust Deed will provide that:

- the Series Note Trustee will not be responsible for supervising the performance by the Issuer or any other party to the Transaction Documents of their respective obligations under the Transaction Documents and the Series Note Trustee will be entitled to assume, until it has written notice to the contrary, that all such persons are properly performing their duties;
- the Series Note Trustee will not be responsible for considering the basis on which approvals or consents are granted by the Issuer or any other party to the Transaction Documents under the Transaction Documents;
- the Series Note Trustee shall not be bound or concerned to make any investigation into the Security Assets or the validity or enforceability of the relevant Security or Security Assets (including, without limitation, the creditworthiness of any obligor in respect of residential mortgage loans in any Series Portfolio or whether the cashflows from any Series Portfolio and the relevant Notes or DCI Holders in the Series are matched);
- the Series Note Trustee will not be liable to any Noteholder, DCI Holder or other Security Creditor for any failure to make or to cause to be made on its behalf the searches, investigations and enquiries which would normally be made by a prudent security holder in relation to the Security Assets and has no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Transaction Documents;
- any action taken by the Series Note Trustee under the Series Note Trust Deed or any Transaction Documents binds all of the Noteholders and DCI Holders of the relevant Series; and
- each Noteholder and DCI Holder shall be solely responsible for making its own independent appraisal of, and investigation into, the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Series Note Trustee shall not at any time have any responsibility for making any such appraisal or investigation and each Noteholder and DCI Holder must make its own determination of whether or not to request the Series Note Trustee to take a particular course of action.

9.11.4 Indemnification of the Series Note Trustee

Each Series Note Trust Deed will contain provisions for indemnification of the Series Note Trustee and for its relief from responsibility for the validity, sufficiency and enforceability (which the Series Note Trustee has not investigated) of the Security or the Security Assets, including provisions relieving it from taking proceedings to enforce repayment or from taking any action in accordance with the Security Deed without being first indemnified and/or prefunded and/or secured to its satisfaction.

9.11.5 Entitlement of the Series Note Trustee

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those in relation to any matter referred to in 9.13 *Modifications, authorisations, waivers and substitution*) the Series Note Trustee shall not have regard to the consequences of such exercise for individual Noteholders or DCI Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Series Note Trustee shall not be entitled to require, nor shall any Noteholders or DCI Holders be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any exercise upon individual Noteholders or DCI Holders.

9.11.6 Other dealings

Each of the Series Note Trustee and its subsidiaries or associated companies will be entitled to enter into business transactions with the Issuer, any issuer or guarantor of or other obligor in respect of the assets, rights and/or benefits comprising the Security Assets or any Transaction Party, or any of their respective subsidiaries or associated companies (including, without limitation, acting as a Series Note Trustee in respect of other Series of Notes constituted pursuant to other Series Note Trust Deeds) without accounting to any Noteholder or DCI Holder for any profit resulting therefrom.

9.12 Meetings and resolutions of Noteholders

In relation to each Series, the relevant Series Note Trust Deed will incorporate provisions for convening and holding meetings and the passing of resolutions which will be summarised in F.3 *Rights of Noteholders and DCI Holders and relationship with other Security Creditors* in the relevant Series Prospectus. See further Base Condition 13 *Noteholder Resolutions and DCI Holder Resolutions*.

9.13 Modifications, authorisations, waivers and substitution

Base Condition 15 *Modifications, authorisations, waivers and substitution* is incorporated into and applies to the Series Note Trust Deed relating to a Series and set out circumstances in which the Series Note Trustee and/or the Security Trustee may or, in relation to a Compliance Modification, shall, without any consent or sanction of the Noteholders, the DCI Holders or any of the other Series Security Creditors, agree to or make a modification, authorisation or waiver in respect of the Note Conditions, the DCI Conditions or, in so far as applicable to the Series, any other Transaction Document to which the Series Note Trustee and/or, as applicable, the Security Trustee is a party or in relation to which the Security Trustee holds Security. Such modifications may include, without limitation:

- the transfer of the Issuer to another jurisdiction;
- the substitution of any other company or other entity (incorporated in any jurisdiction) in place of the Issuer as principal debtor under the Series Note Trust Deed, the Notes in the Series and the Security Deed;
- the substitution of the Notes in the Series in whole but not in part only, for other securities or instruments having substantially the same rights and benefits as such Notes;
- a change of the law governing the Notes, the Series Note Trust Deed and/or the Security Deed; and
- a change in the place of residence of the Issuer for taxation.

Each such modification, authorisation, waiver, transfer and substitution shall be binding on all Noteholders, DCI Holders and each other Series Security Creditor.

9.14 Use of proceeds and total expenses

An indication of the application of the net proceeds from, and an estimate of the total expenses of, each issue of Notes and, as applicable, DCIs will be indicated in the relevant Series Note Final Terms or, as applicable, in the relevant Series Prospectus.

10. Base Conditions

The conditions applied to the Notes in a Series by the relevant Series Note Trust Deed constituting those Notes will comprise the following Base Conditions except to the extent amended, varied, disappplied and supplemented as indicated in the applicable Note Final Terms set out in F.1 *Note Specified Terms* in the relevant Series Prospectus relating to such Series and the conditions applied to the DCIs in a Series by the relevant Series Note Trust Deed constituting those DCIs will comprise the following Base Conditions except to the extent amended, varied, disappplied and supplemented as indicated in the applicable DCI Final Terms set out in F.2 *DCI Specified Terms* in the relevant Series Prospectus relating to such Series:

1. Interpretation

1.1 Definitions

In the Note Conditions and the DCI Conditions:

Actual/360 means the actual number of days in the Interest Period divided by 360;

Actual/365 means the actual number of days in the Interest Period divided by 365 (or, if any portion of the Interest Period falls in a leap year, the sum of:

- (a) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and
- (b) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

Amounts Due has the meaning indicated in the Series Payments Rules;

Base Conditions means these Base Conditions;

Business Day means a day (other than a Saturday or Sunday) on which banks are generally open for business in London;

Central Bank Rate means at any time the Bank of England's Bank Rate at that time as published by the Bank of England;

Class means Notes or, as applicable, DCIs in the same Series issued by the Issuer which are denominated in the same currency; have one or more issue dates; (in the case of Notes) the same Note Final Maturity Date; (in the case of Notes) have the same Note Rating (if any); have the same ISIN (if any); (in the case of Notes) bear interest (if any) on the same basis and at the same rate (except in respect of the first payment of interest); and are on terms otherwise identical;

Compounded Daily €STR means in relation to a Note or Class of Notes in relation to an Interest Period where 'Compounded Daily €STR' is specified as the Reference Rate in the Note Specified Terms, the Reference Rate determined for that Class of Floating Rate Notes in relation to that Interest Period in accordance with Base Condition 5.3(c) *Compounded Daily €STR as the Reference Rate*;

Compounded Daily Rate means in relation to an Interest Period relating to Floating Rate Notes, the percentage per annum rate of return of a daily compound interest investment (using the Daily Reference Rate relating to those Floating Rate Notes as the rate for the calculation of interest) calculated by the Series Note Calculation Agent as at the Interest Rate Setting Date, as follows, and the resulting percentage will be rounded in accordance with the relevant Interest Rounding Convention:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{Daily Rate}_{i - \text{Lag Time}} \times n_i}{y} \right) - 1 \right] \times \frac{y}{d}$$

where:

d means the number of calendar days in the relevant Interest Period;

d₀ means the number of Note Business Days in the relevant Interest Period;

i means a series of whole numbers from 1 to d₀, each representing the relevant Note Business Day in chronological order in the relevant Interest Period (from, and including, the first Note Business Day);

n_i means, for any Note Business Day "i", the number of calendar days from, and including, such Note Business Day "i" up to, but excluding, the following Note Business Day; and

Daily Rate_i – Lag Time means, in respect of any Note Business Day falling in the relevant Interest Period, the relevant Daily Reference Rate for the Business Day falling the applicable Lag Time prior to that Note Business Day "i"

y means 365 where the Daily Reference Rate is the SONIA Daily Rate and 360 in any other case;

Compounded Daily SOFR means in relation to a Note or Class of Notes in relation to an Interest Period where 'Compounded Daily SOFR' is specified as the Reference Rate in the Note Specified Terms, the Reference Rate determined for that Class of Floating Rate Notes in relation to that Interest Period in accordance with Base Condition 5.3(b) *Compounded Daily SOFR as the Reference Rate*;

Compounded Daily SONIA means in relation to an Interest Period relating to Floating Rate Notes, where 'Compounded Daily SONIA' is indicated in the Note Specified Terms as being the Reference Rate in respect of those Floating Rate Notes:

- (a) (unless paragraph (b) of this definition applies) the Compounded Daily Rate in relation to those Floating Rate Notes for that Interest Period; or
- (b) where those Note Specified Terms indicate that the SONIA Administrator Compounded Index Rate is to be used, the SONIA Administrator Compounded Index Rate in relation to those Floating Rate Notes for that Interest Period;

Daily Reference Rate means in respect of Floating Rate Notes:

- (a) the SONIA Daily Rate where Compounded Daily SONIA is the Reference Rate in respect of those Floating Rate Notes;
- (b) the SOFR Daily Rate where Compounded Daily SOFR is the Reference Rate in respect of those Floating Rate Notes; and
- (c) the €STR Daily Rate where Compounded Daily €STR is the Reference Rate in respect of those Floating Rate Notes;

Day Count Fraction means in relation to the calculation of interest for an Interest Period in respect of a Class of Notes, the result of applying, in respect of that Interest Period, the calculation indicated in relation to such Class in the *Interest accrual method* section in the Note Specified Terms;

DCI means the deferred consideration instrument to which these Base Conditions apply and, together with other DCIs in the same Series, the **DCIs**;

DCI Amount Deferral means in relation to Class of DCIs or a DCI in a Class at any time, that at that time amounts that would otherwise be due and payable on DCIs in that Class shall be deferred in the circumstances indicated in the *DCI Amount deferral* section in the DCI Specified Terms;

DCI Conditions means in respect of any DCIs in a Series, the Base Conditions as supplemented and amended in respect of those DCIs by the DCI Specified Terms applicable to those DCIs (in each case applied to those DCIs by the relevant Series Note Trust Deed constituting those DCIs);

DCI Deferred Amount Outstanding means in relation to a DCI at any time the total amount in respect of DCI Amounts which has been deferred pursuant to Base Condition 7.2 *Payment and deferral of DCI Allocated Amounts* and remains outstanding at that time;

DCI Deferred Interest Rate means in relation to Class of DCIs or a DCI in a Class at any time, that at that time amounts that would otherwise be due and payable on DCIs in that Class shall be deferred in the circumstances indicated in the *DCI Deferred Interest Rate* section in the DCI Specified Terms;

DCI Expiry Date means in relation to a DCI the first date upon which both:

- (a) no amount is outstanding in relation to that DCI; and
- (b) no further amount can accrue or become payable in relation to that DCI,

in each case pursuant to the DCI Conditions;

DCI Holder in relation to a DCI at any time means the person in whose name such DCI is registered at that time in the Series Register (or, in the case of a joint holding, the first named person);

DCI Specified Terms means in relation to DCIs in a Series, section F.2 *DCI Specified Terms* in the applicable Series Prospectus relating to that Series or, as applicable, the *DCI Specified Terms* section in the applicable Series DCI Pricing Supplement;

EU Credit Rating Agencies Regulation means Regulation (EC) No. 1060/2009, together with each official supplementary measures (including, without limitation, technical standards and delegated regulations) published in relation thereto by any official body of the European Union, in each case as in force, interpreted and applied as at that time (without taking into account any corresponding national measures);

EU Securitisation Regulation means Regulation (EU) 2017/2402, as amended, including:

- (a) relevant regulatory and/or implementing technical standards or delegated regulation in relation thereto (including any applicable transitional provisions); and/or
- (b) any relevant guidance and policy statements in relation thereto published by the European Banking Authority, the European Securities and Markets Association, the European Insurance and Occupational Pensions Authority and/or the European Commission,

but excluding any national measures by any member state of the EU;

ESTR Daily Rate means in respect of a Note Business Day, the Euro short-term rate as published by the European Banking Authority (or any successor as administrator of that rate) on that Note Business Day;

EUR, € 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;

EUR Business Day means a day on which TARGET2 is open;

EURIBOR means in relation to a Note or Class of Notes in relation to an Interest Period where 'EURIBOR' is specified as the Reference Rate in the Note Specified Terms, the Reference Rate determined for that Class of Floating Rate Notes in relation to that Interest Period in accordance with Base Condition 5.3(d) *EURIBOR as the Reference Rate*;

EURIBOR Banks means in relation to a Reference Rate, four major banks in the EURIBOR Market which the Issuer (as approved by the Programme Servicer) may appoint from time to time in accordance with Base Condition 5.3(d)(6) *EURIBOR Banks*;

EURIBOR Financial Centre means in relation to a Reference Rate the principal financial centre for EUR;

EURIBOR Market means in relation to determination of EURIBOR as the Reference Rate that will apply for an Interest Period in relation to Notes, the Euro-zone interbank market for EUR deposits, or, if a Reference Rate Modification has become effective for those Notes where EURIBOR is the Reference Rate, such other market as is specified in that Reference Rate Modification to apply to the determination of the Reference Rate Replacement in relation to those Notes;

EURIBOR Screen means in relation to determination of EURIBOR as the Reference Rate in relation to an Interest Period:

- (a) if no Reference Rate Modification has become effective, Reuters Screen page EURIBOR01 (or such replacement page on the Reuters service which displays the information) or, if that service ceases to display the information, such other screen service as may be selected by the Issuer; or
- (b) if a Reference Rate Modification has become effective, such other source as is specified in that Reference Rate Modification to apply to the determination of the Reference Rate Replacement;

Euro-zone means at any time the region comprised of the member states of the European Union that at that time use the single currency in accordance with the Treaty of Rome of 25 March 1957, establishing the European Community, as amended from time to time;

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

FATCA means:

- (a) sections 1471 to 1474 of the United States Internal Revenue Code of 1986, as amended, or any regulations thereunder or any official interpretations thereof;
- (b) any treaty, law or regulation (or official interpretations thereof) of any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

- (c) any agreement pursuant to any treaty, law or regulation referred to in paragraphs (a) or (b) above with the United States Internal Revenue Service, the United States government or any governmental or taxation authority in any other jurisdiction;

Final Maturity Date means in relation to a Class of Notes or a Note in a Class, the date indicated in relation to that Class of Notes in the *Final Maturity Date* section in the Note Specified Terms;

Fixed Rate means, in relation to a Fixed Rate Note in a Class at any time, the Interest Rate applicable to that Fixed Rate Note at that time;

Fixed Rate Note means at any time a Note in a Class that is indicated in the *Interest Rate* section in the Note Specified Terms as having an Interest Rate which is a Fixed Rate at that time;

Floating Rate means, in relation to a Floating Rate Note in a Class at any time, the Interest Rate applicable to that Floating Rate Note at that time;

Floating Rate Note means at any time a Note in a Class that is indicated in the *Interest Rate* section in the Note Specified Terms as having an Interest Rate which is a Floating Rate at that time;

FOMC Target Rate means the short-term interest rate target set by the Federal Open Market Committee and published on the Federal Reserve's website, or if the Federal Open Market Committee does not target a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee and published on the Federal Reserve's website (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range);

GBP, £, pounds, sterling or pounds sterling are to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;

GBP Business Day means a day (other than Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

Issuer means London Wall Mortgage Capital plc, a company incorporated under the laws of England and Wales (registration number 10001337), whose registered office is at 8th Floor, 100 Bishopsgate, London EC2N 4AG or, as from the time that a substitution occurs as referred to in Base Condition 15.9 *Transfer and substitution of Issuer, Notes and/or DCIs*, the relevant substitute entity;

Interest Deferral means in relation to a Class of Notes or a Note in a Class at any time, that at that time interest that would otherwise be due and payable on Notes in that Class shall be deferred in the circumstances indicated in the *Interest deferral* section in the Note Specified Terms;

Interest Margin means at any time in relation to Notes in a Class, the percentage per annum (if any) indicated in the *Interest Rate* section in the Note Specified Terms as being the Interest Margin applicable to that Class at that time or, if an Interest Margin Modification has become effective at that time, such other margin as is specified in that Interest Margin Modification to apply to those Notes in that Class;

Interest Margin Modification means in relation to Notes in a Class, a change of the Interest Margin in respect of such Notes solely in relation to and consequential upon a Reference Rate Modification (which, for the avoidance of doubt, may include specifying sources, procedures and a methodology to be used to calculate the applicable Interest Margin applicable at specified times and/or an increase or a decrease to the Interest Margin or changing it to 0% per annum) and solely for the purpose of preserving, so far as reasonably and commercially practicable, what would have been the expected floating rate of interest applicable to such Notes had no such Reference Rate Modification been effected, which change has become effective under Base Condition 15.1 *Trustee's right of modification*, Base Condition 15.3 *Compliance Modification* or a Noteholder Extraordinary Resolution or, as applicable, which change is proposed under any such Base Condition or proposed Noteholder Extraordinary Resolution;

Interest Period means, in relation to a Note, the period from (and including) a Series Payments Date in respect of that Note to (but excluding) the next succeeding Series Payments Date in respect of that Note (except in the case of the first such period, which shall be from (and including) the Series Closing Date to (but excluding) the first Series Payments Date in respect of that Note);

Interest Rate means, in relation to Notes in a Class, the Interest Rate indicated in the *Interest Rate* section in the Note Specified Terms as being applicable to that Class at that time;

Interest Rate Setting Date means in relation to determination of a Reference Rate in relation to an Interest Period:

- (a) where that Reference Rate is EURIBOR, the first day of that Interest Period;
- (b) where that Reference Rate is not EURIBOR, the 5th Business Day before the last day of that Interest Period,

or, if a Reference Rate Modification has become effective, such other day as is specified in that Reference Rate Modification to apply to the determination of the Reference Rate Replacement in relation to Notes;

Interest Rate Setting Time means:

- (a) in relation to determination of a Reference Rate:
 - (1) in relation to Notes denominated in GBP, at or about 11.00 a.m. London time;
 - (2) in relation to Notes denominated in EUR, at or about 11.00 a.m. Brussels time; and
 - (3) in relation to Notes denominated in USD, at or about 11.00 a.m. New York time,
 or, if a Reference Rate Modification has become effective, such other time as is specified in that Reference Rate Modification to apply to the determination of the Reference Rate Replacement in relation to Notes denominated in the relevant Note Currency; and
- (b) in relation to any other Floating Rate or any Fixed Rate, at or about 11.00 a.m. London time;

Interest Rounding Convention means in relation to a figure, unless specified otherwise, such figure rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, 0.000005 being rounded upwards;

Lag Time means 5 Business Days unless a different meaning is indicated in the Note Specified Terms;

Local Business Day means in relation to payment to be made by the Series Paying Agent, a day which:

- (a) is a Business Day;
- (b) if the payment is to be made in relation to a Global Note or a Global DCI, is a day on which the relevant Clearing System is open for business; and
- (c) if the payment is to be made in relation to a Note which is not a Global Note or a DCI which is not a Global DCI:
 - (1) if that Note is denominated in EUR, is an EUR Business Day; and
 - (2) if that Note is denominated in USD, is a USD Business Day;

Most Senior Tranche has, in relation to a Series, the meaning indicated in F.1.2 *Constitution of the Notes* in the Note Specified Terms relating to Notes in that Series;

Note means the Note to which these Base Conditions apply and, together with Notes in the same Series, the **Notes**;

Note Business Day means in relation to a Note:

- (a) if that Note is denominated in GBP, is a GBP Business Day;
- (b) if that Note is denominated in EUR, is an EUR Business Day; and
- (c) if that Note is denominated in USD, is a USD Business Day (or, where indicated, a USD New York Business Day);

Note Conditions means in respect of any Notes in a Series, the Base Conditions as supplemented and amended in respect of those Notes by the Note Specified Terms applicable to those Notes (in each case applied to those Notes by the relevant Series Note Trust Deed constituting those Notes);

Note Currency means at any time in relation to a Note, the currency in which that Note is denominated at that time;

Note Currency Unit means in relation to a Note, 0.01 in the Note Currency of that Note (for example, if the Note Currency of a Note is GBP, the Note Currency Unit would be GBP 0.01);

Note Deferred Interest Outstanding means in relation to a Note at any time the total amount of interest which has been deferred pursuant to Base Condition 5.2(a) *Payment and deferral of Scheduled Interest* and remains outstanding at that time;

Note Initial Principal Amount in relation to a Class of Notes, means the amount specified in relation to that Class in the *Note Initial Principal Amount* section in the relevant Note Specified Terms and, in relation to a Note, means the amount indicated as such in relation to that Note in the Series Register;

Note Principal Amount Outstanding means at any time in relation to a Note, the Note Initial Principal Amount of that Note less the aggregate amount of all principal amounts in respect of that Note that have been paid prior to such date;

Note Specified Terms means in relation to Notes in a Series section F.1 *Note Specified Terms* in the applicable Series Prospectus relating to that Series or, as applicable, the *Note Specified Terms* section in the applicable Series Note Final Terms;

Note Transaction Party means in relation to the Notes and DCIs, the Security Trustee, Series Note Trustee, Series Registrar, Series Paying Agent and Series Note Calculation Agent;

Noteholder in relation to a Note at any time means the person in whose name such Note is registered at that time in the Series Register (or, in the case of a joint holding, the first named person);

OBFR Daily Rate means on a Note Business Day, the Overnight Bank Funding Rate that appears on the Federal Reserve's website at 5:00 p.m. (New York time) for trades made on the related Note Business Day;

OBFR Index Cessation Effective Date means, following the occurrence of an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Overnight Bank Funding Rate), ceases to publish the Overnight Bank Funding Rate, or the date as of which the Overnight Bank Funding Rate may no longer be used, in each case as certified in writing by the Issuer to the Series Note Calculation Agent (or such other party responsible for the calculation of the rate of interest);

OBFR Index Cessation Event means the occurrence of one or more of the following events:

- (a) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the Overnight Bank Funding Rate) announcing that it has ceased or will cease to publish or provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Overnight Bank Funding Rate;
- (b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the Overnight Bank Funding Rate) has ceased or will cease to provide the Overnight Bank Funding Rate permanently or indefinitely, *provided that*, at that time, there is no successor administrator that will continue to publish or provide the Overnight Bank Funding Rate; or
- (c) a public statement by a regulator or other official sector entity prohibiting the use of the Overnight Bank Funding Rate that applies to, but need not be limited to, fixed income securities and derivatives, to the extent that such public statement has been acknowledged in writing by ISDA as an 'OBFR index cessation event' under the 2006 ISDA Definitions as published by ISDA;

Other Series means a Series constituted under the Programme which is not the Series in respect of which the Notes have been issued and relate to;

outstanding means, in relation to any Class of Notes or, as applicable, DCIs, all the Notes or, as applicable, DCIs in such Class which have been issued other than:

- (a) those Notes which have been redeemed in full in accordance with the relevant Note Conditions;
- (b) those DCIs in respect of which the DCI Expiry Date has occurred in accordance with the DCI Conditions;
- (c) those Notes in respect of which the date for redemption in accordance with the relevant Note Conditions has occurred and the redemption moneys wherefore (including premium, if any, and all interest (howsoever described) accrued thereon to the date for such redemption) have been duly paid to the Security Trustee, the relevant Series Note Trustee, the relevant Series Paying Agent or the relevant Series Registrar as provided in the relevant Series Note Services Agreement (and, where appropriate, notice has been given to the Noteholders in respect of such Notes) and remain available for payment in respect of such Notes;

- (d) those Notes and DCIs in respect of which claims have become prescribed in accordance with the relevant Note Conditions or, as applicable, DCI Conditions;
- (e) those Notes which have been purchased by the Issuer; and
- (f) those Notes and DCIs which have been cancelled under the relevant Note Conditions or, as applicable, DCI Conditions,

provided that for each of the following purposes, namely:

- (1) the quorum, right to attend and vote at any meeting of the Noteholders or, as applicable, DCI Holders of any Class or Classes thereof;
- (2) passing or making a Noteholder Resolution or DCI Holder Resolution (whether made in writing, by Electronic Consent and/or at a meeting) of the Noteholders or, as applicable, DCI Holders of any Class or Classes thereof;
- (3) any direction or request by the Noteholders or, as applicable, DCI Holders or any Class or Classes thereof;
- (4) the determination of how many and which such Notes or, as applicable, DCIs are for the time being outstanding for the purposes of the Series Note Trust Deed (including, without limitation, provision relating to meetings of Noteholders), the Security Deed, the Security Intercreditor Deed, the Series Note Services Agreement and the relevant Note Conditions or, as applicable, DCI Conditions;
- (5) any discretion, power or authority (whether vested by operation of law or contained in the Series Note Trust Deed, the Security Deed, the Security Intercreditor Deed, the Series Note Services Agreement and the relevant Note Conditions or, as applicable, DCI Conditions) which the Security Trustee, the Series Note Trustee, the Series Registrar, the Series Paying Agent and/or the Series Cash Manager is required, expressly or impliedly, to exercise in or by reference to the interests of any of the Noteholders or, as applicable, DCI Holders or any Class or Classes thereof; and
- (6) the determination by the Security Trustee and/or the Series Note Trustee whether any event, circumstance, matter or thing (including, without limitation, Note Event Of Default) is, in its opinion, materially prejudicial to the interests of the Noteholders or, as applicable, DCI Holders or any Class or Classes thereof,

those Notes or, as applicable, DCIs (if any) shall be deemed not to remain outstanding in the circumstances indicated in the *Disenfranchisement* section in the Note Specified Terms;

Payee means in relation to a Note or, as applicable, DCI, the person listed at the close of business on the Series Register Record Date in the Series Register as the Noteholder of that Note or, as applicable, DCI Holder of that DCI;

Payee Permitted Account means:

- (a) in the case of a payment in relation to a Rule 144A Note, a USD account maintained by the payee with a bank in New York City; and
- (b) in the case of a payment in relation to a Reg S Note denominated in GBP or a DCI, a GBP account maintained by the payee with a bank in London; and
- (c) in the case of a payment in relation to a Reg S Note denominated in EUR, a EUR account maintained by the payee with a bank in a city in which banks have access to the TARGET2 system; and
- (d) in the case of a payment in relation to a Reg S Note in any other Note Currency, an account in that Note Currency outside the United States and its possessions maintained by the payee with a bank as specified by the payee;

Payee Record Address means in connection with any payment, the address shown as the address of the Payee in the Series Register at the close of business on the relevant Series Register Record Date;

Payment Date means in relation to any payment, the due date of that payment or if that due date is not a Local Business Day, the next succeeding Local Business Day;

Permitted Notes means:

- (a) for the purposes of Base Condition 6.3 *Optional redemption for taxation and other reasons*, the Notes in each Class indicated as being 'Permitted Notes' in the *Optional Redemption Additional Tax Conditions* section in the Note Specified Terms; and
- (b) for the purposes of Base Condition 6.4 *Full redemption at the option of the Issuer*, the Notes in each Class indicated as being 'Permitted Notes' in the *Optional Redemption Conditions* section in the Note Specified Terms;

Programme means the residential mortgage backed securities programme established by the Issuer on 1 November 2016;

Programme Servicer means at any time the person(s) who is the Programme Servicer under the Programme Services Agreement at that time;

Programme Services Agreement means the Programme Services Agreement dated 1 November 2016 and entered into between the Issuer, London Wall Capital Investments LLP (as Programme Servicer) and the Security Trustee;

Qualified Institutional Buyers means qualified institutional buyers as defined in Rule 144A;

Reference Rate means in relation to a Class of Notes which are Floating Rate Notes:

- (a) Compounded Daily SONIA where 'Compounded Daily SONIA' is indicated in the Note Specified Terms as being the Reference Rate in respect of those Floating Rate Notes;
- (b) Compounded Daily SOFR where 'Compounded Daily SOFR' is indicated in the Note Specified Terms as being the Reference Rate in respect of those Floating Rate Notes;
- (c) Compounded Daily €STR where 'Compounded Daily €STR' is indicated in the Note Specified Terms as being the Reference Rate in respect of those Floating Rate Notes; and
- (d) EURIBOR where 'EURIBOR' is indicated in the Note Specified Terms as being the Reference Rate in respect of those Floating Rate Notes;

Reference Rate Modification means:

- (a) a change of the sources, procedures and methodology to be used to calculate the Reference Rate in respect of Notes to the Reference Rate Replacement; and
- (b) such amendments to the Note Conditions and/or Transaction Documents as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change,

which have become effective under Base Condition 15.1 *Trustee's right of modification*, Base Condition 15.3 *Compliance Modification* or a Noteholder Extraordinary Resolution or, as applicable, which change is proposed under any such Base Condition or proposed Noteholder Extraordinary Resolution;

Reference Rate Modification Certificate means a certificate delivered under Base Condition 15.3(g) *Change to Reference Rate etc.*;

Reference Rate Official Body means in respect of a relevant benchmark:

- (a) the central bank for the currency in which that benchmark is denominated;
- (b) any central bank or other supervisory authority which is responsible for supervising that benchmark and/or the administrator of that benchmark;
- (c) a group of those central banks or other supervisory authorities (including the Financial Stability Board); or
- (d) any working group or committee sponsored by, chaired or co-chaired by, approved by, or constituted at the request of:
 - (1) the central bank for the currency in which that benchmark is denominated; and/or
 - (2) any central bank or other supervisory authority which is responsible for supervising that benchmark and/or the administrator of that benchmark; and/or
 - (3) a group of those central banks or other supervisory authorities (including the Financial Stability Board);

Reference Rate Replacement means at any time a rate calculated or, as applicable, to be calculated, using the sources, procedures and methodology specified in the relevant Reference Rate Modification Certificate;

Reference Rate Quotation Period means in relation to determination of a Reference Rate that will apply for an Interest Period:

- (a) (where the Note Specified Terms specify that an interpolation shall apply to determine the Reference Rate for that Interest Period) each period that the *Interest Rate* section in the Note Specified Terms indicates shall be used in such calculation; or
- (b) (in any case where the Series Note Trustee or Security Trustee causes an Interest Period to be shortened or extended) each period (and, if applicable, interpolation) notified by the Series Note Trustee or Security Trustee to the Series Note Calculation Agent and the Issuer to be used for the determination of that Reference Rate;
- (c) (in any other case) the period indicated in relation to the description of the Reference Rate applicable to the relevant Class in the *Interest Rate* section in the Note Specified Terms (for example, if such description is '3 month EURIBOR' then such period is 3 months),

or, if a Reference Rate Modification has become effective, such other period as is specified in that Reference Rate Modification to apply to the determination of the Reference Rate Replacement that will apply for an Interest Period;

Reg S means Regulation S under the U.S. Securities Act;

Reg S Distribution Compliance Period means, with respect to any Reg S Notes, the period prior to the first Business Day that is 40 days after the later of the commencement of the offering of such Reg S Notes and the relevant Series Closing Date relating to such Reg S Notes;

Reg S Notes means at any time Notes which are not Rule 144A Notes at that time;

Required Notes means:

- (a) for the purposes of Base Condition 6.3 *Optional redemption for taxation and other reasons*, the Notes in each Class indicated as being 'Required Notes' in the *Optional Redemption Additional Tax Conditions* section in the Note Specified Terms; and
- (b) for the purposes of Base Condition 6.4 *Full redemption at the option of the Issuer*, the Notes in each Class indicated as being 'Required Notes' in the *Optional Redemption Conditions* section in the Note Specified Terms;

RMBS Comparable Transaction means at any time a public residential mortgage backed securities transaction where the initial issue date has occurred within 18 months prior to that time and where the relevant prospectus, approved by the applicable listing authority or regulated market administrator and prepared for the initial public offering of those RMBS Securities, indicates that it includes RMBS Securities and all of the relevant residential mortgages are either owner occupier mortgages and/or buy to let mortgages and are secured upon residential properties located in the United Kingdom;

RMBS Securities means GBP denominated floating rate residential mortgage backed securities which are listed in London or Dublin and publicly rated 'AA-' or higher by S&P, 'AA-' or higher by Fitch, 'Aa3' or higher by Moody's or AA- or higher by KBRA;

Rule 144A means Rule 144A under the U.S. Securities Act;

Rule 144A Notes means at any time Notes which:

- (a) are in a Class in respect of which it is indicated in F.1.2 *Constitution of the Notes* in the Note Specified Terms that Class of Rule 144A Notes; and
- (b) are required to be held by or for the account of Qualified Institutional Buyers (as beneficial owners) at that time;

Rule 2a-7 means Rule 2a-7 under the U.S. Investment Company Act;

Rule 2a-7 Notes means at any time Notes which are in a Class in respect of which it is indicated in F.1.2 *Constitution of the Notes* in the Note Specified Terms that such Class is a Class of Rule 2a-7 Notes;

Scheduled Repayment Amount has the meaning indicated in the *Scheduled Repayment Amount* section (if any) in the relevant Note Specified Terms;

Scheduled Repayment Date has the meaning indicated in the *Scheduled Repayment Amount* section in (if any) the relevant Note Specified Terms;

Scheduled Repayment Period in relation to a Class of Notes, means the period specified as such in relation to that Class in the *Scheduled Repayment Period* section in the relevant Note Specified Terms;

Security means at any time the security interests subsisting at such time which were created by the Issuer in favour of the Security Trustee under or pursuant to the Security Deed (including, for the avoidance of doubt, each and any Security Supplemental Deed);

Security Deed means the Security Deed entered into on 1 November 2016 between Issuer and the Security Trustee;

Security Intercreditor Deed means the Security Intercreditor Deed entered into on 1 November 2016 between, among others, the Issuer, the Programme Servicer, and the Security Trustee;

Security Supplemental Deed means each document (if any) indicated as being a Security Supplemental Deed in the *Series Additional Documents* section in *G Series credit structure and cashflows* in the relevant Series Prospectus;

Security Trustee means at any time the person(s) who is/are the Security Trustee under the Security Deed and Security Intercreditor Deed at that time;

Security Trustee Specified Office means the office of the Security Trustee indicated in the *Specified Offices* section in the Note Specified Terms or such other office of which prior notice is given under these Base Conditions;

Series means the Series in relation to which these Base Conditions are applied to Notes and/or DCIs issued in relation to such Series (being the Series is indicated in the *Series* section in the Note Specified Terms);

Series Acceleration Date has the meaning indicated in the Series Payments Rules;

Series Basic Terms Modification means in relation to the Series, a modification of certain terms including, among other things, a modification which would have the effect of:

- (a) changing any date fixed for payment of (as applicable) principal, interest or any other amount in respect of any Class of the Notes or any Class of the DCIs in the Series (including, for the avoidance of doubt, the Final Maturity Date or, as applicable, the DCI Expiry Date);
- (b) (except as a result of any Reference Rate Modification) altering the amount of principal or interest or any other amount due on any date in respect of any Class of the Notes or any Class of the DCIs in the Series;
- (c) (except for any Reference Rate Modification) altering the method of calculating the amount of any payment in respect of any Class of the Notes or any Class of the DCIs in the Series on any date;
- (d) altering the quorum required at any meeting of Noteholders or DCI Holders or majority required to pass a Noteholder Extraordinary Resolution or a DCI Holder Extraordinary Resolution;
- (e) altering the currency in which amounts due in respect of any Class of the Notes or any Class of the DCIs in the Series are payable;
- (f) altering the relevant Series Priorities of Payments applicable to any Class of the Notes or any Class of the DCIs;
- (g) (except in accordance with Base Condition 15.9 *Transfer and substitution of Issuer, Notes and/or DCIs* and Clause 7 *Substitution, transfer and exchange* of the Series Note Trust Terms forming part of the Series Note Trust Deed) to effect the exchange, conversion or substitution of any Class of the Notes or any Class of the DCIs in the Series for, or the conversion of such Notes or DCIs into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (h) restricting the transferability of any Class of the Notes or any Class of the DCIs in the Series;
- (i) altering the definition of Series Security Assets allocated to the Series; or
- (j) altering the definition of Series Basic Terms Modification applicable to the Series;

Series Basis Hedge Rate Modification means in relation to a Series Basis Hedge Agreement (if any) in a Series:

- (a) a change of the sources, procedures and methodology to be used to determine the rate (including, for the avoidance of doubt, the benchmark rate and any spread rate) used to calculate the amount payable by the relevant Series Basis Hedge Provider respect of one or more basis rate hedge transactions under that Series Basis Hedge Agreement where such change is consequential upon a Reference Rate Modification and, if any, each Interest Margin Modification and solely for the purpose of preserving, so far as reasonably and commercially practicable, the relationship between that rate and the Interest Rates of the Notes following such Reference Rate Modification and, if applicable, each Interest Margin Modification so as to reflect the relationship that would have applied in the absence of such Reference Rate Modification and, if applicable, each Interest Margin Modification; and
- (b) such amendments to that Series Basis Hedge Agreement and/or the other Transaction Documents as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change,

which change has become effective upon compliance with the applicable provisions of Base Condition 15.1 *Trustee's right of modification* or Base Condition 15.3 *Compliance Modification* or, as applicable, which change is proposed under any such Base Condition;

Series Cash Manager means at any time the person that is the Series Cash Manager under the Series Cash Management Agreement at that time;

Series Cash Management Agreement means the Series Cash Management Agreement entered into in relation to the Series on the Series Closing Date between, among others, the Issuer, the Series Note Trustee and the Series Cash Manager;

Series Closing Date has the meaning indicated in the Note Specified Terms;

Series DCI Pricing Supplement means in relation to DCIs in a Series, the pricing supplement in respect of that Series;

Series Note Additional Provisions means the provisions of the Transfer Regulations, the Series Payments Rules, the Series Note Trust Deed, the Series Note Services Agreement, the Security Deed, the Security Intercreditor Deed and each Security Supplemental Deed;

Series Note Calculation Agent means at any time the person that is the Series Note Calculation Agent under the Series Note Services Agreement at that time;

Series Note Calculation Agent Specified Office means the office of the Series Note Calculation Agent indicated in the *Specified Offices* section in the Note Specified Terms or such other office of which prior notice is given under these Base Conditions;

Series Note Final Terms means in relation to a Series and Notes in a Series, the final terms in respect of that Series for the purposes of Article 8 of the UK Prospectus Regulation;

Series Note Services Agreement means the Series Note Services Agreement entered into in relation to the Series on the Series Closing Date between, among others, the Issuer, the Series Note Trustee, the Series Registrar, the Series Paying Agent and the Series Note Calculation Agent;

Series Note Trust Deed means the relevant Series Note Trust Deed entered into in relation to the Series on the Series Closing Date by the Issuer and the Series Note Trustee which applies these Base Conditions to the Notes;

Series Note Trustee means at any time the person(s) who is/are the Series Note Trustee under the Series Note Trust Deed at that time;

Series Note Trustee Appointee means any delegate, agent, nominee, custodian, attorney or manager appointed by the Series Note Trustee pursuant to the provisions of the Transaction Documents;

Series Note Trustee Specified Office means the office of the Series Note Trustee indicated in the *Specified Offices* section in the Note Specified Terms or such other office of which prior notice is given under these Base Conditions;

Series Paying Agent means at any time the person that is the Series Paying Agent under the Series Note Services Agreement at that time;

Series Paying Agent Specified Office means the office of the Series Paying Agent indicated in the *Specified Offices* section in the Note Specified Terms or such other office of which prior notice is given under these Base Conditions;

Series Payments Date has the meaning indicated in the Note Specified Terms;

Series Payments Rules has the meaning indicated in the *Series Payments Rules* section in G *Series credit structure and cashflows* in the relevant Series Prospectus;

Series Priorities of Payments has the meaning indicated in the Series Payments Rules;

Series Prospectus means at any time in relation to a Series and Notes and/or DCIs in a Series, a supplementary drawdown prospectus published by the Issuer in connection with the Programme providing information in relation to that Series and the Note Specified Terms in relation to those Notes and/or, as applicable, the DCI Specified Terms in relation to those DCIs;

Series Reference Creditor has the meaning indicated in the *Series Reference Creditor* section in the Note Specified Terms;

Series Register Record Date means in connection with any payment, the 15th day before (in the case of Notes or DCIs in definitive form) or one business day (being for this purpose a day on which the relevant Clearing System is open for business) before the due date for payment of the relevant amount;

Series Registrar means at any time the person that is the Series Registrar under the Series Note Services Agreement at that time;

Series Registrar Specified Office means the office of the Series Registrar indicated in the *Specified Offices* section in the Note Specified Terms or such other office of which prior notice is given under these Base Conditions;

SOFR Daily Rate means:

- (a) the daily secured overnight financing rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on its website on or about 5:00 p.m. (New York City time) on each USD Business Day in respect of the USD Business Day immediately preceding such day;
- (b) if the daily secured overnight financing rate does not appear on a USD Business Day as specified in paragraph (a) of this definition, unless both a SOFR Index Cessation Event and a SOFR Index Cessation Effective Date have occurred, the daily secured overnight financing rate in respect of the last USD Business Day for which such rate was published on the Federal Reserve Bank of New York's website; or
- (c) if the daily secured overnight financing rate does not appear on a USD Business Day as specified in paragraph (a) of this definition, and both a SOFR Index Cessation Event and a SOFR Index Cessation Effective Date have occurred, the rate (inclusive of any spreads or adjustments) that was recommended as the replacement for the daily secured overnight financing rate by the Federal Reserve Board and/or the Federal Reserve Bank of New York or by a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the daily secured overnight financing rate (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator), *provided that*:
 - (1) if no such rate has been recommended within one USD Business Day of the SOFR Index Cessation Event and an OBFR Index Cessation Event has not occurred, then the rate will be determined as if, for each USD Business Day occurring on or after the SOFR Index Cessation Effective Date:
 - (A) references to the secured overnight financing rate were references to the OBFR Daily Rate,
 - (B) references to USD Business Day were references to USD New York Business Day,
 - (C) references to SOFR Index Cessation Event were references to OBFR Index Cessation Event, and
 - (D) references to SOFR Index Cessation Effective Date were references to OBFR Index Cessation Effective Date; and
 - (2) if no such rate has been recommended within one USD Business Day of the SOFR Index Cessation Event and an OBFR Index Cessation Event has occurred, then the rate will be determined as if, for

each USD Business Day occurring on or after the later of the SOFR Index Cessation Effective Date and the OBFR Index Cessation Effective Date:

- (A) references to the secured overnight financing rate were references to FOMC Target Rate,
- (B) references to USD Business Day were references to USD New York Business Day, and
- (C) references to the New York Fed's Website were references to the Federal Reserve's Website;

SOFR Index Cessation Effective Date means, following the occurrence of a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the secured overnight financing rate), ceases to publish the secured overnight financing rate, or the date as of which the secured overnight financing rate may no longer be used, in each case as certified in writing by the Issuer to the Series Note Calculation Agent (or such other party responsible for the calculation of the rate of interest);

SOFR Index Cessation Event means the occurrence of one or more of the following events:

- (a) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) announcing that it has ceased or will cease to publish or provide the secured overnight financing rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the secured overnight financing rate;
- (b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) has ceased or will cease to provide the secured overnight financing rate permanently or indefinitely, *provided that*, at that time, there is no successor administrator that will continue to publish or provide the secured overnight financing rate; or
- (c) a public statement by a regulator or other official sector entity prohibiting the use of the secured overnight financing rate that applies to, but need not be limited to, fixed income securities and derivatives, to the extent that such public statement has been acknowledged in writing by ISDA as a 'SOFR index cessation event' under the 2006 ISDA Definitions as published by ISDA;

SONIA means the Sterling Overnight Index Average rate;

SONIA Administrator Compounded Index Rate means in relation to an Interest Period relating to Floating Rate Notes, where 'Compounded Daily SONIA' is indicated in the Note Specified Terms as being the Reference Rate in respect of those Floating Rate Notes and those Note Specified Terms indicate that the 'SONIA Administrator Compounded Index Rate' is to be used:

- (a) the percentage per annum calculated by the Series Note Calculation Agent as at the Interest Rate Setting Date, as follows, and the resulting percentage will be rounded in accordance with the relevant Interest Rounding Convention:

$$\left(\frac{\text{SONIA Compounded Index}_{y - \text{Lag Time}}}{\text{SONIA Compounded Index}_{x - \text{Lag Time}}} - 1 \right) \times \frac{365}{d}$$

where:

d means the number of calendar days in the relevant Interest Period from (and including) **x** to and (but excluding) **y**;

SONIA Administrator means, in respect of any day, the person who is on that day the official administrator of the SONIA benchmark for the UK;

SONIA Compounded Index means, in respect of any day, the figure published by the SONIA Administrator as being the *SONIA Compounded Index* in respect of that day or, if that day is not a Business Day, the figure published by the SONIA Administrator as being the *SONIA Compounded Index* in respect of the then most recent Business Day;

x means the first day of the relevant Interest Period; and

y means the last day of the relevant Interest Period; or

- (b) (if, on that the Interest Rate Setting Date, the Series Note Calculation Agent determines that any of the SONIA Compounded Index figures required for paragraph (a) above are not available) the Compounded Daily Rate in relation to those Floating Rate Notes for that Interest Period;

SONIA Daily Published Rate means in respect of any Business Day, a reference rate equal to:

- (a) the daily SONIA for such Business Day as provided by the administrator of SONIA to, and published by such authorised distributors of the rate, on the SONIA Daily Rate Screen on such Business Day; or
- (b) if the SONIA Daily Rate Screen is unavailable, as otherwise published by such authorised distributors (on the Business Day immediately following such Business Day);

SONIA Daily Rate means in respect of any Business Day:

- (a) the SONIA Daily Published Rate (if any) in respect of that Business Day; or
- (b) (if, in respect of that Business Day, the Series Note Calculation Agent determines that the SONIA Daily Published Rate is not available and the Bank of England has published guidance as to how the daily SONIA rate, or any rate that is to replace the daily SONIA rate, is to be determined) a reference rate determined by the Series Note Calculation Agent, to the extent that it is reasonably practicable, following such guidance for as long as the Sonia Daily Published Rate is not available or has not been published by the authorised distributors; or
- (c) (if, in respect of that Business Day, the Series Note Calculation Agent determines that the SONIA Daily Published Rate is not available and a reference rate cannot be determined under paragraph (b) above) a reference rate equal to:
 - (1) the Central Bank Rate prevailing at close of business on that Business Day;
 - plus
 - (2) the mean of the spread of the SONIA Daily Published Rate to the Central Bank Rate over the previous 5 days on which a SONIA Daily Published Rate has been available, 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 Central Bank Rate;

SONIA Daily Rate Screen means:

- (a) the Reuters Screen SONIA Page (or such other page as may replace Reuters Screen SONIA on that service which displays such information); or
- (b) if that service ceases to display such information, such page as displays such information on such service as may replace such screen;

TARGET2 means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system (which utilises a single shared platform and which was launched on 19 November 2007);

Transfer Form means a document substantially in the form set out in a Schedule to the Series Note Trust Deed or in such other form as the Issuer and the Series Registrar may agree;

Transfer Regulations means the regulations comprising the provisions set out in section 16 *Transfer Regulations* of the Programme Prospectus (as at the Series Closing Date) subject to any amendments, supplements or disapplications specified in the Note Specified Terms and, as applicable, DCI Specified Terms in the relevant Series Prospectus, or as agreed from time to time between the Issuer, the Series Note Trustee and the Series Registrar;

UK Credit Rating Agencies Regulation means Regulation (EC) No. 1060/2009, together with official supplementary measures, as it and they form part of domestic law in the United Kingdom by virtue of the EUWA, as amended, varied, superseded or substituted from time to time and any relevant binding technical standards, regulations, instruments, rules, policy statements, guidance, transitional relief or other implementing measures in relation thereto by any official body of the United Kingdom, in each case as in force, interpreted and applied as at that time;

UK Securitisation Regulation means Regulation (EU) 2017/2402 as it forms part of domestic law in the United Kingdom by virtue of the EUWA, including the Securitisation (Amendment) (EU Exit) Regulations 2019, as amended, varied, superseded or substituted from time to time and any relevant binding technical standards, regulations, instruments, rules, policy statements, guidance, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto;

U.S. Exchange Act means the United States Securities Exchange Act of 1934, as amended;

U.S. Investment Company Act means the United States Investment Company Act of 1940, as amended;

U.S. Person means a U.S. person as defined in Reg S;

U.S. Securities Act means the United States Securities Act of 1933, as amended;

USD, \$ or dollars are to the lawful currency for the time being of the United States of America;

USD Business Day means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor entity) recommends that the fixed income departments of its members be closed for the entire day for the purposes of trading in US government securities;

USD New York Business Day means a day (other than Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and New York; and

Vertical Note has, in relation to a Series, the meaning (if any) indicated in F.1.2 *Constitution of the Notes* in the Note Specified Terms relating to Notes in that Series.

1.2 References to Notes and DCIs

Unless the context requires otherwise, references in the Note Conditions and DCI Conditions to Notes or DCIs are to the Notes and, as applicable, DCIs of one Series only, not to all Notes or, as applicable, DCIs or any other Notes or, as applicable, DCIs which may be issued under the Programme.

1.3 Expressions defined in the Note Specified Terms

Expressions defined in the Note Specified Terms shall have the same meaning in the Note Conditions except as expressly provided in the Note Conditions or the context otherwise requires.

1.4 Expressions defined in the DCI Specified Terms

Expressions defined in the DCI Specified Terms shall have the same meaning in the DCI Conditions except as expressly provided in the DCI Conditions or the context otherwise requires.

1.5 Standard Interpretation Provision

Clause 1 of the RMBS Framework Terms (which sets out definitions and interpretation provisions) referred to in the Series Note Trust Deed will apply for the purposes of interpretation of the Note Conditions and the DCI Conditions except as expressly provided in the Note Conditions or, as applicable, DCI Conditions or the context otherwise requires.

1.6 Standard Security Creditor Provision

The Standard Security Creditor Provision applies to the Note Conditions and to the DCI Conditions as if set out in this Base Condition 1.6.

2. Constitution, form, denomination and title

2.1 Constitution

Each Note and each DCI is constituted and issued by the Issuer under the Series Note Trust Deed and an entry in the Series Register and each Note and DCI is subject to, and each Noteholder and DCI Holder is bound by, and is deemed to have notice of, all the Series Note Additional Provisions (including, without limitation, in respect of:

- (a) provisions in the Series Note Additional Provisions relating to meetings of Noteholders, meetings of DCI Holders, the passing of resolutions by Noteholders and the passing of resolutions by DCI Holders;
- (b) the powers of the Series Note Trustee and Security Trustee under the Series Note Additional Provisions to agree modifications to Transaction Documents and grant waivers and consents; and
- (c) the protections, limits of liability and indemnities given to the Series Note Trustee and Security Trustee in the Series Note Additional Provisions).

Each Noteholder and each DCI Holder is bound by, and is deemed to have notice of, all the provisions of the Transaction Documents.

The Issuer shall procure that copies of each of the Series Note Additional Provisions are available for inspection during normal business hours at the Series Note Trustee Specified Office, Security Trustee Specified Office and Series Registrar Specified Office. Copies of the Transaction Documents (excluding any schedules containing personal information) are available for inspection by Noteholders and DCI Holders

during normal business hours at the registered office of the Issuer, the initial registered office of which is set out below.

Each Note is a separate debt of the Issuer and may be transferred separately from any other Note. Each DCI is a separate chose in action in respect of the Issuer and may be transferred separately from any other DCI.

2.2 Form

Each Note and each DCI is and will be in registered form.

2.3 Denominations and permitted holdings

The Notes in each Class are issued, and separate registered holdings of the Notes in a Class shall be held, in any denomination where the aggregate Note Initial Principal Amount of such holding of Notes complies with the applicable denomination requirements indicated in the *Minimum Denomination* section in the Note Specified Terms (each denomination which complies with those requirements being a **Note Authorised Denomination**).

The Note Initial Principal Amount of each Note will be recorded in the Series Register.

The DCIs in each Class are issued, and separate registered holdings of the DCIs in a Class shall be held, in any denomination where the aggregate number of DCIs in such holding of DCIs complies with the applicable denomination requirements indicated in the *Minimum Denomination* section in the DCI Specified Terms (each denomination which complies with those requirements being a **DCI Authorised Denomination**).

2.4 Effect of entries in the Series Register

Each entry in the Series Register in respect of a Note or, as applicable, DCI constitutes:

- (a) to the fullest extent permitted by applicable law, sufficient and conclusive evidence to all persons and for all purposes that the person in whose name such Note is registered in the Series Register is the absolute registered owner of that Note or, as applicable, DCI regardless of any notice to the contrary, any notice of ownership, theft or loss, or of any trust or other interest in that Note or of any writing on that Note or, as applicable, DCI (other than a valid Transfer Form duly completed and executed by the then current Noteholder or, as applicable, DCI Holder);
- (b) for the benefit of the person in whose name such Note or, as applicable, DCI is so registered, a separate and individual acknowledgement by the Issuer of its indebtedness to that person and of the vesting in such person of all rights vested in a Noteholder or, as applicable, DCI Holder by the Series Note Trust Deed, the Note Conditions and the Security Deed; and
- (c) an unconditional and irrevocable undertaking and promise by the Issuer to the person in whose name such Note or, as applicable, DCI is so registered that, for value received, the Issuer shall make all payments of (in the case of such Note) principal and interest in respect of that Note or, as applicable, (in the case of such DCI) DCI Amounts in respect of that DCI, in each case in accordance with the Series Note Trust Deed, the Note Conditions or, as applicable, DCI Conditions and the Security Deed.

In relation to each Noteholder, by subscribing for or taking a transfer of a Note or for such Noteholder being entered on the Series Register or for any other consideration, such Noteholder agrees to be bound by the terms and conditions applicable to the Notes. In relation to each DCI Holder, by subscribing for or taking a transfer of a DCI or for such DCI Holder being entered on the Series Register or for any other consideration, such DCI Holder agrees to be bound by the terms and conditions applicable to the DCIs.

2.5 Title and transfers

- (a) **Registration required to transfer title**
Title to a Note or, as applicable, DCI passes by registration in the Series Register and no transfer of a Note or, as applicable, DCI will be valid or effective unless and until the relevant entries in respect of such transfer are entered on the Series Register.
- (b) **Transfer Regulations apply to transfers**
Transfers of interests in the Notes or, as applicable, DCIs and entries on the Series Register relating to the Notes or, as applicable, DCIs may be made subject, in each case, to compliance with the Transfer Regulations.
- (c) **Changes to the Transfer Regulations**
The Transfer Regulations may be changed by the Issuer with the prior written approval of the Series Note Trustee and the Series Registrar.

(d) **Provision of copies of the Transfer Regulations**

A copy of the then current Transfer Regulations will be sent by the Series Registrar to any Noteholder or, as applicable, DCI Holder who so requests.

2.6 **Certificates**

- (a) No definitive registered certificates or other evidence of title will be issued in respect of a Note or a DCI unless the Issuer determines that certificates should be made available as required by law or certificates are specifically requested by the relevant Noteholder or, as applicable, DCI Holder and specifically agreed to between the Issuer and such Noteholder or, as applicable, DCI Holder.
- (b) Any such certificates (if and when issued) will be evidence of entitlement only.
- (c) In the event of any inconsistency between a definitive registered certificate or other evidence of title and an entry in the Series Register, the entry in the Series Register will always govern.

2.7 **Global Notes**

Except to the extent indicated otherwise in the Note Specified Terms, all Notes and/or, as applicable, DCIs in a Class will be and will remain registered in the name of the person (being, in the case of Notes, the **Global Noteholder** or, in the case of DCIs, the **Global DCI Holder**) nominated and/or appointed by the relevant Clearing System(s) as common safekeeper, common depository, custodian and/or nominee for the clearing system(s) applicable to such Class (each a **Clearing System**) as indicated in the *Clearance / settlement* section in the Note Specified Terms or, as applicable, DCI Specified Terms throughout the period from (and including) the relevant Series Closing Date relating to such Notes or, as applicable, DCIs to the date (if any) upon which such Notes or, as applicable, DCIs are transferred from the relevant Global Noteholder or, as applicable, Global DCI Holder pursuant to Base Condition 2.8 *Removal of Notes or DCIs from Clearing Systems*).

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 under such Global Note will be effected subject to and in accordance with the rules and procedures from time to time of the applicable Clearing System(s).

Each Note is a **Global Note** or, as applicable, DCI is a **Global DCI** throughout the period in which it is registered in the name of a Global Noteholder or, as applicable, Global DCI Holder as common safekeeper, common depository, custodian and/or nominee for or on behalf of a Clearing System. A **Reg S Global Note** is a Global Note representing Reg S Notes in the relevant Clearing System(s) (the relevant **Reg S Clearing System**) and a **Rule 144A Global Note** is a Global Note representing Rule 144A Notes in the relevant Clearing System(s) (the relevant **Rule 144A Clearing System**).

Unless and until Notes cease to be Global Notes or, as applicable, DCIs cease to be Global DCIs in respect of a Class pursuant to Base Condition 2.8 *Removal of Notes or DCIs from Clearing Systems* each Global Note registered in the name of a Global Noteholder or, as applicable, each Global DCI registered in the name of a Global DCI Holder may not be transferred except:

- (a) (in the case of Notes) to reduce the Note Principal Amount Outstanding of a Global Note relating to a Class held in a Clearing System and to increase the Note Principal Amount Outstanding of the corresponding Global Note of the same Class held in another Clearing System as provided in the Transfer Regulations, and
- (b) (in the case of DCIs) to reduce the number of DCIs in respect of a Global DCI relating to a Class held in a Clearing System and to increase the number of DCIs in respect of the corresponding Global DCI of the same Class held in another Clearing System as provided in the Transfer Regulations, and
- (c) as a whole where the relevant Clearing System requires such Global Note or, as applicable, Global DCI to be transferred to a different person to act as Global Noteholder or, as applicable, Global DCI Holder for that Clearing System or to a successor of that Clearing System.

2.8 **Removal of Notes or DCIs from Clearing Systems**

If in relation to any Global Note or, as applicable, Global DCI in respect of a Class:

- (a) any Clearing System relating to such Class:
 - (1) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise); or
 - (2) has notified the Issuer that it is at any time unwilling or unable to continue as a Clearing System in respect of the relevant Global Note or, as applicable, Global DCI; or

- (3) announces an intention permanently to cease business as a clearing system; or
- (4) in fact ceases to, or be able to, operate as a clearing system,

and, in any such case, a successor to such Clearing System is not appointed by the Issuer, with the prior written consent of the Series Note Trustee, within 14 days of such closure, notification or cessation; or

- (b) as a result of any amendment to, or change in:
 - (1) the laws or regulations of the United Kingdom (or of any political sub-division of the United Kingdom) or of any authority in or of the United Kingdom having power to tax; or
 - (2) the interpretation by a revenue authority or a court of, or in the administration of, such laws or regulations,

which becomes effective on or after the Series Closing Date in relation to any Note or, as applicable, DCI, the Issuer, any Series Paying Agent or any Series Registrar is, or will be, required to make any deduction or withholding from any payment in respect of that Note or, as applicable, DCI which would not be required were that Note not a Global Note or, as applicable, were that DCI not a Global DCI,

then, within 30 days of the occurrence of the relevant event, but in any event not prior to the expiry of the Reg S Distribution Compliance Period, the Issuer will (at the Issuer's expense) procure that all Notes in such Class are transferred from the relevant Global Noteholder or, as applicable, Global DCI Holder to and registered in the Series Register in the name of the then relevant participants in the Clearing System (or their nominees) in each case in relation to a Note for a Note Initial Principal Amount equal to the Note Initial Principal Amount, or in relation a DCI for the number of DCIs equal to the number of DCIs, notified by the relevant Clearing System to the Series Registrar as then being credited to such participant's account with such Clearing System.

2.9 Issuer may issue further Series

The Issuer shall be at liberty from time to time without the consent of the Noteholders and DCI Holders to create and issue Notes and/or, as applicable, DCIs which form a new separate Series, provided that the Series Security Assets relating to an existing Series are not included in the Series Security Assets relating to such new separate Series.

3. Status, Security and Series Priority of Payments

3.1 Status

Notes within any Class comprised in the Series will rank *pari passu* without any preference among each other Note within that Class in the Series.

DCIs within any Class comprised in the Series will rank *pari passu* without any preference among each other DCI within that Class in the Series.

The Notes and, as applicable, DCIs are obligations solely of the Issuer and are not obligations of, or guaranteed by, any of the other Transaction Parties.

3.2 Security and Series Priorities of Payments

The Notes and, as applicable, DCIs in the Series are secured by the Security in accordance with, and subject to, the terms of the Security Deed, any Security Supplemental Deed, the Security Intercreditor Deed and the Series Payments Rules (including, without limitation, the Series Priorities of Payments).

4. General covenants

So long as any of the Notes or DCIs remain outstanding, except as envisaged in any of the Transaction Documents (including, for the avoidance of doubt, in connection with the creation and issue of Notes and/or DCIs which form a new separate Series), the Issuer will not, without the prior written consent of the Series Note Trustee:

- (a) create or permit to subsist any mortgage, sub-mortgage, assignment, assignation, standard security, charge, sub-charge, pledge, lien (unless arising by operation of law), hypothecation or other security interest whatsoever upon the whole or any part of its assets, present or future (including any uncalled capital) or its undertaking;
- (b) engage in any activity which is not reasonably incidental to any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in;

- (c) open nor have any interest in any account whatsoever with any financial institution other than the General Accounts or the Series Accounts in relation to the Series or any other Series, save where such account is immediately charged in favour of the Security Trustee so as to form part of the Security and the Security Trustee receives from such financial institution an acknowledgement of the security rights and interests of the Security Trustee and an agreement that it will not exercise any right of set off it might otherwise have against the account in question;
- (d) have any subsidiaries, subsidiary undertakings (as defined in the Companies Act 2006) or employees (other than the Issuer's officers) or premises;
- (e) act as a director of or hold any office in any company or other organisation;
- (f) amend, supplement or otherwise modify its Memorandum or Articles of Association or other constitutive documents;
- (g) pay any dividend or make any other distribution to its shareholders or issue any further shares;
- (h) incur or permit to subsist any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or any obligation of any other person;
- (i) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (j) transfer, sell, lend, part with or otherwise dispose of or deal with, or grant any option over any present or future right to acquire, any of its assets or undertaking or any interest, estate, right, title or benefit therein;
- (k) be or apply to become part of any value added tax (VAT) group;
- (l) engage in any activities in the United States (directly or through agents), or derive any income from sources within the United States as determined under U.S. federal income tax laws, or hold any property that would cause it to be engaged or deemed to be engaged in a trade or business within the United States as determined under U.S. federal income tax laws;
- (m) permit any of the Transaction Documents or the Security in respect of the Series Security Assets to be amended, invalidated, rendered ineffective, terminated, postponed or discharged, or consent to any variation thereof, or exercise any powers of consent or waiver in relation thereto, or permit any party to any of the Transaction Documents or any other person whose obligations form part of the Security in respect of the Series Security Assets to be released from such obligations, or dispose of any part of the Series Security Assets;
- (n) apply for or maintain a listing in respect of any DCIs on any stock exchange or similar body or sell or otherwise deal with any DCI on any stock market; or
- (o) do anything specified in the *Issuer Additional Covenants* section in the Note Specified Terms.

5. Interest

5.1 Accrual of interest

- (a) **Accrual of Scheduled Interest**
In respect of each Note, interest (**Scheduled Interest**) shall accrue at the Interest Rate relating to that Note on its Note Principal Amount Outstanding on each day (both before and after judgment) from and including the Series Closing Date until (but excluding) the earlier of:
 - (1) such day as that Note is fully redeemed; or
 - (2) if circumstances referred to in Base Condition 9.3 *Delays in making payments* occur, such day as that Note would have been fully redeemed had those circumstances not occurred.
- (b) **Accrual of Additional Interest on deferred interest**
In respect of each Note, interest (**Additional Interest**) shall accrue at the Interest Rate relating to that Note on its Note Deferred Interest Outstanding (if any) on each day (both before and after judgment) that such Note Deferred Interest Outstanding is, as at the end of that day, equal to or greater than the Note Currency Unit in relation to that Note but excluding any day where such Note Deferred Interest Outstanding is, as at the end of that day, equal to or greater than the Note Currency Unit in relation to that Note as a result of the occurrence of circumstances referred to in Base Condition 9.3 *Delays in making payments*.

5.2 Payment and deferral of interest

(a) Payment and deferral of Scheduled Interest

In relation to each Note, on each Series Payments Date the Issuer will pay, in the applicable Note Currency, an amount equal to the Interest Amount in respect of such Note for the Interest Period ending on the day immediately preceding such Series Payments Date, provided that, if:

- (1) Interest Deferral is applicable in respect of such Note for such Interest Period;
- (2) a Series Acceleration Date has not occurred on or before that Series Payments Date; and
- (3) following the allocation and payments made pursuant to the relevant Series Priority of Payments on such Series Payments Date, all or part of such Interest Amount remains unpaid,

then the unpaid amount shall be deferred (and shall be deemed to be not due and payable) and, on and including that Series Payments Date, such unpaid amount:

- (A) shall be added to, and form part of, the Note Deferred Interest Outstanding in respect of that Note; and
- (B) shall cease to be Scheduled Interest and shall cease to form part of that Interest Amount.

Such Interest Amount, less such unpaid amount (if any) as is deferred, shall become and be due and payable by the Issuer on such Series Payments Date.

(b) Payment of Note Deferred Interest Outstanding

In relation to each Note, on each Series Payments Date where:

- (1) a Series Acceleration Date has not occurred on or before that Series Payments Date; and
- (2) the funds available at the Priority Level of the relevant Series Priority of Payments applicable to payment of interest on such Note on such Series Payments Date exceed the full Interest Amount in respect of that Note (without any part of that Interest Amount being deferred under Base Condition 5.2(a) *Payment and deferral of Scheduled Interest*),

the Issuer shall pay, in the applicable Note Currency, the then Note Deferred Interest Outstanding (if any) in respect of that Note to the extent that such funds are sufficient to do so (and the amount that is so payable shall become and be due and payable on that Series Payments Date).

(c) Payment of Additional Interest

In relation to each Note, on each Series Payments Date where:

- (1) a Series Acceleration Date has not occurred on or before that Series Payments Date; and
- (2) the funds available at the Priority Level of the relevant Series Priority of Payments applicable to payment of interest on such Note on such Series Payments Date exceed both:
 - (A) the full Interest Amount in respect of that Note (without any part of that Interest Amount being deferred under Base Condition 5.2(a) *Payment and deferral of Scheduled Interest*); and
 - (B) the Note Deferred Interest Outstanding (if any) in respect of that Note,

the Issuer shall pay, in the applicable Note Currency, the then Additional Interest outstanding (if any) in respect of that Note to the extent that such funds are sufficient to do so (and the amount that is so payable shall become and be due and payable on that Series Payments Date).

(d) Payment of accrued interest from Series Acceleration Date

In relation to each Note, on and from the earlier of:

- (1) the Final Maturity Date in relation to that Note; and
- (2) the occurrence of a Series Acceleration Date,

all Normal Interest, all Note Deferred Interest Outstanding and all Additional Interest shall be due and payable (if it is not already due and payable).

5.3 Reference Rate

Where the calculation of the Interest Rate for a Class of Notes in relation to an Interest Period involves a Reference Rate, then the Series Note Calculation Agent will, as soon as practicable after the Interest Rate Setting Time on each Interest Rate Setting Date, determine the then level of that Reference Rate, if a Reference Rate Modification has become effective, in accordance with the sources, methodology and

procedures specified in that Reference Rate Modification, or, if a Reference Rate Modification has not become effective, as follows:

- (a) **Compounded Daily SONIA as the Reference Rate**
Where those Notes are Floating Rate Notes and Compounded Daily SONIA is the Reference Rate in respect of those Floating Rate Notes:
 - (1) **Determination of Compounded Daily SONIA**
if the Series Note Calculation Agent can determine the rate of Compounded Daily SONIA at, or as soon as practicable after, the Interest Rate Setting Time on that Interest Rate Setting Date, then that rate of Compounded Daily SONIA shall be the Reference Rate for that Class of Notes in relation to that Interest Period; and
 - (2) **Compounded Daily SONIA using previous rate**
if the Series Note Calculation Agent cannot determine the Reference Rate in accordance with Base Condition 5.3(a)(1), the Reference Rate for that Class of Notes in relation to that Interest Period shall be:
 - (A) the Reference Rate most recently determined in relation to that Class of Notes in relation to a previous Interest Period; and
 - (B) if paragraph (A) above is not applicable, the initial Reference Rate which would have been applicable to that Class of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Series Closing Date.
- (b) **Compounded Daily SOFR as the Reference Rate**
Where those Notes are Floating Rate Notes and Compounded Daily SOFR is the Reference Rate in respect of those Floating Rate Notes:
 - (1) **Compounded Daily Rate using SOFR Daily Rates**
if the Series Note Calculation Agent can determine the Compounded Daily Rate using the applicable SOFR Daily Rates in relation to those Floating Rate Notes at, or as soon as practicable after, the Interest Rate Setting Time on that Interest Rate Setting Date, then that Compounded Daily Rate shall be the Reference Rate for that Class of Notes in relation to that Interest Period; and
 - (2) **Compounded Daily SOFR using previous rate**
if the Series Note Calculation Agent cannot determine the Reference Rate in accordance with Base Condition 5.3(b)(1), the Reference Rate for that Class of Notes in relation to that Interest Period shall be:
 - (A) the Reference Rate most recently determined in relation to that Class of Notes in relation to a previous Interest Period; or
 - (B) if paragraph (A) above is not applicable, the initial Reference Rate which would have been applicable to that Class of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Series Closing Date.
- (c) **Compounded Daily €STR as the Reference Rate**
Where those Notes are Floating Rate Notes and Compounded Daily €STR is the Reference Rate in respect of those Floating Rate Notes:
 - (1) **Compounded Daily Rate using €STR Daily Rates**
if the Series Note Calculation Agent can determine the Compounded Daily Rate using the applicable €STR Daily Rates in relation to those Floating Rate Notes at, or as soon as practicable after, the Interest Rate Setting Time on that Interest Rate Setting Date, then that Compounded Daily Rate shall be the Reference Rate for that Class of Notes in relation to that Interest Period; and
 - (2) **Compounded Daily €STR using previous rate**
if the Series Note Calculation Agent cannot determine the Reference Rate in accordance with Base Condition 5.3(c)(1), the Reference Rate for that Class of Notes in relation to that Interest Period shall be:

- (A) the Reference Rate most recently determined in relation to that Class of Notes in relation to a previous Interest Period; or
 - (B) if paragraph (A) above is not applicable, the initial Reference Rate which would have been applicable to that Class of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Series Closing Date.
- (d) **EURIBOR as the Reference Rate**
Where those Notes are Floating Rate Notes and EURIBOR is the Reference Rate in respect of those Floating Rate Notes:
- (1) **Determination from EURIBOR Screen**
If the Series Note Calculation Agent can determine the offered rate for deposits in EUR for the Reference Rate Quotation Period appearing on the EURIBOR Screen at, or as soon as practicable after, the Interest Rate Setting Time on that Interest Rate Setting Date, then that offered rate shall be the Reference Rate for that Class of Notes in relation to that Interest Period.
 - (2) **Determination from EURIBOR Banks**
Where the Series Note Calculation Agent cannot determine the Reference Rate in accordance with Base Condition 5.3(d)(1):
 - (A) the Series Note Calculation Agent will request the principal office in the EURIBOR Financial Centre of each of the EURIBOR Banks to provide its quotation for the rate at which deposits in EUR, in an amount that is representative for a single transaction in that market at that time, for the Reference Rate Quotation Period, are offered by it to prime banks in the EURIBOR Market at, or about, the Interest Rate Setting Time on the Interest Rate Setting Date; and
 - (B) if at least two such quotations are received by the Series Note Calculation Agent, the Reference Rate for that Class of Notes in relation to that Interest Period shall be the arithmetic mean (rounded in accordance with the relevant Interest Rounding Convention) of all the quotations which are received, as calculated by the Series Note Calculation Agent.
 - (3) **Determination of Reference Rate from other banks**
If Base Condition 5.3(d)(2) applies, but at the relevant time only one or none of such EURIBOR Banks provide the relevant quotations:
 - (A) the Series Note Calculation Agent will request the principal office in the EURIBOR Financial Centre of each of at least three major banks participating in the EURIBOR Market, selected by the Issuer (as approved by the Programme Servicer in its absolute discretion), to provide its quotation for the rate at which deposits in EUR, in an amount that is representative for a single transaction in that market at that time, for the Reference Rate Quotation Period, are offered by it to prime banks in the EURIBOR Market at, or about, the Interest Rate Setting Time on the Interest Rate Setting Date; and
 - (B) if at least two quotations are received by the Series Note Calculation Agent (including each quotation, if any, received under Base Condition 5.3(d)(2)), the Reference Rate for that Class of Notes in relation to that Interest Period shall be the arithmetic mean (rounded in accordance with the relevant Interest Rounding Convention) of all the quotations which are received (including each quotation, if any, received under Base Condition 5.3(d)(2)), as calculated by the Series Note Calculation Agent.
 - (4) **Determination of Reference Rate using previous rate**
If Base Condition 5.3(d)(3) applies but insufficient quotations are received, the Reference Rate for that Class of Notes in relation to that Interest Period shall be the Reference Rate most recently determined in relation to Notes having the relevant denomination in relation to a previous Interest Period.
 - (5) **Interpolation to determine Reference Rate**
Where interpolation is to be used to determine the Reference Rate for an Interest Period, the Reference Rate shall be determined for that Interest Period by the linear interpolation of Reference Rates determined in the manner indicated in this Base Condition 5.3(d) for each of the two periods specified to be interpolated.

(6) **EURIBOR Banks**

The Issuer will procure that, so long as any Note remains outstanding in respect of which the Interest Rate requires the determination of a Reference Rate, there shall at all times be at least four EURIBOR Banks with offices in the relevant EURIBOR Financial Centre.

If any EURIBOR Bank (acting through its relevant office) is unable or unwilling to continue to act as a EURIBOR Bank then the Issuer will use reasonable commercial efforts to appoint another EURIBOR Bank (as approved by the Programme Servicer in its absolute discretion) with an office in the relevant EURIBOR Financial Centre to act as such in its place.

The Issuer reserves the right at any time to terminate the appointment of any EURIBOR Bank provided that a replacement has been appointed prior to the time such termination takes effect.

The Issuer shall cause notice of any such appointment and/or termination to be given to Noteholders as soon as reasonably practicable in accordance with Base Condition 17 *Notices*.

5.4 **Interest calculations and notifications**(a) **Determination of Interest Rate**

The Series Note Calculation Agent will in relation to each Class of Notes, as soon as practicable after the Interest Rate Setting Time on each Interest Rate Setting Date in relation to an Interest Period for that Class of Notes, determine the Interest Rate applicable to that Class of Notes for that Interest Period.

(b) **Calculation of Class Scheduled Interest Amount**

The Series Note Calculation Agent will in relation to each Class of Notes, as soon as practicable after the Interest Rate Setting Time on each Interest Rate Setting Date in relation to an Interest Period for that Class of Notes, determine the **Class Scheduled Interest Amount** for that Interest Period, being the result of:

$$\begin{array}{l} \text{Note Principal Amount Outstanding at the} \\ \text{start of that Interest Period (after taking} \\ \text{account of the application of amounts to be} \\ \text{allocated and paid on the relevant day under} \\ \text{the Series Priorities of Payments)} \end{array} \times \begin{array}{l} \text{Interest Rate for that} \\ \text{Class in relation to that} \\ \text{Interest Period} \end{array} \times \begin{array}{l} \text{Day Count} \\ \text{Fraction for that} \\ \text{Interest Period} \end{array}$$

(c) **Calculation of Class Additional Interest Amount**

The Series Note Calculation Agent will in relation to each Class of Notes, as soon as practicable after the Interest Rate Setting Time on each Interest Rate Setting Date in relation to an Interest Period for that Class of Notes, determine the **Class Additional Interest Amount** for that Interest Period, being the result of:

$$\begin{array}{l} \text{Note Deferred Interest Outstanding at the} \\ \text{start of that Interest Period (after taking} \\ \text{account of the application of amounts to be} \\ \text{allocated and paid on the relevant day under} \\ \text{the Series Priorities of Payments)} \end{array} \times \begin{array}{l} \text{Interest Rate for that} \\ \text{Class in relation to that} \\ \text{Interest Period} \end{array} \times \begin{array}{l} \text{Day Count} \\ \text{Fraction for that} \\ \text{Interest Period} \end{array}$$

(d) **Calculation of Class Note Deferred Interest Outstanding**

The Series Note Calculation Agent will in relation to each Class of Notes, as soon as practicable after the Interest Rate Setting Time on each Interest Rate Setting Date in relation to an Interest Period for that Class of Notes, determine the **Class Note Deferred Interest Outstanding** for that Interest Period, being the aggregate Note Deferred Interest Outstanding in respect of each Note in that Class at the start of that Interest Period (after taking account of the application of amounts to be allocated and paid on the relevant day under the Series Priorities of Payments).

(e) **Calculation of Interest Amount for each Note**

The Series Note Calculation Agent will in relation to each Class of Notes, as soon as practicable after the Interest Rate Setting Time on each Interest Rate Setting Date in relation to that Class of Notes after determining the Class Scheduled Interest Amount for an Interest Period in respect of such Class of Notes, determine the **Interest Amount** for each Note in that Class in respect of that Interest Period, by apportioning that Class Scheduled Interest Amount between the Notes in that Class *pro rata* to the Note Principal Amount Outstanding that will remain in respect of each Note in that Class as at the first day of that Interest Period (after taking account of the application of amounts to be allocated on that day under the Series Priorities of Payments), rounding each amount so apportioned down to the nearest Note Currency Unit.

(f) **Calculation of Additional Interest Amount for each Note**

The Series Note Calculation Agent will in relation to each Class of Notes, as soon as practicable after the Interest Rate Setting Time on each Interest Rate Setting Date in relation to that Class of Notes after determining the Class Additional Interest Amount for an Interest Period in respect of such Class of Notes, determine the **Additional Interest Amount** for each Note in that Class in respect of that Interest Period, by apportioning that Class Additional Interest Amount between the Notes in that Class *pro rata* to the Note Principal Amount Outstanding that will remain in respect of each Note in that Class as at the first day of that Interest Period (after taking account of the application of amounts to be allocated on that day under the Series Priorities of Payments), rounding each amount so apportioned down to the nearest Note Currency Unit.

(g) **Notice of Interest Rate, Class interest amounts etc and Series Payments Date**

Except where a Series Acceleration Date has occurred, as soon as practicable after the Interest Rate Setting Time on each Interest Rate Setting Date, the Series Note Calculation Agent will cause the following details to be notified to the Issuer, the Series Cash Manager, the Series Note Trustee, the Series Paying Agent and the Series Registrar:

- (1) the Interest Rate for each Class of the Notes for the related Interest Period;
- (2) the Class Scheduled Interest Amount for each Class of the Notes for the related Interest Period;
- (3) (if any) the Class Note Deferred Interest Outstanding for each Class of the Notes for the related Interest Period;
- (4) (if any) the Class Additional Interest Amount for each Class of the Notes for the related Interest Period; and
- (5) the Series Payments Date that follows the end of the related Interest Period.

As soon as reasonably practicable after receiving such notice, the Series Paying Agent shall cause those details to be published in accordance with Base Condition 17 *Notices* and (for as long as the Notes are listed on or with a Listing Institution and the rules of such Listing Institution require) notified to such Listing Institution.

(h) **Publication does not preclude subsequent adjustments**

The relevant details published under Base Condition 5.4(g) *Notice of Interest Rate, Class interest amounts etc and Series Payments Date* may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice to Noteholders in the event of any extension or shortening of the relevant Interest Period.

(i) **Determination by an appointee**

If the Series Note Calculation Agent does not at any time for any reason make the relevant determinations and calculations in accordance with Base Conditions 5.4(a) to 5.4(f) inclusive (including, where applicable, carry out the procedures indicated in Base Condition 5.3) on an Interest Rate Setting Date and no alternative arrangement has been made under the Transaction Documents for the making of such determinations and calculations, a person appointed by the Issuer for this purpose (which may be, but is not obliged to be, the Programme Servicer) may determine the relevant amounts and rates to be such amounts and rates as, in its absolute discretion (having such regard as it shall think fit to the procedures described in this Base Condition 5 *Interest*), it shall deem fair and reasonable in all the circumstances in the manner provided in this Base Condition 5 *Interest* (in each case without that person having any liability as a result) and each such determination of such amounts and rates by that person shall be deemed to have been made by the Series Note Calculation Agent.

6. Redemption, purchase and cancellation**6.1 Redemption at Final Maturity Date**

Except to the extent previously redeemed and cancelled as provided in the Note Conditions, the Issuer shall redeem the Notes in each Class at their Note Principal Amount Outstanding on the Final Maturity Date together with any accrued (and unpaid) interest up to (and including) the Final Maturity Date.

6.2 Mandatory redemption in part(a) **Scheduled mandatory redemption in part**

Prior to a Series Acceleration Date, subject to Condition 6.1 *Redemption at Final Maturity Date*, Condition 6.3 *Optional redemption for taxation and other reasons* and Condition 6.4 *Full redemption at the option of the Issuer*, on each Scheduled Repayment Date which occurs within a Scheduled Repayment Period in relation to a Class of Notes, the Issuer shall partially redeem that Class of Notes

at the Scheduled Repayment Amount in respect of that Class of Notes relating to that Scheduled Repayment Date.

If any partial redemption of that Class of Notes is made at any time otherwise than in pursuant to this Condition 6.2(a), then each Scheduled Repayment Amount due and payable after the date of such partial redemption shall be reduced *pro rata*.

(b) **Pass-through mandatory redemption in part**

On each Series Payments Date which occurs prior to a Series Acceleration Date and does not occur within a Scheduled Repayment Period in relation to a Class of Notes, to the extent that, in accordance with the application of the Series Priority of Payments (and the Series Payments Rules), there are amounts available to be applied in payment of Amounts Due in respect of principal outstanding on that Class of Notes, such amounts shall be and become Amounts Due in respect of such Class of Notes on such Series Payments Date.

6.3 Optional redemption for taxation and other reasons

(a) **Adverse Tax Circumstances**

Adverse Tax Circumstances means that:

- (1) on the next Series Payments Date:
 - (A) the Issuer would be required to deduct or withhold from any payment of principal or interest in respect of any Notes; or
 - (B) the Issuer or any Series Hedge Provider would be required to deduct or withhold from amounts payable by it under any Series Hedge Agreement relating to the Series, any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom or any political sub-division thereof or any authority thereof or therein; or
- (2) the Issuer would on or after the next Series Closing Date:
 - (A) become subject to United Kingdom corporation tax in an accounting period on an amount which materially exceeds the aggregate Issuer Profit Amount retained during that accounting period; and/or
 - (B) not be entitled to relief for the purposes of any applicable tax law for any material amount which it is obliged to pay, or is treated as receiving for the purposes of such tax law under the Transaction Documents; or
- (3) any event or circumstances indicated in the *Optional Redemption Additional Tax Circumstances* section in the Note Specified Terms has/have occurred.

(b) **Tax redemption procedure**

The Issuer shall redeem all of the Required Notes and may redeem all of the Permitted Notes, in each case at their Note Principal Amount Outstanding, together with all accrued interest, on a Series Payments Date specified in the notice referred to in paragraph (1) below provided that each of the following conditions is satisfied:

- (1) the Issuer has given written notice in accordance with Base Condition 17 *Notices* not more than 60 Business Days and not less than 20 Business Days before that Series Payments Date to the Series Note Trustee and the Noteholders of its intention to redeem the relevant Required Notes and, as applicable, the relevant Permitted Notes under this Base Condition 6.3; and
- (2) the Issuer certifies to the Series Note Trustee (upon which certification the Series Notes Trustee shall be entitled to rely without further enquiry or liability) immediately prior to giving the notice referred to in paragraph (1) above that there are Adverse Tax Circumstances; and
- (3) a legal opinion from independent legal advisers of recognised standing in form and substance satisfactory to the Series Note Trustee has been delivered confirming the legal aspects of the relevant Adverse Tax Circumstances; and
- (4) the Issuer will be in a position on that Series Payments Date to discharge (and so certifies to the Series Note Trustee, upon which certification the Series Notes Trustee shall be entitled to rely without further enquiry or liability):

- (A) all its accrued liabilities in respect of the relevant Required Notes and, as applicable, the relevant Permitted Notes (including, in each case, all accrued interest outstanding); and
- (B) all amounts required under the Security Intercreditor Deed (and applicable Series Priorities of Payments) to be paid in priority to or *pari passu* with those liabilities; and
- (5) the Issuer has complied with the conditions indicated in the *Optional Redemption Additional Tax Conditions* section in the Note Specified Terms.

6.4 Full redemption at the option of the Issuer

The Issuer shall redeem all of the Required Notes and may redeem all of the Permitted Notes, in each case at their Note Principal Amount Outstanding, together with all accrued interest, on a Series Payments Date specified in the notice referred to in paragraph (a) below provided that each of the following conditions is satisfied:

- (a) the Issuer has given written notice in accordance with Base Condition 17 *Notices* not more than 60 Business Days and not less than 20 Business Days before that Series Payments Date to the Series Note Trustee and the Noteholders of its intention to redeem the relevant Required Notes and, as applicable, the relevant Permitted Notes under this Base Condition 6.4; and
- (b) the Issuer will be in a position on that Series Payments Date to discharge (and so certifies to the Series Note Trustee upon which certification the Series Notes Trustee shall be entitled to rely without further enquiry or liability):
 - (1) all its accrued liabilities in respect of the relevant Required Notes and, as applicable, the relevant Permitted Notes (including, in each case, all accrued interest outstanding); and
 - (2) all amounts required under the Security Intercreditor Deed (and applicable Series Priorities of Payments) to be paid in priority to or *pari passu* with those liabilities; and
- (c) the Issuer has complied with the conditions indicated in the *Optional Redemption Conditions* section in the Note Specified Terms.

6.5 Notice of redemption is irrevocable

Notice given by the Issuer to redeem Note pursuant to Base Condition 6.3 *Optional redemption for taxation and other reasons* or Base Condition 6.4 *Full redemption at the option of the Issuer* may not be withdrawn and upon giving such notice the Issuer shall be bound to redeem the Note in accordance with that notice and Base Condition 6.3 *Optional redemption for taxation and other reasons* or, as applicable, Base Condition 6.4 *Full redemption at the option of the Issuer*.

6.6 Repayment calculations and notifications

- (a) **Determination of Class Repayment Amount**
If a Series Acceleration Date has not occurred, the Issuer shall cause the Series Cash Manager to determine (and the Series Cash Manager will determine on behalf of the Issuer), on each Series Payments Calculation Date in relation to each Class of Notes, the **Class Repayment Amount** for that Class, being the amount of principal that is expected (upon the basis of information the available to the Series Cash Manager (including, without limitation, as notified to the Series Cash Manager by a relevant party to the Series), to be repaid in respect of that Class pursuant to the applicable Series Priorities of Payments on the Series Payments Date immediately following that Series Payments Calculation Date.
- (b) **Calculation of Repayment Amount and Note Principal Amount Outstanding for each Note**
If a Series Acceleration Date has not occurred, the Issuer shall cause the Series Cash Manager to calculate (and the Series Cash Manager will calculate on behalf of the Issuer) on each Series Payments Calculation Date in relation to each Class of Notes:
 - (1) the expected **Repayment Amount** for each Note in that Class in respect of the Series Payments Date immediately following that Series Payments Calculation Date, by apportioning the relevant Class Repayment Amount between the Notes in that Class *pro rata* to the Note Principal Amount Outstanding of each Note in that Class as at the start of that Series Payments Calculation Date, rounding each amount so apportioned down to the nearest Note Currency Unit; and
 - (2) the expected Note Principal Amount Outstanding for each Note in that Class in respect of the Series Payments Date immediately following that Series Payments Calculation Date (after taking account of the application of amounts to be allocated and paid on that Series Payments Date under the Series Priorities of Payments), by subtracting the relevant Repayment Amount in respect of

such Note from the Note Principal Amount Outstanding of that Note as at the start of that Series Payments Calculation Date; and

- (3) the aggregate expected Note Principal Amount Outstanding for that Class in respect of the Series Payments Date immediately following that Series Payments Calculation Date (after taking account of the application of amounts to be allocated and paid on that Series Payments Date under the Series Priorities of Payments).

(c) **Notice of Repayment Amount and Note Principal Amount Outstanding etc**

Except where a Series Acceleration Date has occurred, as soon as practicable after making the relevant determination under Base Condition 6.6(a) and calculations under Base Condition 6.6(b) on a Series Payments Calculation Date, the Series Cash Manager will cause the results of that determination and those calculations to be notified to the Issuer, the Series Note Calculation Agent, the Series Note Trustee, the Series Paying Agent and the Series Registrar. As soon as reasonably practicable after receiving such notice, the Series Paying Agent shall cause:

- (1) the Class Repayment Amount; and
- (2) the aggregate expected Note Principal Amount Outstanding for that Class calculated under Base Condition 6.6(b);

to be published in accordance with Base Condition 17 *Notices* and (for as long as the Notes are listed on or with a Listing Institution and the rules of such Listing Institution require) notified to such Listing Institution.

(d) **Publication does not preclude subsequent adjustments**

The relevant details published under Base Condition 6.6(c) *Notice of Repayment Amount and Note Principal Amount Outstanding etc* may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice to Noteholders in the event that the actual amounts allocated and paid on the relevant Series Payments Date in accordance with the Series Payments Rules are different to what was expected as at the time the relevant determination and calculations were made on the relevant Series Payments Calculation Date.

(e) **Determination or calculations by an appointee**

If the Series Cash Manager does not at any time for any reason make the relevant determination in accordance with Base Condition 6.6(a) and calculations in accordance with Base Condition 6.6(b) on a Series Payments Calculation Date and no alternative arrangement has been made under the Transaction Documents for the making of such determination and calculations, a person appointed by the Issuer for this purpose (which may be, but is not obliged to be, the Programme Servicer) may (but has no obligation to) make such determination and calculations (without that person having any liability as a result) in accordance with this Base Condition (based on information supplied to it by the Issuer or the Series Cash Manager or any other party to the Series) and each such determination and calculation shall be deemed to have been made by the Series Cash Manager.

6.7 Purchase of Notes by the Issuer

Except to the extent that the Note Specified Terms expressly indicate otherwise, the Issuer may purchase Notes in the open market or otherwise at any price and subject to receipt by the Issuer of an amount (whether by any sale permitted under the Security Deed of the Series Security Assets (or in the case of a purchase of some only of the Notes, a proportion of the Series Security Assets corresponding to the proportion of the Notes to be purchased) or otherwise) which is sufficient to fund the purchase price payable by the Issuer.

Subject to any contrary agreement between the seller of any Note to be purchased by the Issuer pursuant to this Base Condition 6.7, no interest will be payable with respect to a Note purchased pursuant to this Base Condition 6.7 in respect of the period from and including the first day of the then current Interest Period relating to that Note.

The Issuer will not exercise any rights in its capacity as a Noteholder of Notes purchased pursuant to this Base Condition 6.7 or as a person beneficially entitled to, or participating in, the Series Security Assets.

In particular, the Issuer will not vote at any meeting of Noteholders, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) of, the Series Security Assets or give any consent, waiver, indulgence, time or notification or make any declaration in relation to such Series Security Assets.

6.8 Issuer not to be a DCI Holder

The Issuer shall not be or become a DCI Holder in respect of any DCIs at any time.

6.9 Cancellation

All Notes which are redeemed in full shall, unless otherwise permitted by the Note Conditions, be cancelled by the Series Registrar.

All Notes which are purchased by the Issuer pursuant to Base Condition 6.7 *Purchase of Notes by the Issuer* shall, unless otherwise permitted by the Note Conditions, be cancelled by the Series Registrar.

7. DCI Amounts

7.1 Entitlement of each DCI

Each DCI in relation to a Class represents a *pro rata* entitlement to receive the relevant DCI Amounts in respect of that Class by way of deferred consideration for the purchase by the Issuer of the Series Portfolio.

7.2 Payment and deferral of DCI Allocated Amounts

In relation to each DCI, on each Series Payments Date the Issuer will pay, in GBP, an amount equal to the DCI Allocated Amount in respect of such DCI payable on such Series Payments Date, provided that, if:

- (a) DCI Amount Deferral is applicable in respect of such DCI for such Series Payments Date;
- (b) a Series Acceleration Date has not occurred on or before that Series Payments Date; and
- (c) following the allocation and payments made pursuant to the relevant Series Priority of Payments on such Series Payments Date, all or part of such DCI Allocated Amount remains unpaid,

then the unpaid amount shall be deferred (and shall be deemed to be not due and payable) and, on and including that Series Payments Date, such unpaid amount:

- (1) shall be added to, and form part of, the DCI Deferred Amount Outstanding in respect of that DCI; and
- (2) shall cease to be or to form part of that DCI Allocated Amount.

Such DCI Allocated Amount, less such unpaid amount (if any) as is deferred, shall become and be due and payable by the Issuer on such Series Payments Date.

7.3 Accrual of DCI Deferred Amount Interest on deferred interest

In respect of each DCI, interest (**DCI Deferred Amount Interest**) shall accrue at the DCI Deferred Interest Rate relating to that DCI on its DCI Deferred Amount Outstanding (if any) on each day (both before and after judgment) that such DCI Deferred Amount Outstanding is, as at the end of that day, equal to or greater than 0.01 in the relevant currency in relation to that DCI but excluding any day where such DCI Deferred Amount Outstanding is, as at the end of that day, equal to or greater than 0.01 in the relevant currency as a result of the occurrence of circumstances referred to in Base Condition 9.3 *Delays in making payments*.

7.4 Payment of DCI Deferred Amount Outstanding

In relation to each DCI, on each Series Payments Date where:

- (a) a Series Acceleration Date has not occurred on or before that Series Payments Date; and
- (b) the funds available at the Priority Level of the relevant Series Priority of Payments applicable to payment of DCI Allocated Amounts in respect of such DCI on such Series Payments Date exceed the full DCI Allocated Amount relating to that Series Payments Date in respect of that DCI (without any part of that DCI Allocated Amount being deferred under Base Condition 7.2 *Payment and deferral of DCI Allocated Amounts*),

the Issuer shall pay, in the applicable currency, the then DCI Deferred Amount Outstanding (if any) in respect of that DCI to the extent that such funds are sufficient to do so (and the amount that is so payable shall become and be due and payable on that Series Payments Date).

7.5 Payment of DCI Deferred Amount Interest

In relation to each DCI, on each Series Payments Date where:

- (a) a Series Acceleration Date has not occurred on or before that Series Payments Date; and
- (b) the funds available at the Priority Level of the relevant Series Priority of Payments applicable to payment of DCI Allocated Amounts in respect of such DCI on such Series Payments Date exceed both:

- (1) the full DCI Allocated Amount relating to that Series Payments Date in respect of that DCI (without any part of that DCI Allocated Amount being deferred under Base Condition 7.2 *Payment and deferral of DCI Allocated Amounts*); and
- (2) the DCI Deferred Amount Outstanding (if any) in respect of that DCI,

the Issuer shall pay, in the applicable currency, the DCI Deferred Amount Interest then outstanding (if any) in respect of that DCI to the extent that such funds are sufficient to do so (and the amount that is so payable shall become and be due and payable on that Series Payments Date).

7.6 **Payment of accrued amounts from Series Acceleration Date**

In relation to each DCI, on and from the occurrence of a Series Acceleration Date, all of the DCI Deferred Amount Outstanding and all of the DCI Deferred Amount Interest shall be due and payable (if it is not already due and payable).

7.7 **Determination of Class DCI Amount etc**

If a Series Acceleration Date has not occurred, the Issuer shall cause the Series Cash Manager to determine (and the Series Cash Manager will determine on behalf of the Issuer), on each Series Payments Calculation Date in relation to each Class of DCIs:

- (a) the **Class DCI Amount** for that Class, being the DCI Amount that is expected (upon the basis of information the available to the Series Cash Manager (including, without limitation, as notified to the Series Cash Manager by a relevant party to the Series)), to be paid in respect of that Class pursuant to the applicable Series Priorities of Payments on the Series Payments Date immediately following that Series Payments Calculation Date;
- (b) the **Class DCI Deferred Amount Outstanding** for the Interest Period starting on that Series Payments Date, being the aggregate DCI Deferred Amount Outstanding in respect of each DCI in that Class at the start of that Series Payments Date (after taking account of the application of amounts to be allocated and paid on the relevant day under the Series Priorities of Payments); and
- (c) the **Class DCI Deferred Amount Interest** for that Interest Period, being the result of:

$$\begin{array}{ccccc} \text{The aggregate DCI Deferred Amount} & & & & \\ \text{Outstanding in respect of that Class at the start of} & & & & \\ \text{that Interest Period (after taking account of the} & \times & \text{DCI Deferred Interest} & \times & \text{Day Count} \\ \text{application of amounts to be allocated and paid} & & \text{Rate for that Class in} & & \text{Fraction for that} \\ \text{on the relevant day under the Series Priorities of} & & \text{relation to that Interest} & & \text{Interest Period} \\ \text{Payments)} & & \text{Period} & & \end{array}$$

7.8 **Calculation of DCI Allocated Amount and Note Principal Amount Outstanding for each Note**

If a Series Acceleration Date has not occurred, the Issuer shall cause the Series Cash Manager to calculate (and the Series Cash Manager will calculate on behalf of the Issuer) on each Series Payments Calculation Date in relation to each Class of DCIs:

- (a) the expected **DCI Allocated Amount** for each DCI in that Class in respect of the Series Payments Date immediately following that Series Payments Calculation Date, by apportioning the relevant Class DCI Amount between the DCIs in that Class equally, rounding each amount so apportioned down to the nearest 0.01 in the relevant currency; and
- (b) the **DCI Deferred Amount Interest** for each DCI in that Class in respect of that Interest Period, by apportioning that Class DCI Deferred Amount Interest between the DCIs in that Class equally, rounding each amount so apportioned down to the nearest 0.01 in the relevant currency.

7.9 **Notice of Class DCI Amount etc**

Except where a Series Acceleration Date has occurred, as soon as practicable after making the relevant determination under Base Condition 7.7 and calculations under Base Condition 7.8 on a Series Payments Calculation Date, the Series Cash Manager will cause the results of that determination and those calculations to be notified to the Issuer, the Series Note Calculation Agent, the Series Note Trustee, the Series Paying Agent and the Series Registrar. As soon as reasonably practicable after receiving such notice, the Series Paying Agent shall cause:

- (a) the expected Class DCI Amount; and
- (b) the expected Class DCI Deferred Amount Outstanding; and

- (c) the expected Class DCI Deferred Amount Interest,
to be published in accordance with Base Condition 17 *Notices*.

7.10 Publication does not preclude subsequent adjustments

The relevant details published under Base Condition 7.9 *Notice of Class DCI Amount etc* may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice to DCI Holders in the event of any extension or shortening of the relevant Interest Period.

7.11 Determination by an appointee

If the Series Cash Manager does not at any time for any reason make the relevant determinations and calculations in accordance with Base Conditions 7.7 and 7.8 on a Series Payments Calculation Date and no alternative arrangement has been made under the Transaction Documents for the making of such determinations and calculations, a person appointed by the Issuer for this purpose (which may be, but is not obliged to be, the Programme Servicer) may (but has no obligation to) make such determinations and calculations in its absolute discretion (having such regard as it shall think fit to the procedures described in this Base Condition 7 *DCI Amounts*), it shall deem fair and reasonable in all the circumstances in the manner provided in this Base Condition 7 *DCI Amounts* (in each case without that person having any liability as a result) and each such determination and calculation shall be deemed to have been made by the Series Note Calculation Agent.

8. Taxation

8.1 No withholdings or deductions except as required by law

All payments in respect of the Notes and DCIs will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer, the Series Note Trustee, the Series Paying Agent or the Series Registrar (as the case may be) is required by applicable law to make any such payment in respect of the Notes or, as applicable, DCIs subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature.

8.2 Withheld or deducted amount to be paid to relevant authorities

In that event, the Issuer, the Series Note Trustee, the Series Paying Agent or the Series Registrar (as the case may be) shall make such payments after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted.

8.3 No gross up

Neither the Issuer nor any Series Paying Agent, Series Registrar, Series Note Trustee or the Security Trustee will be obliged to make any additional payments to the Noteholders or DCI Holders (if any) in respect of such withholding or deduction.

8.4 Withholding or deduction not a Note Event of Default

Notwithstanding that the Series Note Trustee, the Issuer, the Series Paying Agent or the Series Registrar are required to make such withholding or deduction, making such withholding or deduction shall not constitute a Note Event of Default.

9. Payments

9.1 Means of making payments

Payments in respect of each Note (being interest payments and principal repayments) and, as applicable, each DCI (being DCI Amount payments and, if applicable, DCI Interest payments):

- (a) will be made to the relevant Payee; and
- (b) will be made by transfer to a Payee Permitted Account.

9.2 Time of payment

Payment instructions will be initiated on such date necessary for payments to be received for value on the Payment Date.

9.3 Delays in making payments

A Noteholder or, as applicable, DCI Holder shall not be entitled to any interest or other payment in respect of any delay in payment resulting from:

- (a) a payment not being made or a transfer not being initiated on the due date for a payment as a result of that due date not being a Local Business Day; and
- (b) the Series Paying Agent having not received before the relevant Series Register Record Date written notice of a Payee Permitted Account for the Payee.

9.4 Partial payments

If the Series Paying Agent makes a partial payment in respect of any Note or any DCI, the Issuer shall procure, and the Series Registrar will ensure, that the amount and date of such payment are noted on the Series Register.

9.5 Fiscal and other laws; no commission or expenses

All payments in respect of the Notes and DCIs are subject in all cases to any applicable fiscal or other laws and regulations (including laws and regulations to which the Issuer agrees to be subject), and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements. No commissions or expenses shall be charged to the Noteholders or DCI Holders in respect of such payments.

9.6 Conclusive effect of notifications etc

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the Note Conditions or, as applicable, DCI Conditions, whether by the EURIBOR Banks (or any of them), the Series Cash Manager, the Series Paying Agent, the Series Registrar, the Series Note Calculation Agent, the Security Trustee or the Series Note Trustee shall (in the absence of any manifest error) be binding on the Issuer, all Noteholders, all DCI Holders and (in the absence of any manifest error) the Security Trustee and the Series Note Trustee.

No liability to the Series Note Trustee, the Noteholders or the DCI Holders shall attach to the EURIBOR Banks, the Series Paying Agent, the Series Registrar, the Series Note Calculation Agent, the Series Note Trustee or the Series Note Trustee in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under the Note Conditions or, as applicable, DCI Conditions.

10. Note Event of Default

10.1 Definition of Note Event of Default

Note Event of Default means in relation to Notes or, if no Notes are outstanding, the DCIs in the Series any of the following events:

(a) **Non-payment**

The Issuer fails to pay:

- (1) any amount of principal in respect of the Notes within 5 days of the due date for payment of such principal; or
- (2) any amount of interest in respect of Notes within 10 days of the due date for payment of such interest; or
- (3) (if no Notes are outstanding) any DCI Amount in respect of DCIs within 10 days of the due date for payment of such DCI Amount,

(for the avoidance of doubt, any deferral of interest and/or, as applicable, DCI Allocated Amount in accordance with Base Condition 5.2(a) *Payment and deferral of Scheduled Interest* or 7.2 *Payment and deferral of DCI Allocated Amounts* shall not constitute a Note Event of Default); or

(b) **Breach of other obligations**

the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or, if no Notes are outstanding, the DCIs or under the Security Deed and such default:

- (1) is, in the opinion of the Series Note Trustee, incapable of remedy; or
- (2) is a default which is, in the opinion of the Series Note Trustee, capable of remedy and remains unremedied for 30 days (or such longer period as the Series Note Trustee may permit) after the Series Note Trustee has given written notice of such default to the Issuer,

and provided that the Series Note Trustee shall have certified that in its opinion such default is materially prejudicial to the interests of the Noteholders of the Most Senior Tranche or, if no Notes are outstanding, the DCI Holders (and, for the purposes of this Condition 10.1(b), any failure to perform or observe any obligation shall be deemed remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or

(c) **Misrepresentation**

any representation or warranty made by the Issuer in the Series Documents or any other document delivered by or on behalf of the Issuer under or in connection therewith is or proves to have been incorrect or misleading when made (in each case a **Misrepresentation**) and the matters giving rise to such Misrepresentation are in the opinion of the Series Note Trustee:

- (1) incapable of remedy such that the representation or warranty could not be given by the Issuer without a Misrepresentation being made; or
- (2) capable of remedy such that the representation or warranty could be given by the Issuer without a Misrepresentation being made, but remain unremedied for 30 days (or such longer period as the Series Note Trustee or the Security Trustee, as the case may be, may permit) after the Series Note Trustee has given written notice of such Misrepresentation to the Issuer after the Series Note Trustee has given written notice of such default to the Issuer,

and provided that the Series Note Trustee shall have certified that in its opinion such Misrepresentation is materially prejudicial to the interests of the Noteholders of Notes in the Most Senior Tranche or, if no Notes are outstanding, the DCI Holders (and, for such purposes, any Misrepresentation shall be deemed remediable notwithstanding that the Misrepresentation results from the relevant representation or warranty having been incorrect or misleading at a particular time); or

(d) **Insolvency Supervening Event**

the occurrence of an Insolvency Supervening Event; or

(e) **Cessation of business**

the Issuer (other than for the purposes of a solvent amalgamation or reconstruction of the Issuer on terms previously approved in writing by the Security Trustee or approved by a Noteholder Extraordinary Resolution of the Noteholders of Notes in the Most Senior Tranche or, if no Notes are outstanding, by a DCI Holder Extraordinary Resolution of the DCI Holders), ceases or, through or consequent upon an official action of the board of directors of the Issuer, threatens to cease to carry on business or a substantial part of its business other than in relation to the Series Security Assets relating to an Other Series; or

(f) **Unlawfulness**

it is unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes and the Series Note Trustee has certified that in its opinion this is materially prejudicial to the interests of the Noteholders of Notes in the Most Senior Tranche or, if no Notes are outstanding, the DCI Holders.

10.2 Definition of Insolvency Supervening Event

Insolvency Supervening Event means any corporate action, legal proceedings, formal application or other procedure or step is validly taken in relation to or with a view to:

- (a) a moratorium of any indebtedness (other than in relation to the Notes, DCIs and/or any other amount owing under a Series Priority of Payments relating to an Other Series), winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of, or in relation to, the Issuer other than a solvent liquidation or reorganisation of the Issuer on terms previously approved in writing by the Security Trustee (acting in accordance with the Security Intercreditor Deed) or approved by the Series Reference Creditor in respect of this Series; or
- (b) the appointment of a liquidator (other than in respect of a solvent liquidation of the Issuer on terms previously approved in writing by the Security Trustee acting in accordance with the Security Intercreditor Deed or approved by the Series Reference Creditor in respect of this Series); or
- (c) the appointment of an administrator (including, but not limited to, application to the court for an administrator or the service of a notice of intention to appoint an administrator) (other than where the same only affects Series Security Assets relating to one or more Other Series); or
- (d) the appointment of an administrative receiver (other than an appointment of a Security Blocking Administrative Receiver by the Security Trustee, as defined in and in accordance with the Security Intercreditor Deed) or other type of receiver, compulsory manager or other similar officer in respect of

the Issuer or any of its assets (other than where the same only affects Series Security Assets relating to one or more Other Series); or

- (e) any expropriation, attachment, sequestration, distress, execution or diligence affects any asset or assets of the Issuer (other than in relation to the Series Security Assets relating to one or more Other Series) and is not discharged within 15 Business Days (or such other period previously approved in writing by the Security Trustee acting in accordance with the Security Intercreditor Deed or approved by the Series Reference Creditor in respect of this Series),

or any analogous corporate action, legal proceedings or other procedure or step is taken in respect of the Issuer or its assets (other than where the same only affects Series Security Assets relating to one or more, but not all, Other Series) in any jurisdiction.

10.3 **No cross default between Series**

For the avoidance of doubt:

- (a) the occurrence of a Note Event of Default or a Series Note Acceleration Date in relation to any Note or DCI relating to any Other Series; or
- (b) the occurrence of any breach of any Series Document relating to any Other Series; or
- (c) the Security in relation to the Series Security Assets relating to any Other Series becoming enforceable; or
- (d) any action being taken to realise and/or enforce such Security in relation to the Series Security Assets relating to any Other Series;

shall not by or of itself:

- (1) constitute a Note Event of Default in relation to the Notes or DCIs relating to this Series; nor
- (2) entitle any action to be taken under this Base Condition 10 in relation to this Series; nor
- (3) cause the Notes or DCIs relating to this Series to become due and repayable under the Note Conditions or, as applicable, the DCI Conditions; nor
- (4) cause the Security in respect of the Series Security Assets relating to this Series to become enforceable; nor
- (5) constitute a Security Assets Realisation Date; nor
- (6) constitute a Series Acceleration Date in relation to this Series.

10.4 **Series Note Acceleration Notice**

If a Note Event of Default occurs and is continuing:

- (a) the Series Note Trustee at its discretion may; and
- (b) the Series Note Trustee shall:
 - (1) if so requested in writing by the Noteholders of at least 25% in Note Principal Amount Outstanding of the Notes outstanding in the Most Senior Tranche or, if no Notes are outstanding, by the DCI Holders of at least 25% of the number of DCIs outstanding; or
 - (2) if so directed by a Noteholder Extraordinary Resolution of Noteholders of the Notes outstanding in the Most Senior Tranche or, if no Notes are outstanding, by a DCI Holder Extraordinary Resolution of DCI Holders of each Class of DCIs outstanding,

by giving written notice (a **Series Note Acceleration Notice**) to the Issuer and the Security Trustee, declare in such notice any date (being a date on or after the date of that notice) to be a **Series Note Acceleration Date** (provided that the Series Note Trustee shall not be obliged to deliver a Series Note Acceleration Notice unless it has been indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby become liable, or which it may incur by so doing).

10.5 **Consequences of Series Acceleration Date**

The occurrence of a Series Note Acceleration Date shall also constitute the occurrence of a Series Acceleration Date (but without prejudice to other events and/or circumstances which may constitute the occurrence of a Series Acceleration Date).

Upon the occurrence of a Series Acceleration Date, the Notes of each Class in this Series shall become immediately due and payable without further action or formality at their Note Principal Amount Outstanding together with any accrued Note Deferred Interest Outstanding and Additional Interest.

11. Enforcement by trustees

11.1 Enforcement proceedings

The Series Note Trustee may, at its discretion and without further notice, take (or direct the Security Trustee to take) any action, step or proceedings as it thinks fit to enforce its rights under the Series Note Trust Deed in respect of the Notes and the DCIs and under the other Transaction Documents and/or, at any time on or after the occurrence of a Series Acceleration Date, enforce the Security over the Series Security Assets, but it shall not be bound to do so unless:

- (a) either:
 - (1) so requested in writing by the Noteholders of at least 25% of the Note Principal Amount Outstanding of Notes outstanding in the Most Senior Tranche or, if no Notes are outstanding, by the DCI Holders of at least 25% of the number of DCIs outstanding; or
 - (2) so directed by a Noteholder Extraordinary Resolution of Noteholders of Notes outstanding in the Most Senior Tranche or, if no Notes are outstanding, by a DCI Holder Extraordinary Resolution of DCI Holders of each Class of DCIs outstanding; and
- (b) it has been indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby become liable and/or which it may incur by so doing.

11.2 Directions to the trustees

If the Series Note Trustee and/or, as applicable, the Security Trustee shall take any action, step or proceedings described in Base Condition 11.1 *Enforcement proceedings* it may take such action, step or proceedings without having regard to the effect of such action on individual Noteholders, DCI Holders or any other Series Security Creditor, provided that so long as any Notes in the Most Senior Tranche are outstanding, the Series Note Trustee and/or, as applicable, the Security Trustee shall not, and shall not be bound to, act at the request or direction of the Noteholders of Notes outstanding of any other Class that are in any other Tranche unless:

- (a) to do so would not, in its opinion, be materially prejudicial to the interests of the Noteholders of Notes outstanding in each Tranche senior to the Tranche comprising such other Class; or
- (b) (if the Series Note Trustee and/or, as applicable, the Security Trustee is not of that opinion) such action is sanctioned by a Noteholder Extraordinary Resolution of the Noteholders in each Tranche senior to the Tranche comprising such other Class.

11.3 Restrictions on disposal of Issuer's assets

If a Series Acceleration Date has occurred otherwise than by reason of non-payment of any amount due in respect of the Notes, the Security Trustee will not be entitled to dispose of the Series Security Assets or any part thereof unless either:

- (a) a sufficient amount would be realised to allow payment in full of all amounts owing to the Noteholders of the Notes after payment of all other claims ranking in priority to the Notes in accordance with the Series Accelerated Priority of Payments; or
- (b) the Series Note Trustee is of the opinion, which shall be binding on the Noteholders, the DCI Holders and the other Series Security Creditors, reached after considering at any time and from time to time at its discretion the advice of an investment bank or other financial adviser selected by the Series Note Trustee (and if the Series Note Trustee is unable to obtain such advice having made reasonable efforts to do so this Base Condition 11.3(b) shall not apply), that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts due in respect of the Notes of each Class after payment of all other claims ranking in priority to the Notes in accordance with the Series Accelerated Priority of Payments,

provided that the Series Note Trustee shall not be bound to make the determination contained in Base Condition 11.3(b) unless the Series Note Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby become liable, or which it may incur by so doing.

12. No action, limited recourse and prescription**12.1 No action by Noteholders or DCI Holders**

Only the Series Note Trustee and/or, as applicable, the Security Trustee may pursue the remedies available under the general law, under the Security or under any Transaction Document and no Noteholder or DCI Holder shall be entitled to proceed directly against the Issuer to enforce any such remedies or enforce the Security or any Transaction Document. In particular, no Noteholder, nor any person acting on behalf of such Noteholder, nor any DCI Holder, nor any person acting on behalf of such DCI Holder (other than the Security Trustee or the Series Note Trustee where appropriate), is entitled to:

- (a) take or join any other person (other than the Security Trustee) in taking any step or procure or cause another person to take any step that would constitute or result in or, with the giving of notice and/or elapse of time and/or the forming of an opinion or the making or giving of any determination or certification, would constitute or result in an Insolvency Event in relation to the Issuer;
- (b) take or join any other person (other than the Security Trustee) in taking against the Issuer and/or the Security Assets any step (including the exercise of any withholding, right of set-off or other right of deduction) or exercising any Security Interest or any right of subrogation for the purpose of recovering or enforcing any of the liabilities owing to it at any time by the Issuer;
- (c) take or join any person in taking steps against the Issuer for the purposes of obtaining payment of any amount due whatsoever from the Issuer to such Noteholder or such person, including, without limitation, the making of a statutory demand and the appointment of an administrative receiver;
- (d) take any steps or proceedings which would result in any of the provisions of Part 2 of the Security Intercreditor Deed (including, without limitation, the Series Priorities of Payments referred to in such Part 2) not being observed;
- (e) apply for, obtain or take any step to obtain or join any other person (other than the Security Trustee) in applying for or obtaining an injunction, an interdict, a declaration, damages, judgment, a decree or other order against the Issuer in relation to any Transaction Document (other than in relation to any breach or alleged breach by the Security Trustee of its obligations or duties to that Noteholder under the Transaction Documents);
- (f) take or initiate any proceedings or steps against the Issuer to enforce any Transaction Document;
- (g) permit the Issuer to pay, prepay, repay, redeem, purchase, or otherwise acquire any of the Security Liabilities owed by the Issuer (including any obligation under any Series Hedge Agreement), except to the extent, at the times and in the manner permitted by the Transaction Documents;
- (h) take, accept or receive the benefit of any Security Interest, guarantee, indemnity or other assurance against financial loss from the Issuer in respect of any of the Security Liabilities owed to it except as expressly permitted pursuant to the Security Intercreditor Deed; or
- (i) do anything inconsistent with the Security or the terms of the Security Deed or Security Intercreditor Deed;

provided that the above provisions of this Condition 12.1:

- (1) shall not apply during any Programme No Series Outstanding Period;
- (2) are without prejudice to any action or step which is expressly permitted under the terms of the Security Intercreditor Deed;
- (3) shall not prevent such Noteholder, when entitled to do so pursuant to the terms of a Security Liability owing to such Noteholder, claiming or declaring such Security Liability due and payable; and
- (4) shall not prevent such Noteholder from proving for the full amount owing to it by the Issuer in the liquidation of the Issuer.

12.2 Limited recourse

All amounts, obligations and liabilities due, owing, incurred or payable by the Issuer (whether actual or contingent, present or future, contractual or non-contractual) to a Noteholder or, as applicable, DCI Holder from time to time in relation to the Series are, and shall continue to be, limited in recourse and immediately with effect from (and including) the occurrence of any Series Post Realisation Date in relation to the Series:

- (a) each Noteholder and each DCI Holder in respect of the Series shall cease to have any right or claim against the Issuer in respect of any such amounts, obligations and liabilities in relation to the Series; and

- (b) all of such amounts, obligations and liabilities shall be treated as discharged and extinguished and cease to exist in full.

12.3 Prescription

Claims against the Issuer for payment of principal in respect of the Notes or, as applicable, for payment of a DCI Amount in respect of the DCIs shall be prescribed and become void unless made within 10 years from the due date for payment.

Claims against the Issuer for payment of other amount (including interest) in respect of the Notes or, as applicable, DCIs shall be prescribed and become void unless made within 5 years from the due date for payment.

12.4 Exclusion of third party rights

A person who is not a party to the Notes or, as applicable, DCIs has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any provision of the Notes or, as applicable, DCIs provided that:

- (a) this does not affect any right or remedy of a third party which exists or is available apart from that Act; and
- (b) each Note Transaction Party shall have the right under that Act to enforce each provision of, or provision applicable to, the Notes or, as applicable, DCIs in so far as such provision is expressed to be in favour of or benefit of such Note Transaction Party.

13. Noteholder Resolutions and DCI Holder Resolutions

13.1 Resolution provisions in Series Note Trust Deed

The Series Note Trust Deed contains provisions for making and/or approving Noteholder Resolutions and/or DCI Holder Resolutions of each Class and, in certain cases, more than one Class in respect of any matter affecting their interests.

13.2 Definitions relating to Noteholder Resolutions and DCI Holder Resolutions

DCI Holder Extraordinary Resolution means a DCI Resolution made or, as applicable, approved by the applicable Resolution Threshold in respect of a DCI Holder Extraordinary Resolution;

DCI Holder Ordinary Resolution means a DCI Resolution which is not a DCI Holder Extraordinary Resolution;

DCI Holder Resolution means:

- (a) a resolution made or, as applicable, approved by the relevant DCI Holders equalling or exceeding the applicable Resolution Threshold at a meeting, where the applicable Meeting Quorum of the relevant DCI Holders of Resolution DCIs is present, duly convened and held in accordance with the Series Note Trust Deed and the DCI Conditions; or
- (b) where the relevant DCIs are held on behalf of a Clearing System or Clearing Systems, a resolution proposed by the Issuer or the Series Note Trustee (as the case may be) and made or, as applicable, approved by way of Electronic Consents by the relevant DCI Holders of Resolution DCIs equalling or exceeding the applicable Resolution Threshold; or
- (c) a resolution made or, as applicable, approved in writing signed by one or more of the relevant DCI Holders of Resolution DCIs equalling or exceeding the applicable Resolution Threshold signing (or a person signing on behalf of the relevant DCI Holder) at least one document or counterpart document setting out the resolution.

Electronic Consent means consent given by way of electronic consents communicated through the electronic communications system of the relevant Clearing System(s) to the Series Registrar and/or the Series Note Trustee in accordance with the operating rules and procedures of the relevant Clearing System(s);

Meeting Quorum means for a meeting:

- (a) involving at least one Noteholder Extraordinary Resolution in respect of a Series Basic Terms Modification: for an initial meeting at least 75% (and for a reconvened meeting at least 50%) of the Note Principal Amount Outstanding of the Resolution Notes;
- (b) involving at least one Noteholder Extraordinary Resolution (but none in respect of a Series Basic Terms Modification): for an initial meeting at least 50% (and for a reconvened meeting at least 25%) of the Note Principal Amount Outstanding of the Resolution Notes;

- (c) involving at least one Noteholder Ordinary Resolution (but no Noteholder Extraordinary Resolution): for an initial meeting at least 25% (and for a reconvened meeting at least 10%) of the Note Principal Amount Outstanding of the Resolution Notes;
- (d) involving at least one DCI Holder Extraordinary Resolution in respect of a Series Basic Terms Modification: for an initial meeting at least 75% (and for a reconvened meeting at least 50%) of the total number of Resolution DCIs;
- (e) involving at least one DCI Holder Extraordinary Resolution (but none in respect of a Series Basic Terms Modification): for an initial meeting at least 50% (and for a reconvened meeting at least 25%) of the total number of Resolution DCIs; or
- (f) involving at least one DCI Holder Ordinary Resolution (but no DCI Holder Extraordinary Resolution): for an initial meeting at least 25% (and for a reconvened meeting at least 10%) of the total number of Resolution DCIs;

Noteholder Extraordinary Resolution means a Noteholder Resolution made or, as applicable, approved by the applicable Resolution Threshold in respect of a Noteholder Extraordinary Resolution;

Noteholder Ordinary Resolution means a Noteholder Resolution which is not a Noteholder Extraordinary Resolution;

Noteholder Resolution means:

- (a) a resolution made or, as applicable, approved by the relevant Noteholders equalling or exceeding the applicable Resolution Threshold at a meeting, where the applicable Meeting Quorum of the relevant Noteholders of Resolution Notes is present, duly convened and held in accordance with the Series Note Trust Deed and the Note Conditions; or
- (b) where the relevant Notes are held on behalf of a Clearing System or Clearing Systems, a resolution proposed by the Issuer or the Series Note Trustee (as the case may be) and made or, as applicable, approved by way of Electronic Consents by the relevant Noteholders of Resolution Notes equalling or exceeding the applicable Resolution Threshold; or
- (c) a resolution made or, as applicable, approved by in writing by one or more of the relevant Noteholders of Resolution Notes equalling or exceeding the applicable Resolution Threshold signing (or a person signing on behalf of the relevant Noteholder) at least one document or counterpart document setting out the resolution;

Resolution Notes means in connection with a proposed or actual Noteholder Resolution, the Notes outstanding and held, as at the meeting record date, by the relevant Noteholders who are eligible to vote in relation to that Noteholder Resolution;

Resolution DCIs means in connection with a proposed or actual DCI Holder Resolution, the DCIs outstanding and held, as at the meeting record date, by the relevant DCI Holders who are eligible to vote in relation to that DCI Holder Resolution;

Resolution Threshold means:

- (a) for a DCI Holder Extraordinary Resolution (including in respect of a Series Basic Terms Modification) made or, as applicable, approved:
 - (1) at a meeting: at least 75% of, upon a show of hands, the persons voting, or, if a poll is demanded, the votes cast on that poll;
 - (2) by Electronic Consents: at least 75% of the Resolution DCIs voting; or
 - (3) in writing: DCI Holders holding at least 75% of the total number of Resolution DCIs;
- (b) for a DCI Holder Ordinary Resolution made or, as applicable, approved:
 - (1) at a meeting: more than 50% of, upon a show of hands, the persons voting, or, if a poll is demanded, the votes cast on that poll;
 - (2) by Electronic Consents: more than 50% of the Resolution DCIs voting; or
 - (3) in writing: DCI Holders holding more than 50% of the total number of Resolution DCIs;

- (c) for a Noteholder Extraordinary Resolution (including in respect of a Series Basic Terms Modification) made or, as applicable, approved:
 - (1) at a meeting: at least 75% of, upon a show of hands, the persons voting, or, if a poll is demanded, the votes cast on that poll;
 - (2) by Electronic Consents: at least 75% of the Note Principal Amount Outstanding of the Resolution Notes voting; or
 - (3) in writing: Noteholders holding at least 75% of the Note Principal Amount Outstanding of the Resolution Notes; and
- (d) for a Noteholder Ordinary Resolution made or, as applicable, approved:
 - (1) at a meeting: more than 50% of, upon a show of hands, the persons voting, or, if a poll is demanded, the votes cast on that poll;
 - (2) by Electronic Consents: more than 50% of the Note Principal Amount Outstanding of the Resolution Notes voting; or
 - (3) in writing: Noteholders holding more than 50% of the Note Principal Amount Outstanding of the Resolution Notes,

and for such purposes:

- (A) when a poll is held in respect of a Noteholder Resolution, each GBP 1 of Note Principal Amount Outstanding of the Resolution Notes counts as one vote.
- (B) when a poll is held in respect of a DCI Holder Resolution, each Resolution DCI counts as one vote; and
- (C) when a show of hands is used, each person voting has one vote.

13.3 Separate and combined resolutions

- (a) **Series Basic Terms Modification**
A Series Basic Terms Modification in relation to the Series shall not be effective unless sanctioned by:
 - (1) Noteholders of Notes outstanding of each Class having separately made or, as applicable, approved a Noteholder Extraordinary Resolution approving such Series Basic Terms Modification; and
 - (2) DCI Holders of DCIs outstanding of each Class having separately made or, as applicable, approved a DCI Holder Extraordinary Resolution approving such Series Basic Terms Modification.
- (b) **Effect of resolutions on more junior Tranche**
A Noteholder Resolution of Noteholders in a Class of Notes (other than in relation to a Series Basic Terms Modification) will be binding on the Noteholders of each Class in a more junior Tranche irrespective of the effect on the interests of the Noteholders of each such Class in a more junior Tranche.
- (c) **Effect of resolutions on other different Classes**
A Noteholder Resolution of Noteholders in a Class of Notes shall not be effective unless it does not relate to a Series Basic Terms Modification and in the opinion of the Series Note Trustee such Noteholder Resolution:
 - (1) will not be materially prejudicial to the interests of the Noteholders of Notes outstanding of each Class in a more senior Tranche, or it is sanctioned by a Noteholder Extraordinary Resolution of the Noteholders of Notes in each more senior Tranche; and
 - (2) (if such Noteholder Resolution was not passed by each Noteholder of Notes in each other Class in the same Tranche) will not be materially prejudicial to the interests of the Noteholders of Notes outstanding in each other Class in that Tranche, or it is sanctioned by a Noteholder Extraordinary Resolution of the Noteholders of Notes in each other Class in that Tranche.

For the avoidance of doubt, a Noteholder Resolution of Noteholders in a Class will be binding on the Noteholders of Notes outstanding of each Class in a more junior Tranche, provided that it does not relate to a Series Basic Terms Modification.

(d) Resolutions affecting only one Class

Except as indicated in Base Conditions 13.3(a):

- (1) a Noteholder Resolution which in the opinion of the Series Note Trustee affects the Notes of only one Class shall only be made or, as applicable, approved by Noteholders of Notes outstanding in that Class; and
- (2) a DCI Holder Resolution which in the opinion of the Series Note Trustee affects the DCIs of only one Class shall only be made or, as applicable, approved by DCI Holders of DCIs outstanding in that Class.

(e) Combined resolutions may be used if no conflict

Except as indicated in Base Conditions 13.3(a), 13.3(b), 13.3(c) or 13.3(d):

- (1) no separate Noteholder Resolutions of Noteholders of Notes of different Classes in the Series will be required unless the Series Note Trustee determines that there may be a conflict in the interests of the Noteholders of Notes outstanding of one Class and the Noteholders of Notes outstanding of another Class in the Series in relation to a Noteholder Resolution; and
- (2) no separate DCI Holder Resolutions of DCI Holders of DCIs of different Classes in the Series will be required unless the Series Note Trustee determines that there may be a conflict in the interests of the DCI Holders of DCIs outstanding of one Class and the DCI Holders of DCIs outstanding of another Class in the Series in relation to a DCI Holder Resolution.

13.4 Convening of meeting of Noteholders or DCI Holders

A meeting of Noteholders of Notes in a particular Class or Classes or, as applicable, a meeting of DCI Holders of a particular Class or Classes:

- (a) may be convened by the Series Note Trustee or the Issuer at any time; and
- (b) must be convened by the Series Note Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Noteholders or, as applicable, DCI Holders of the relevant Class or Classes holding not less than 10% of the aggregate Note Principal Amount Outstanding of the outstanding Notes of the relevant Class or Classes or, in the case of a DCI Holder meeting, not less than 10% of the aggregate number of the DCIs then outstanding of the relevant Class or Classes.

13.5 Binding effect of resolutions

- (a) Each Noteholder Resolution duly made and/or approved in accordance with the Series Note Trust Deed by Noteholders of one or more Classes of Notes shall be binding upon all Noteholders of such Class or Classes, whether or not participating in the making and/or approval of such Noteholder Resolution.
- (b) Each DCI Holder Resolution duly made and/or approved in accordance with the Series Note Trust Deed by Noteholders of one or more Classes of DCIs shall be binding upon all DCI Holders of such Class or Classes, whether or not participating in the making and/or approval of such DCI Holder Resolution.

However, a Noteholder Resolution or, as applicable, DCI Holder Resolution does not entitle the Issuer, the Security Trustee, a Series Note Trustee and/or any other Security Creditor to override, modify and/or breach a covenant made to, or agreement made with, any party under the Transaction Documents except where such party agrees and/or such covenant expressly indicates that a Noteholder Resolution or, as applicable, DCI Holder Resolution can entitle such override, modification and/or breach.

14. Rating Certificates**14.1 Definition of Rating Adverse Action and Rating Certificate**

Rating Adverse Action means at any time in relation to a Series Rating Agency in connection with any event, circumstances and/or proposal relating to the Series:

- (a) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of Notes by such Series Rating Agency or such Series Rating Agency placing any such Notes on rating watch negative (or equivalent); or
- (b) where the event, circumstances and/or proposal involves the substitution of the Notes in the Series in whole but not in part only, for other securities or instruments, either:
 - (1) such other securities or instruments not having a rating equal to or higher than the then current ratings assigned by such Series Rating Agency to the corresponding substituted Notes; or

- (2) such other securities or instruments having the same such rating but being on watch negative (or equivalent) when the then current ratings assigned by such Series Rating Agency to the corresponding substituted Notes are not on watch negative (or equivalent);

Rating Certificate means at any time in relation to a Series Rating Agency in connection with any event, circumstances and/or proposal relating to the Series and the actual and/or potential impact on a rating by that Series Rating Agency, a certificate by the Issuer to the Series Note Trustee and the Security Trustee:

- (a) attaching a copy of a written confirmation or affirmation (in any form acceptable to the Series Note Trustee or the Security Trustee) from such Series Rating Agency that such event, circumstances and/or proposal would not result in a Rating Adverse Action by such Series Rating Agency; or
- (b) (except where the relevant Series Rating Agency is Fitch Ratings Ltd.) certifying that the Issuer:
 - (1) has not received any such written confirmation or affirmation from that Series Rating Agency, but
 - (2) has received oral confirmation from an appropriately authorised person at such Series Rating Agency that such event, circumstances and/or proposal would not result in a Rating Adverse Action by such Series Rating Agency; or
- (c) certifying that the Issuer has requested such written confirmation or affirmation from that Series Rating Agency in relation to such event, circumstances and/or proposal and:
 - (1) such Series Rating Agency indicated to the Issuer that it does not consider such written confirmation or affirmation necessary in relation to such event, circumstances and/or proposal; or
 - (2) such Series Rating Agency indicated to the Issuer that it does not, as a matter of practice or policy, provide such types of written confirmation or affirmation; or
 - (3) during the 30 days from and including the date of delivery of such request no substantive response to such request has been received by the Issuer from that Series Rating Agency,

and such Series Rating Agency has not indicated to the Issuer that such event, circumstances and/or proposal would result in a Rating Adverse Action by such Series Rating Agency.

14.2 Trustees can rely on Rating Certificates etc

In respect of the exercise of any power, duty, trust, authority or discretion as contemplated under the Note Conditions, the DCI Conditions or in relation to any of the Transaction Documents, the Series Note Trustee and the Security Trustee shall be entitled but not obliged to rely upon absolutely without enquiry or liability and take into account:

- (a) any written confirmation or affirmation (in any form acceptable to the Series Note Trustee and the Security Trustee) from a relevant Series Rating Agency that any event, circumstances and/or proposal will not result in any Rating Adverse Action by that Series Rating Agency; and/or
- (b) a Rating Certificate in relation to any event, circumstances and/or proposal,

and shall not be required to investigate any action taken by the Issuer or the relevant Series Rating Agency in connection with a Rating Certificate.

15. Modifications, authorisations, waivers and substitution

15.1 Trustee's right of modification

The Series Note Trustee may at any time and from time to time, without the consent or sanction of the Noteholders, the DCI Holders or any other Series Security Creditors, concur (and direct the Security Trustee to concur) with the Issuer and any other relevant parties in making:

- (a) **No material prejudice**
any modification (except a Series Basic Terms Modification) to any of the Notes (including the Note Conditions), the DCIs (including the DCI Conditions) and/or Transaction Documents:
 - (1) in relation to which the Series Note Trustee's and/or, as applicable, the Security Trustee's consent is required, if, in the opinion of the Series Note Trustee, such modification will not be materially prejudicial to the interests of the Noteholders of Notes outstanding; provided that the Series Note Trustee shall have regard only to the interests of:
 - (A) the Noteholders of Notes outstanding in a Class in such Series which are in a more junior Tranche than Notes in another Class; and

(B) the DCI Holders of DCIs outstanding in any Class in such Series,

if, in the opinion of the Series Note Trustee, there is no conflict between the interests of the Noteholders of Notes outstanding in such Class which are in such more junior Tranche or, as applicable, the interests of such DCI Holders and the interests of the Noteholders of Notes outstanding in the relevant Class which are in the relevant more senior Tranche; and/or

- (2) in relation to which the Series Reference Creditor's consent is required, if, in the opinion of the Series Note Trustee, such modification will not be materially prejudicial to the interests of the Series Reference Creditor,

provided that, in each case, each of the conditions (if any) indicated in the *Modification Additional Conditions* section in the Note Specified Terms are satisfied; and/or

(b) **Manifest error etc**

any modification to the Notes (including the Note Conditions) or, as applicable, the DCIs (including the DCI Conditions) or any of the Transaction Documents and/or rectification of an error (including, without limitation, failure to do something, including failure to execute and deliver any document which was expected to be executed and delivered) in relation to which its consent is required, if, in the opinion of the Series Note Trustee, such modification and/or rectification is made to correct a manifest error or an error which is of a formal, minor or technical nature.

15.2 Trustee's right of waiver

The Series Note Trustee may at any time and from time to time, without the consent or sanction of the Noteholders or any other Series Security Creditors, authorise or waive any breach or proposed breach of any of the provisions contained in the Notes (including the Note Conditions) or, as applicable, the DCIs (including the DCI Conditions) or any of the Transaction Documents (including a Note Event of Default or Potential Note Event of Default) if, in the opinion of the Series Note Trustee, the Noteholders will not be materially prejudiced by such authorisation or waiver provided that:

- (a) the Series Note Trustee shall have regard only to:

- (1) the interests of the Noteholders of Notes outstanding in a Class in the Series which is in a more junior Tranche than another Class of Notes; and
- (2) the interests of DCI Holders of DCIs outstanding in any Class in the Series,

if, in the opinion of the Series Note Trustee, there is no conflict between:

- (A) the interests of the Noteholders of Notes outstanding in such Class which are in such more junior Tranche, or such DCI Holders; and
- (B) the interests of the Noteholders of Notes outstanding in the relevant Class which are in the relevant more senior Tranche; and

- (b) the Series Note Trustee shall not exercise any powers conferred upon it by this Base Condition 15.2 in contravention of:

- (1) a request or direction in writing made by the Noteholders of at least 25% of the Note Principal Amount Outstanding of Notes outstanding in the Most Senior Tranche or, if no Notes are outstanding, by the DCI Holders of at least 25% of the number of DCIs outstanding; or
- (2) an express direction by a Noteholder Extraordinary Resolution of Noteholders of Notes outstanding in the Most Senior Tranche or, if no Notes are outstanding, by a DCI Holder Extraordinary Resolution of DCI Holders of each Class of DCIs outstanding;

but so that no such direction or request shall:

- (A) affect any authorisation or waiver previously given or made; or
- (B) authorise or waive any such proposed breach or breach relating to a Series Basic Terms Modification unless the Noteholders of Notes outstanding in each Class of Notes has, by Noteholder Extraordinary Resolution, so authorised its exercise and the DCI Holders of each Class of DCIs has, by DCI Extraordinary Resolution, so authorised its exercise.

15.3 Compliance Modification

Notwithstanding the provisions of this Base Condition 15 *Modifications, authorisations, waivers and substitution* and subject to Base Condition 15.6 *Limitations relating to Compliance Modification*, the Series

Note Trustee shall be obliged, without any consent or sanction of the Noteholders, the DCI Holders or any of the other Series Security Creditors, to concur (and direct the Security Trustee to concur) with the Issuer in making any modification to the Notes (including the Note Conditions), the DCIs (including the DCI Conditions) or, in so far as applicable to the Series, any other Transaction Document to which the Series Note Trustee and/or, as applicable, the Security Trustee is a party or in relation to which the Security Trustee holds Security (a **Compliance Modification**), where:

- (a) **Compliance Permitted Purpose**
the Compliance Modification is for a Compliance Permitted Purpose;
- (b) **Not a Series Basic Terms Modification**
the Series Note Trustee is satisfied in its discretion that the Compliance Modification is not in respect of a Series Basic Terms Modification;
- (c) **Notice of proposed Compliance Modification**
the Issuer has provided at least 30 calendar days' prior written notice of the proposed Compliance Modification to the Noteholders and DCI Holders of each Class in accordance with Base Condition 17 *Notices* and to the Series Note Trustee and the Security Trustee;
- (d) **Compliance Modification certification**
a written certification by the Issuer (a **Compliance Modification Certificate**) has been provided to the Series Note Trustee and the Security Trustee, both at the time the Series Note Trustee and the Security Trustee is notified of the proposed Compliance Modification and on the date that such Compliance Modification takes effect, that the Compliance Modification is required solely for such Compliance Permitted Purpose and has been drafted solely to such effect;
- (e) **Consent of each relevant Transaction Party**
where the Compliance Modification involves a modification to a Transaction Document, each Series Security Creditor which is party to that Transaction Document has consented to the Compliance Modification (unless such Transaction Document indicates that such consent is not required);
- (f) **Change to rating agency servicer criteria**
where the proposed Compliance Modification is for the Compliance Permitted Purpose indicated in Base Condition 15.4(a) *Change to rating agency servicer criteria*:
 - (1) the relevant General Servicer or, as applicable, relevant Series Servicer has provided a written certification to the Issuer or the Series Note Trustee and the Security Trustee that the proposed Compliance Modification is necessary for the Compliance Permitted Purpose indicated in Base Condition 15.4(a) *Change to rating agency servicer criteria*;
 - (2) where the certification under paragraph (1) above is provided to the Issuer but not to the Series Note Trustee and the Security Trustee, the Issuer has provided a written certification to the Series Note Trustee and the Security Trustee that it has received a certification from the relevant General Servicer or, as applicable, relevant Series Servicer that complies with paragraph (1) above;
 - (3) in relation to each Series Rating Agency, either:
 - (A) the relevant General Servicer or, as applicable, relevant Series Servicer provides to the Issuer, the Series Note Trustee and the Security Trustee a written confirmation or affirmation from that Series Rating Agency that the proposed Compliance Modification would not result in a Rating Adverse Action by such Series Rating Agency;
 - (B) the relevant General Servicer or, as applicable, relevant Series Servicer certifies in writing to the Issuer, the Series Note Trustee and the Security Trustee that such General Servicer or, as applicable, such Series Servicer has been unable to obtain a written confirmation or affirmation from that Series Rating Agency, but has received oral confirmation from an appropriately authorised person at each of the Series Rating Agencies that such Compliance Modification would not result in a Rating Adverse Action by such Series Rating Agency; or
 - (C) the Issuer certifies to the Series Note Trustee and the Security Trustee in the Compliance Modification Certificate that the Issuer has informed that Series Rating Agency of the proposed Compliance Modification and that Series Rating Agency has not indicated to the Issuer that such Compliance Modification would result in a Rating Adverse Action by such Series Rating Agency; and
 - (4) the relevant General Servicer or, as applicable, relevant Series Servicer pays all fees, costs and expenses (including legal fees) incurred by the Issuer, the Series Note Trustee and the Security Trustee in connection with such Compliance Modification;

(g) **Change to Reference Rate etc.**

where the proposed Compliance Modification is for the Compliance Permitted Purpose indicated in Base Condition 15.4(j) *Change to Reference Rate etc.*, a written certification by the Programme Servicer, on behalf of the Issuer, has been provided to the Series Note Trustee and the Security Trustee:

- (1) certifying that such Compliance Modification is being undertaken due to:
 - (A) a material disruption to SONIA, the SONIA Daily Rate, the SOFR Daily Rate, the €STR Daily Rate or the Euro-zone interbank offered rate for EUR deposits (as applicable, the **Existing Reference Rate**), an adverse change in the methodology and/or procedures for calculating the Existing Reference Rate or the Existing Reference Rate ceasing to exist or be published;
 - (B) the insolvency or cessation of business of the Existing Reference Rate administrator (in circumstances where no successor Existing Reference Rate administrator has been appointed);
 - (C) a public statement by the Existing Reference Rate administrator that it will cease publishing Existing Reference Rate permanently or indefinitely (in circumstances where no successor Existing Reference Rate administrator has been appointed that will continue publication of the Existing Reference Rate);
 - (D) a public statement by the supervisor of the Existing Reference Rate administrator that the Existing Reference Rate has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
 - (E) a public statement by the supervisor of the Existing Reference Rate administrator that means the Existing Reference Rate may no longer be used or that its use is subject to restrictions or adverse consequences; or
 - (F) the reasonable expectation of the Programme Servicer that any of the events specified in subparagraphs (A), (B), (C), (D) or (E) above will occur or exist within 6 months of the proposed effective date of such Compliance Modification;
- (2) specifying the sources, procedures and methodology to be used to determine a rate which is to be used as the relevant Reference Rate Replacement instead of the sources, procedures and methodology used to determine the Existing Reference Rate;
- (3) certifying that the main source of determining such Reference Rate Replacement is:
 - (A) a reference rate published, endorsed, approved or recognised by an applicable Reference Rate Official Body;
 - (B) the reference rate specified in relation to the interest rate in respect of the highest rated RMBS Securities in relation to at least 5 RMBS Comparable Transactions; or
 - (C) such other reference rate as the Programme Servicer has reasonably determined;
- (4) specifying whether or not there is to be an Interest Margin Modification in relation to any Notes and, if so, specifying each change to the Interest Margin in respect of such Notes (including, as applicable, the sources, procedures and a methodology to be used to calculate the applicable Interest Margin applicable at specified times) on or after the Reference Rate Modification becoming effective;
- (5) for each Class of Notes:
 - (A) if there is to be an Interest Margin Modification in relation to Notes in that Class, certifying that such Interest Margin Modification will preserve, so far as reasonably and commercially practicable, what would have been the expected floating rate of interest applicable to such Notes had no such Reference Rate Modification been effected; or
 - (B) if there is to be no Interest Margin Modification in relation to Notes in that Class, certifying that no Interest Margin Modification is needed in respect of such Notes to preserve, so far as reasonably and commercially practicable, what would have been the expected floating rate of interest applicable to such Notes had no Reference Rate Modification been effected;

- (6) if there is to be an Interest Margin Modification in relation to any Notes, certifying that the Interest Margin Modification applies:
- (A) an interest rate maintenance adjustment mechanism (if any) which has been published, endorsed, approved or recognised by an applicable Reference Rate Official Body and which can be used in the context of a transition from the initial Reference Rate to the Reference Rate Replacement;
 - (B) an interest rate maintenance adjustment mechanism (if any) which in all material respects has been used in conjunction with a similar Reference Rate Modification in at least 5 RMBS Comparable Transactions; or
 - (C) another interest rate maintenance adjustment mechanism,
- and also certifying the rationale (as set out in such certification in reasonable detail) for selecting the relevant interest rate maintenance adjustment mechanism applied by such Interest Margin Modification for the purpose of preserving, so far as reasonably and commercially practicable, what would have been the expected floating rate of interest applicable to such Notes had no such Reference Rate Modification been effected and (where relevant) for not selecting the other interest rate maintenance adjustment mechanism(s) (if any) referred to in Base Conditions 15.3(g)(6)(A) or 15.3(g)(6)(B);
- (7) if there is to be an Interest Margin Modification in relation to any Notes, certifying for each Class of Notes, other than the Notes in the Most Senior Tranche, that either:
- (A) the Interest Margin Modification (if any) applicable to such Notes shall be at least equal to the highest Interest Margin Modification applicable the Notes in any more senior Tranche; or
 - (B) (where that is not the case) the Reference Rate Modification and Interest Margin Modification will not be made unless approved by a Noteholder Extraordinary Resolution is passed by that Class of Notes;
- (8) specifying whether or not there is to be Series Basis Hedge Rate Modification in relation to a Series Basis Hedge Agreement and, if so, specifying the sources, procedures and methodology to be used to determine the rate (including, for the avoidance of doubt, the benchmark rate and any spread rate) used to calculate the amount payable by the relevant Series Basis Hedge Provider respect of one or more basis rate hedge transactions under that Series Basis Hedge Agreement on and/or after the Reference Rate Modification becoming effective; and
- (9) certifying that the Programme Servicer has paid and/or will pay all fees, costs and expenses (including legal fees) properly incurred, on or before the proposed effective date of such Compliance Modification:
- (A) by the Issuer, the Series Hedge Provider, the Series Note Trustee and the Security Trustee in connection with such modification; and
 - (B) by each other party to the relevant Transaction Documents proposed to be amended in connection with such modification,
- (without prejudice to the Programme Servicer's right to be reimbursed in respect of such payments under and in accordance with the Programme Services Agreement);
- (h) **Series Rating Agency consultation**
(where the proposed Compliance Modification is not for the Compliance Permitted Purpose indicated in Base Condition 15.4(a) *Change to rating agency servicer criteria*) in relation to each Series Rating Agency, the Issuer provides a Rating Certificate in relation to each Series Rating Agency in respect of the proposed Compliance Modification;
- (i) **Compliance Modification Objection**
either:
- (1) there is no Compliance Modification Objection (see Base Condition 15.5 *Compliance Modification Objection*); or
 - (2) (including where there is a Compliance Modification Objection) a Noteholder Ordinary Resolution of the Noteholders of Notes outstanding in the Most Senior Tranche has been passed in favour of the Compliance Modification or, if no Notes are outstanding, by a DCI Holder Ordinary Resolution

of DCI Holders of each Class of DCIs outstanding has been passed in favour of the Compliance Modification; and

- (j) **Compliance Modification Additional Conditions**
each of the conditions (if any) indicated in the *Modification Additional Conditions* section in the Note Specified Terms are satisfied.

15.4 Compliance Permitted Purpose

Compliance Permitted Purpose means for the purpose of:

- (a) **Change to rating agency servicer criteria**
complying with, or implementing or reflecting, any change in the criteria of one or more of the Series Rating Agencies and/or any introduction of new or additional criteria of one or more of the Series Rating Agencies which may be applicable from time to time after the Series Closing Date in order to allow a General Servicer or, as applicable, a Series Servicer:
 - (1) to remain eligible to perform its role as the relevant General Servicer or, as applicable, the relevant Series Servicer in conformity with such criteria and/or
 - (2) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds);
- (b) **Change to rating agency other criteria**
complying with, or implementing or reflecting, any change in the criteria of one or more of the Series Rating Agencies and/or any introduction of new or additional criteria of one or more of the Series Rating Agencies which may be applicable from time to time after the Series Closing Date for any other purpose other than a purpose indicated in paragraph (a) above;
- (c) **Change to credit rating agencies regulations**
complying with any changes (or seeking to maintain similar treatment following such changes) in the requirements of the UK Credit Rating Agencies Regulation and/or EU Credit Rating Agencies Regulation and/or any introduction of new or additional applicable legislation, regulations, official guidance and/or technical standards relating to the UK Credit Rating Agencies Regulation and/or EU Credit Rating Agencies Regulation, in each case after the Series Closing Date;
- (d) **Change to securitisation requirements**
complying with any changes (or seeking to maintain similar treatment following such changes), after the Series Closing Date, in the requirements of:
 - (1) the UK Securitisation Regulation and/or the EU Securitisation Regulation; or
 - (2) any other applicable legislation, regulations, official guidance and/or technical standards relating to the requirements of the UK Securitisation Regulation and/or the EU Securitisation Regulation and/or similar types of requirements applicable to securitisations,
 and/or any introduction of new or additional applicable legislation, regulations, official guidance and/or technical standards relating to the requirements of the UK Securitisation Regulation and/or the EU Securitisation Regulation and/or similar types of requirements applicable to securitisations;
- (e) **Listing requirements**
enabling the Notes to be (or to remain) listed on or with a Listing Institution;
- (f) **FATCA compliance**
enabling the Issuer or any of the other Transaction Parties to comply with FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto);
- (g) **European market infrastructure regulations compliance**
enabling the Issuer or any of the other Transaction Parties to comply with Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012, as amended by Regulation (EU) 2019/834 of the European Parliament and of the Council dated 20 May 2019 and/or such Regulations as they form part of domestic law in the UK by virtue of the EUWA;
- (h) **Liquidity coverage compliance**
enabling any Class of Notes to comply with the criteria set out in:
 - (1) Article 13 (*Level 2B securitisations*) of the Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 supplementing Regulation (EU) 575/2013 with regard to the liquidity coverage requirement for Credit Institutions; and/or

- (2) Article 13 (*Level 2B securitisations*) of the Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 supplementing Regulation (EU) 575/2013 with regard to the liquidity coverage requirement for Credit Institutions in so far as it forms part of the domestic law in the United Kingdom by virtue of the EUWA,

(in each case as amended, supplemented, consolidated and/or replaced from time to time) and/or any related regulations, official guidance and/or technical standards;

(i) **Change to Solvency II and similar requirements**

complying with any changes (or seeking to maintain similar treatment following such changes), after the Series Closing Date, in the requirements of:

- (1) EU Directive 2009/138/EC of 25 November 2009 (commonly known as Solvency II) and Commission Delegated Regulation (EU) 2015/35 each as amended, supplemented, consolidated and/or replaced from time to time;
- (2) domestic law in the United Kingdom which implemented all or part of EU Directive 2009/138/EC of 25 November 2009 and/or other domestic law in the United Kingdom relating to corresponding aspects to which that EU Directive applies;
- (3) Commission Delegated Regulation (EU) 2015/35, as amended, supplemented, consolidated and/or replaced from time to time, in so far as it forms part of the domestic law in the United Kingdom by virtue of the EUWA; or
- (4) any other applicable legislation, regulations, official guidance and/or technical standards relating to the requirements of that EU Directive, that Commission Delegated Regulation, such domestic laws in the United Kingdom and/or similar types of requirements applicable to on the taking-up and pursuit of the business of insurance and reinsurance,

and/or any introduction of new or additional applicable legislation, regulations, official guidance and/or technical standards relating to the requirements of that EU Directive, that Commission Delegated Regulation, such domestic laws in the United Kingdom and/or similar types of requirements applicable to securitisations;

(j) **Change to Reference Rate etc.**

for the purpose of a Reference Rate Modification and (if applicable) one or more Interest Margin Modifications and/or (if applicable) a Series Basis Hedge Rate Modifications.

15.5 Compliance Modification Objection

Compliance Modification Objection means, in relation to a Compliance Modification, that:

- (a) Noteholders representing at least 10% of the aggregate Note Principal Amount Outstanding of the Notes outstanding in the Most Senior Tranche have notified the Issuer and the Series Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such Notes may be held) within the period referred to in Base Condition 15.3(c) *Notice of proposed Compliance Modification* that they do not consent to such Compliance Modification;
- (b) (if no Notes are outstanding) DCI Holders representing at least 10% of the total number of the DCIs outstanding have notified the Issuer, the Series Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such DCIs may be held) within the period referred to in Base Condition 15.3(c) *Notice of proposed Compliance Modification* that they do not consent to such Compliance Modification; and
- (c) where such notification is made other than through the applicable Clearing System, such notification is accompanied by evidence to the Series Note Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes or, as applicable, the relevant DCI Holder's holding of the DCIs.

15.6 Limitations relating to Compliance Modification

Other than where specifically provided otherwise in Base Condition 15.3 *Compliance Modification* or any Transaction Document to which the Series Note Trustee and, as applicable, the Security Trustee is a party:

- (a) when implementing any modification pursuant to Base Condition 15.3 *Compliance Modification* (save to the extent the Series Note Trustee considers that the proposed Compliance Modification would constitute a Series Basic Terms Modification), the Series Note Trustee:

- (1) shall not consider the interests of the Noteholders, the DCI Holders, any other Series Security Creditor or any other person;
 - (2) shall act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to Base Condition 15.3 *Compliance Modification*; and
 - (3) shall not be liable to the Noteholders, the DCI Holders, any other Series Security Creditor or any other person for so acting or relying, irrespective of whether any such Compliance Modification is or may be materially prejudicial to the interests of any such person; and
- (b) the Series Note Trustee and, as applicable, the Security Trustee shall not be obliged to agree to any Compliance Modification which, in the sole opinion of the Series Note Trustee and/or, as applicable, the Security Trustee would have the effect of:
- (1) exposing the Series Note Trustee and/or, as applicable, the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or
 - (2) increasing the obligations or duties, or decreasing the rights or protection, of the Series Note Trustee and/or, as applicable, the Security Trustee in the Transaction Documents and/or the Note Conditions.

15.7 Notice of modification, waiver etc

Unless the Series Note Trustee otherwise agrees, the Issuer shall cause the relevant modification, authorisation or waiver made under Base Conditions 15.1 *Trustee's right of modification*, 15.2 *Trustee's right of waiver* or 15.3 *Compliance Modification* to be notified as soon as reasonably practicable after it has been made to:

- (a) the Noteholders and DCI Holders in accordance with Base Condition 17 *Notices*;
- (b) so long as any Note rated by a Series Rating Agency remains outstanding, each Series Rating Agency; and
- (c) (if the relevant modification, authorisation or waiver is in relation to, or anything referred to in, or anything applicable to, a Transaction Document) each other party to that Transaction Document (unless such Transaction Document indicates that no such notice is required).

15.8 Binding effect of modification, waiver etc

Each modification, authorisation or waiver made under Base Conditions 15.1 *Trustee's right of modification*, 15.2 *Trustee's right of waiver* or 15.3 *Compliance Modification* (a **Base Condition Authorisation**) shall be binding on all Noteholders, all DCI Holders and each other Series Security Creditor.

However, a Base Condition Authorisation does not entitle the Issuer, the Security Trustee, a Series Note Trustee and/or any other Security Creditor to override, modify and/or breach a covenant made to, or agreement made with, any party under the Transaction Documents except where such party agrees and/or such covenant expressly indicates that a Base Condition Authorisation can entitle such override, modification and/or breach.

15.9 Transfer and substitution of Issuer, Notes and/or DCIs

Subject to such amendment of the Series Note Trust Deed, the Security Deed and the Security Intercreditor Deed and such other conditions as the Series Note Trustee may, without the consent of the Noteholders and DCI Holders, require (including, without limitation, the transfer of all or part of the relevant Security and Security Assets), the Series Note Trustee may, without the consent of the Noteholders and DCI Holders (but subject to the Series Note Trustee being satisfied that the interests of the Noteholders of Notes outstanding in the relevant Series will not be materially prejudiced as a result of the relevant transfer, substitution or exchange), agree to:

- (a) the transfer of the Issuer to another jurisdiction; and/or
- (b) the substitution of any other entity (constituted in any jurisdiction) in place of the Issuer as principal debtor under the Series Note Trust Deed, the Notes and DCIs in the Series and the Security Deed; and/or
- (c) the substitution of the Notes and DCIs in the Series in whole but not in part only, for other securities or instruments having substantially the same rights and benefits as such Notes and DCIs,

provided that, in each case, a Rating Certificate is provided in respect of each Series Rating Agency that maintains a rating of any Notes and/or DCIs. Such transfer or substitution shall be subject to the relevant

provisions of the Series Note Trust Deed, and other Transaction Documents and to such amendments thereof as the Series Note Trustee may deem appropriate and, in each case, shall be binding on the Noteholders and DCI Holders.

15.10 **Change of governing law**

In the case of such a transfer or substitution referred to in Base Condition 15.9 *Transfer and substitution of Issuer, Notes and/or DCIs*, the Series Note Trustee may in its absolute discretion agree, without the consent of the Noteholders and DCI Holders, to a change of the law governing the Notes, the DCIs, the Series Note Trust Deed, the Security Deed and/or any of the Transaction Documents provided that such change would not in the opinion of the Series Note Trustee be materially prejudicial to the interests of Noteholders of Notes outstanding in the Most Senior Tranche.

15.11 **Change of tax residence**

The Series Note Trustee may, without the consent of the Noteholders and DCI Holders agree to a change in the place of residence of the Issuer for taxation purposes provided the Issuer does all such things as the Series Note Trustee may require in order that such change in the place of residence of the Issuer for taxation purposes is fully effective and complies with such other requirements in the interests of the Noteholders and DCI Holders as it may direct.

15.12 **No tax indemnity**

No Noteholder and no DCI Holder shall, in connection with any modification, authorisation, waiver, transfer or substitution referred to in this Base Condition 15 *Modifications, authorisations, waivers and substitution*, be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such modification, authorisation, waiver, transfer or substitution upon individual Noteholders or DCI Holders).

16. **Series Note Trustee and Security Trustee protections**

16.1 **Trustees' right to Indemnity**

Under the Transaction Documents, each of the Series Note Trustee and the Security Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid or reimbursed for any liabilities incurred by it in priority to the claims of the Noteholders and DCI Holders. In addition, each of the Series Note Trustee and the Security Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

16.2 **Trustees not responsible for loss or for monitoring**

The Series Note Trustee and the Security Trustee will not be responsible for:

- (a) any loss, expense or liability which may be suffered as a result of any assets or any documents of title thereto being uninsured or inadequately insured or being held by or to the order of any agent of the Issuer or by any person on behalf of the Series Note Trustee and/or the Security Trustee; or
- (b) monitoring the compliance by any of the other Transaction Parties with their obligations under the Transaction Documents.

16.3 **Regard to Classes of Noteholders and DCI Holders**

In the exercise of its powers and discretions under the Note Conditions or, as applicable, DCI Conditions and the Series Note Trust Deed, the Series Note Trustee will have regard to the interests of each Class of Noteholders or, as applicable, DCI Holders as a class and will not be responsible for any consequence for individual Noteholders as a result of such holders being domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, a particular territory or taxing jurisdiction.

17. **Notices**

All notices to Noteholders or, as applicable, DCI Holders or any category of them shall be deemed to have been validly given to those Noteholders or, as applicable, DCI Holders:

- (a) if sent to them by first class post (or its equivalent) or (if posted to an address outside the United Kingdom) by airmail at the respective addresses on the Series Register, and in such case such notice will be deemed to have been given on the 7th day after the date of posting; or
- (b) if information concerned in such notice shall appear on the relevant page of the EURIBOR Screen or such other medium for the electronic display of data as may be approved by the Series Note Trustee and notified to Noteholders or, as applicable, DCI Holders, and in such case such notice shall be deemed to

have been given on the first date on which such information appeared on such page or other medium; or

- (c) if published in the *Financial Times* or, if such newspaper shall cease to be published or, if timely publication therein is not practicable, in such other leading daily newspaper or newspapers printed in the English language as the Series Note Trustee shall approve in advance having (individually or in combination) a general circulation in the United Kingdom, and, if any such Notes are denominated in EUR, Europe and, if any such Notes are denominated in USD or any Rule 144A Note remains outstanding, the United States, and in each such case such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in the newspaper or in one of the newspapers referred to above; or
- (d) whilst the Notes then held by those Noteholders are represented by a Global Note or, as applicable, the DCIs then held by those DCI Holders are represented by a Global DCI, if delivered to each relevant Clearing System in relation to such Note or, as applicable, DCI for communication by such Clearing System to the relevant participants in such Clearing System, and in such case such notice shall be deemed to have been given to the relevant Noteholders or, as applicable, DCI Holders on the day of such delivery to each relevant Clearing System; or
- (e) any other method or methods of giving notice sanctioned in advance by the Series Note Trustee if:
 - (1) in the Series Note Trustee's sole opinion, such other method or methods is/are reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges, competent listing authorities and/or quotation systems on or by which the Notes or, as applicable, DCIs are then listed, quoted and/or traded; and
 - (2) notice is/are given to those Noteholders or, as applicable, DCI Holders (in such manner as the Series Note Trustee shall require) or such other method or methods and the time that notice, given by such other method or methods, shall be deemed to have been given to the relevant Noteholders or, as applicable, DCI Holders,

and where a notice is given to those Noteholders or, as applicable, DCI Holders using more than one of the methods described in the above paragraphs of this Base Condition, such notice shall be deemed to have been given on the first date on which such notice is deemed to have been given under those paragraphs.

18. Maintenance and protection of agents

18.1 Maintenance of Series Registrar, Series Paying Agent and Series Note Calculation Agent

The Issuer will procure that, so long as any Note or DCI remains outstanding, there shall at all times be:

- (a) a person acting as Series Registrar in the United Kingdom who agrees with the Issuer and the Series Note Trustee to perform everything expressed to be performed by the Series Registrar in the Note Conditions or DCI Conditions, as applicable; and
- (b) a person acting as Series Paying Agent in the United Kingdom who agrees with the Issuer and the Series Note Trustee to perform everything expressed to be performed by the Series Paying Agent in the Note Conditions or DCI Conditions, as applicable; and
- (c) a person acting as Series Note Calculation Agent who agrees with the Issuer and the Series Note Trustee to perform everything expressed to be performed by the Series Note Calculation Agent in the Note Conditions or DCI Conditions, as applicable.

18.2 Change of Series Registrar, Series Paying Agent or Series Note Calculation Agent

The Issuer reserves the right at any time, subject to the terms of the relevant Series Note Services Agreement, to terminate the appointment of the Series Registrar, the Series Paying Agent and/or the Series Note Calculation Agent and will procure that notice of any such termination will be given to Noteholders and DCI Holders.

If any person shall be unable or unwilling to continue to act as the Series Registrar, the Series Paying Agent or, as applicable, Series Note Calculation Agent, or if the appointment of the Series Registrar, the Series Paying Agent or, as applicable, Series Note Calculation Agent shall be terminated, the Issuer will, with the prior written consent of the Series Note Trustee, appoint the London office of a leading bank engaged in the London interbank market to act as the Series Registrar, the Series Paying Agent or, as applicable, Series Note Calculation Agent in such person's place, provided that neither the resignation of nor termination of the appointment of the Series Registrar, the Series Paying Agent or, as applicable, Series Note Calculation Agent

shall take effect until a successor Series Registrar, Series Paying Agent or, as applicable, Series Note Calculation Agent approved by the Series Note Trustee has been appointed.

If the Issuer fails to appoint a replacement Series Registrar, Series Paying Agent or, as applicable, Series Note Calculation Agent in accordance with the terms of the Series Note Services Agreement the Series Note Trustee may appoint such replacement Series Registrar, Series Paying Agent or, as applicable, Series Note Calculation Agent on behalf of and in the name of the Issuer.

18.3 Notice of changes

Notice of any change in any of the Series Registrar, the Series Paying Agent and/or the Series Note Calculation Agent or in their Specified Offices shall promptly be given by the Issuer to the Noteholders and DCI Holders in accordance with the Base Condition 17 *Notices*.

18.4 Series Registrar etc solely agents of Issuer

In acting under the Series Note Services Agreement, any other applicable Transaction Document and in connection with the Notes, each Series Registrar, Series Paying Agent and Series Note Calculation Agent acts solely as an agent of the Issuer and (to the extent provided in the Series Note Services Agreement) the Series Note Trustee and does not have or assume any obligations towards, or relationship of agency or trust for or with, any Noteholder or any DCI Holder.

19. Governing law and submission to jurisdiction

19.1 English law

The Notes and Note Conditions and, as applicable, DCIs and DCI Conditions, and all non-contractual obligations arising from or connected with them, are governed by and shall be construed in accordance with English law.

19.2 English courts

The Issuer submits to the jurisdiction of the Courts of England for all purposes in connection with the Notes and Note Conditions and, as applicable, DCIs and DCI Conditions.

The Courts of England have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the Notes or the consequences of their nullity) and accordingly any legal action or proceedings arising out of or in connection with the Notes may be brought in the Courts of England.

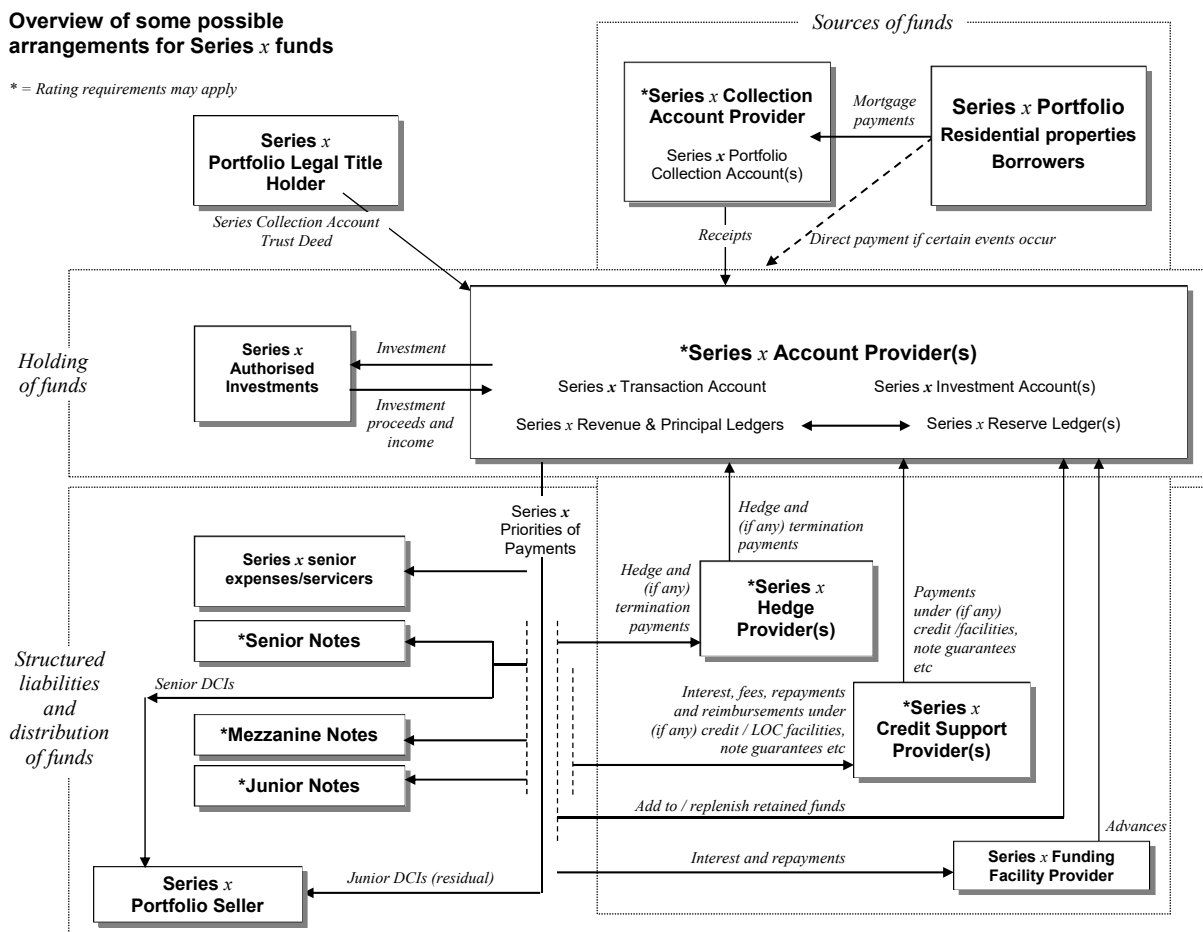
11. Credit structure and cashflows

The following provides an overview of various arrangements and features which may or may not be applicable to any Series. Prospective investors must refer to the relevant Series Prospectus to ascertain if and to what extent any of these arrangements and features are applicable to the Series to which that Series Prospectus relates and for details of additional arrangements and/or features (if any) which apply to that Series.

The following diagram is intended to provide an overview of some arrangements and features described in this section which may apply in respect of the Issuer's funds relating to a Series (showing, for illustration, a hypothetical Series with some arrangements which may or may not be included in an actual Series):

Overview of some possible arrangements for Series x funds

* = Rating requirements may apply



11.1 Arrangements relating to the Issuer's funds

11.1.1 Structures to use assets funded by rated debt to service that debt

Except as may be indicated otherwise in the relevant Series Prospectus, on or about the Series Closing Date in relation to each Series:

- the net proceeds received by the Issuer in respect of the issue of Notes in that Series will primarily be applied by the Issuer in paying the Series Portfolio Sale Initial Consideration for the Mortgages which will form the relevant Series Portfolio; and
- the Issuer will enter or have entered into arrangements in relation to the Series with the intention that, among other things, on or about the relevant Series Closing Date each Series Rating Agency (if any) assigns each initial Note Rating (if any) to Notes in that Series (see 9.9 *Ratings of Notes and DCIs*).

11.1.2 Arrangements and credit features to fund payments to Noteholders and maintain ratings

This section describes some arrangements and features which, only if and to the extent so specified in the relevant Series Prospectus, will be entered into or exist by the Issuer in relation to a Series for the purpose of:

- each Series Credit Support Provider (if any) providing additional funds to the Issuer in specified circumstances for specified purposes;
- establishing and funding of each Series Reserve Fund (if any) for that Series;
- hedging the Issuer's exposure to certain basis and/or currency exchange risks in relation to that Series;
- collecting, holding, organising and managing the Issuer's funds (segregated from funds not relating to that Series) for application in or towards its liabilities in respect of the Notes in that Series and its liabilities to other Transaction Parties; and
- achieving and maintaining each rating (if any) in respect of such Notes from each relevant Series Rating Agency.

11.1.3 Crediting of receipts to segregated accounts

The terms of the Security Deed require that, except where specifically indicated otherwise in the Transaction Documents:

- all amounts received in respect of (or allocated to) the Series Security Assets in respect of a Series shall be credited to a Series Account relating to that Series;
- all other amounts received in respect of the other Security Assets shall be credited to a General Account; and
- no amounts may be withdrawn from the General Account or any Series Account except as specified in the Security Deed and other Transaction Documents.

11.1.4 Separate set of Series Ledgers for each Series

In relation to each Series, in accordance with the terms of the relevant Series Cash Management Agreement, the Security Deed and Security Intercreditor Deed, the relevant Series Cash Manager will establish and maintain on behalf of the Issuer various Series Ledgers as described in 11.8 *Organisation of the Issuer's funds and liabilities*.

11.2 Sources of the Issuer's funds

11.2.1 Funds derived from Mortgages in the Series Portfolio

In relation to a Series, following application of the proceeds of the relevant Notes relating to that Series in or towards the purchase of the relevant Series Portfolio, the primary source of the Issuer's funds from time to time will be **Mortgage Receipts**, being receipts in respect of the Mortgages comprised in the relevant Series Portfolio, including:

Mortgage Principal Receipts being (except to the extent indicated otherwise in the relevant Series Prospectus) all amounts received or recovered in respect of principal in respect of any such Mortgage in the relevant Series Portfolio including, without limitation:

- principal amounts received from Borrowers in respect of such Mortgage representing monthly repayments of principal;
- redemption proceeds representing or appropriated to principal in respect of such Mortgage;
- prepayments of principal in respect of such Mortgage;
- amounts received in respect of capitalised interest, capitalised expenses and capitalised arrears in respect of such Mortgage (but excluding accrued interest and arrears of interest which have not been capitalised);
- net amounts, representing or appropriated to principal, in respect of such Mortgage which are recovered on enforcement of the relevant Mortgage (including the proceeds of sale of the relevant Mortgaged Property but not, for the avoidance of doubt, Mortgage Prepayment Charges Receipts);
- net amounts, representing or appropriated to principal, received under an insurance policy under which the Issuer is an insured or which has been assigned to the Issuer (in respect of which the Issuer has a beneficial interest) in respect of the relevant Mortgaged Property relating to such Mortgage; and

- the proceeds, representing or appropriated to principal, received from the sale by the Issuer (including, without limitation, re-transfer or re-assignment of such Mortgage under the terms of the relevant Series Portfolio Sale Agreement),

in each case prior to an amount being recorded in the Series Principal Deficiency Record in relation to the relevant Series in respect of such Mortgage (and, unless indicated otherwise in the relevant Series Prospectus, such amount shall be recorded when the Programme Servicer decides that no further enforcement procedures shall be carried out or that all enforcement procedures taken shall be discontinued in relation to the relevant Mortgage);

Mortgage Prepayment Charges Receipts being (except to the extent indicated otherwise in the relevant Series Prospectus) amounts received in respect of Mortgage Prepayment Charges in relation to such Mortgages (but not, for the avoidance of doubt, any interest payable for the month of redemption); and

Mortgage Revenue Receipts being (except to the extent indicated otherwise in the relevant Series Prospectus) all amounts received or recovered in respect of such Mortgages other than Mortgage Principal Receipts and Mortgage Prepayment Charges Receipts, such amounts will include, without limitation, amounts received from Borrowers in respect of such Mortgages representing monthly payment of interest and amounts in respect of fees.

Unless indicated otherwise in the Series Prospectus in relation to a Series Portfolio relating to a Series, all Mortgage Principal Receipts shall be credited to the Series Principal Ledger relating to that Series, all Mortgage Prepayment Charges Receipts and all Mortgage Revenue Receipts shall be credited to the Series Revenue Ledger relating to that Series and, in each case, be applied in accordance with the relevant Series Payments Rules (which will include payments in respect of the Notes relating to the relevant Series).

The assets backing the issue of a Series will have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes in respect of that Series.

A confirmation to this effect will be included in K *Series Provisional Portfolio summary data* in the relevant Series Prospectus.

11.2.2 Cash funds

In relation to a Series, the Issuer will establish each cash fund (if any) identified as a Series Reserve Fund in the relevant Series Note Final Terms or, as applicable, in section G *Series credit structure and cashflows* in the relevant Series Prospectus (each a **Series Reserve Fund**) in the manner described in that section. Each Series Reserve Fund will only be applied in relation to that Series at specified times in specified circumstances as described in that section.

11.2.3 Funds from Series Funding Facility Providers

In relation to each Series, the Issuer will enter into each agreement (if any) indicated as being a Series Funding Facility Agreement in the relevant Series Note Final Terms or, as applicable, in section G *Series credit structure and cashflows* in the relevant Series Prospectus (each a **Series Funding Facility Agreement** in relation to that Series) pursuant to which the person indicated in the relevant Series Note Final Terms or, as applicable, in C.1 *Table of Transaction Parties* in the relevant Series Prospectus as being the Series Funding Facility Provider (the **Series Funding Facility Provider** which expression shall include any transferee or person appointed as its replacement) will agree to make a credit facility available to the Issuer for the purposes of that Series.

The main terms of each such Series Funding Facility Agreement shall be indicated in the relevant Series Note Final Terms or, as applicable, in section G *Series credit structure and cashflows* in the relevant Series Prospectus including (without limitation): (if any) the maximum aggregate principal amount available to be drawn from time to time, the purposes for which each advance may be applied, the terms applicable to repayment by the Issuer of each such advance, the terms applicable to accrual and payment of interest on advances, the terms applicable to accrual and payment of each fee (if any) by the Issuer under that Series Funding Facility Agreement, and, the terms applicable to the termination and (if applicable) renewal of the facility and/or that Series Funding Facility Agreement.

11.2.4 Funds from the General Facility Provider

On the Programme Establishment Date a General Facility Agreement (the **General Facility Agreement**) was entered into between the Issuer (as borrower), BlackRock UK 2 LLP (as lender, the **General Facility Provider**) and the Security Trustee pursuant to which the General Facility Provider agreed to make a term loan facility available to the Issuer to fund certain upfront expenses that the Issuer incurred in connection with establishing the Programme and the first and second Series. The Issuer has fully paid all amounts that were outstanding or payable under the General Facility Agreement and has no actual or contingent liabilities

in respect of the General Facility Agreement and, accordingly, the General Facility Agreement has no further relevance to the Programme or any Series.

11.2.5 Obligations of Series Credit Support Providers to provide funds

In relation to a Series, the Issuer will enter into each agreement (if any) indicated in the *Series Additional Documents* section in G *Series credit structure and cashflows* in the relevant Series Prospectus as being a Series Credit Support Document (each a **Series Credit Support Document**) with each person indicated in that section as being a Series Credit Support Provider (each a **Series Credit Support Provider** which expression shall include any person appointed as its replacement).

Unless indicated otherwise in the relevant Series Prospectus, under each Series Credit Support Document (if any) relating to that Series, the relevant Series Credit Support Provider will be obliged to pay funds to the Issuer and/or pay others in discharge of liabilities of the Issuer in relation to that Series (the **Series Credit Support**) in such circumstances, at such times and on such conditions as are agreed in the relevant Series Credit Support Document. The relevant Series Prospectus for that Series will indicate the main terms of that Series Credit Support Document and contain summary details of each Series Credit Support Provider (if any) as at the date of that Series Prospectus.

In relation to a Series, if and to the extent so specified in the relevant Series Prospectus, one or more of the following types of Series Credit Support Document may (without limitation) be entered into in relation to that Series:

- a **Series Note Guarantee** under which a financial guarantee or insurance policy is issued in favour of the Series Note Trustee and Security Trustee (in each case as trustee of certain rights of Noteholders against the Issuer) by a **Series Note Guarantor** (who will be defined as such in C.1 *Table of Transaction Parties* in the relevant Series Prospectus) in respect of, if and to the extent specified, the liability of the Issuer to make scheduled payments of accrued interest and scheduled repayments of principal in respect of certain specified Classes of Notes in the relevant Series; and/or
- a document entered into by a person to provide Series Credit Support in respect of another Series Credit Support Provider under another Series Credit Support Document (for example a guarantor in respect of a Series Hedge Provider).

11.2.6 Funds from Series Hedge Providers

In relation to a Series if the Issuer enters into a **Series Hedge Agreement** (being a Series Basis Hedge Agreement or a Series Currency Hedge Agreement), some of the Issuer's funds in relation to that Series will from time to time comprise amounts (if any) received from the relevant **Series Hedge Provider** (being the relevant Series Basis Hedge Provider and/or Series Currency Hedge Provider in respect of that Series Hedge Agreement). See 11.3 *Hedging of interest basis risks* and 11.4 *Hedging of currency exchange risks*.

11.3 Hedging of interest basis risks

11.3.1 Series Basis Hedge Agreements and Series Basis Hedge Providers

In relation to a Series, the Issuer will enter into each agreement (if any) indicated as being a Series Basis Hedge Agreement in G *Series credit structure and cashflows* in the relevant Series Prospectus (in each case, including any replacement of such agreement and including the relevant confirmation to such agreement or replacement, a **Series Basis Hedge Agreement**) in each case with each person indicated as being a Series Basis Hedge Provider in C.1 *Table of Transaction Parties* in the relevant Series Prospectus (each a **Series Basis Hedge Provider** which expression shall include any transferee, replacement and additional basis hedge provider) in each case, unless indicated otherwise in the relevant Series Prospectus. The relevant Series Prospectus will contain summary details of each Series Basis Hedge Provider (if any) as at the date of that Series Prospectus.

11.3.2 Purpose and nature of Series Basis Hedge Agreements

Each Series Basis Hedge Agreement (if any) in relation to a Series will be entered into in order to provide a degree of hedging in relation to that Series in connection with the exposure of the Issuer from time to time to interest basis rate mismatches between certain sources of the Issuer's funds (for example, the rates at which interest is receivable from Borrowers in respect of any Mortgage Restricted Rate Loans in the relevant Series Portfolio) and the Issuer's interest payment liabilities (for example, the rates at which the Issuer is obliged to pay interest to Noteholders and/or make payments to Series Currency Hedge Providers in respect of that Series). Any such Series Basis Hedge Agreement may (without limitation) be structured as an interest rate swap, basis swap, cap, floor or collar (and the Issuer may be required to pay various premiums as consideration for certain types of hedging arrangements). The details of each such Series Basis Hedge

Agreement will be more particularly described in *G Series credit structure and cashflows* in the relevant Series Prospectus.

11.4 Hedging of currency exchange risks

11.4.1 Series Currency Hedge Agreements and Series Currency Hedge Providers

In relation to a Series, the Issuer will enter into each agreement (if any) indicated as being a Series Currency Hedge Agreement in *G Series credit structure and cashflows* in the relevant Series Prospectus (in each case, including any replacement of such agreement and including the relevant confirmation to such agreement or replacement, a **Series Currency Hedge Agreement**) in each case with each person indicated as being a Series Currency Hedge Provider in C.1 *Table of Transaction Parties* in the relevant Series Prospectus (each a **Series Currency Hedge Provider** which expression shall include any transferee, replacement and additional currency hedge provider) in each case, unless indicated otherwise in the relevant Series Prospectus. The relevant Series Prospectus will contain summary details of each Series Currency Hedge Provider (if any) as at the date of that Series Prospectus.

11.4.2 Purpose and nature of Series Currency Hedge Agreements

Each Series Currency Hedge Agreement in relation to a Series will be entered into in order to provide a degree of hedging in relation to that Series in connection with the exposure of the Issuer from time to time to currency exchange rate fluctuations and mismatches between funds receivable or received by the Issuer from certain sources (for example, interest and principal being receivable in GBP from Borrowers in respect of each Mortgage in the relevant Series Portfolio) and the Issuer's interest and repayment liabilities (for example, the Issuer being obliged to pay interest and make repayments of principal in another currency in respect of any Notes in that Series in respect of which the relevant Note Currency is not GBP and/or such interest is calculated by reference to a different rate from the interest receivable in GBP). The details of each such Series Currency Hedge Agreement will be more particularly described in *G Series credit structure and cashflows* in the relevant Series Prospectus.

Unless indicated otherwise in the relevant Series Prospectus, each Series Currency Hedge Agreement in relation to a Series will relate to and provide hedging for one Class of the Notes in that Series (the **Series Currency Hedge Corresponding Notes**) given that (without limitation):

- the relevant Series Priorities of Payments may involve payments being made at different priority levels for each Series Currency Hedge Agreement depending upon the priority levels applying to payments on the Series Currency Hedge Corresponding Notes which relate to such Series Currency Hedge Agreement;
- different rating and other requirements may apply to a Series Currency Hedge Agreement depending upon any rating expected to be assigned to and features of the relevant Series Currency Hedge Corresponding Notes; and
- it may facilitate the transfer or replacement of a Series Currency Hedge Agreement should the need ever arise (see 11.7.2 *Series rating triggers*).

11.4.3 Payments by Series Currency Hedge Providers to the Issuer

Unless and to the extent indicated otherwise in the relevant Series Prospectus, under the terms of each Series Currency Hedge Agreement relating to a Series:

- on the relevant Series Closing Date:
 - the Issuer will agree to pay to the Series Currency Hedge Provider the proceeds received on the issue of the relevant Series Currency Hedge Corresponding Notes; and
 - the Series Currency Hedge Provider will agree to pay to the Issuer an amount in GBP equal to the proceeds of the issue of the relevant Series Currency Hedge Corresponding Notes converted into GBP at the applicable currency exchange rate indicated in the Series Currency Hedge Agreement (the **Series Currency Hedge Exchange Rate**);
- on each Series Payments Date in respect of the relevant Series Currency Hedge Corresponding Notes:
 - the Issuer will agree to pay to the Series Currency Hedge Provider an amount in GBP equal to the amount available to be applied on that Series Payments Date in repayment of principal on such Series Currency Hedge Corresponding Notes; and

- the Series Currency Hedge Provider will agree to pay to the Issuer, an amount in the Note Currency of the Series Currency Hedge Corresponding Notes equal to such GBP amount converted into that Note Currency at the applicable Series Currency Hedge Exchange Rate;
- on each Series Payments Date in respect of the relevant Series Currency Hedge Corresponding Notes:
 - the Issuer will agree to pay to the Series Currency Hedge Provider an amount in GBP intended to match the amount of interest which would have accrued upon such Series Currency Hedge Corresponding Notes during the relevant Interest Period ending on (but excluding) that Series Payments Date if the relevant Fixed Rate or, as applicable, Reference Rate and Interest Rate Margin in respect of such Series Currency Hedge Corresponding Notes had been equal to the rate and spread specified in relation to the Issuer's payment obligations in that Series Currency Hedge Agreement and interest was charged on the GBP Equivalent of the Note Principal Amount Outstanding of such Notes as at the start of that Interest Period; and
 - the Series Currency Hedge Provider will agree to pay to the Issuer, an amount in the relevant Note Currency intended to match the amount of interest on such Series Currency Hedge Corresponding Notes payable on such Series Payments Date (subject to proportionate reduction by reference to any shortfall in the amount or interest paid by the Issuer under that Series Currency Hedge Agreement on that Series Payments Date).

See also 11.5 *Early termination of Series Hedge Agreements* regarding the possibility of such Series Currency Hedge Provider becoming obliged to make an early termination payment to the Issuer or the Issuer becoming obliged to make an early termination payment to such Series Currency Hedge Provider under such Series Currency Hedge Agreement.

Unless and to the extent indicated otherwise in the relevant Series Prospectus, under the terms of the relevant Series Currency Hedge Agreement, the Issuer and the relevant Series Currency Hedge Provider will agree that each such payment to be made by that Series Currency Hedge Provider on a Series Payments Date in respect of such Series Currency Hedge Corresponding Notes shall be made directly to the relevant Series Paying Agent (for payment to the relevant Noteholders) instead of being paid to the Issuer.

11.5 Early termination of Series Hedge Agreements

11.5.1 Early termination by a Series Hedge Provider

A Series Hedge Agreement (if any) in relation to a Series may be terminated by the relevant Series Hedge Provider in circumstances including, broadly, where the Issuer is in default by reason of failure by the Issuer to make payments and where certain insolvency related or corporate reorganisation events affect the Issuer and in the event that proceedings are taken against the Issuer by the Security Trustee to enforce payment of the Notes relating to that Series.

11.5.2 Early termination by the Issuer

A Series Hedge Agreement (if any) in relation to a Series may be terminated by the Issuer in circumstances including, broadly, where the relevant Series Hedge Provider is in default by reason of failure by such Series Hedge Provider to make payments, where such Series Hedge Provider is otherwise in breach of the relevant Series Hedge Agreement or has made a misrepresentation and where certain insolvency related or corporate reorganisation events affect such Series Hedge Provider (as appropriate).

11.5.3 Other early termination events

A Series Hedge Agreement (if any) in relation to a Series may also terminate early in the event that withholding taxes are imposed or there are changes in law resulting in illegality of the obligations to be performed by either party.

11.5.4 Overview of consequences of early termination

Promptly upon the termination of a Series Hedge Agreement, the Issuer shall notify the Security Trustee of such termination.

Upon termination of a Series Hedge Agreement, either the Issuer or the Series Hedge Provider may be liable to make a termination payment to the other in accordance with the terms of the relevant Series Hedge Agreement.

Upon early termination of a Series Hedge Agreement, the Issuer will endeavour, although this cannot be guaranteed, to find a replacement Series Hedge Provider that will enter into a replacement for the relevant Series Hedge Agreement.

See 4.4.4 *Risks relating to payments under Series Hedge Agreements* for a summary of certain risks relating to the early termination of a Series Hedge Agreement.

11.5.5 **If termination payment payable by Series Hedge Provider**

Where such a termination payment is paid by the relevant Series Hedge Provider to the Issuer, such payment may be applied by the Issuer in arranging a replacement of the relevant Series Hedge Agreement and, to the extent that it is not so applied, it shall be credited to the relevant Series Distribution Ledgers (and may be apportioned between principal and revenue as the relevant Series Payments Administrator deems appropriate to reflect the extent to which such payment is attributable to principal and revenue amounts that would have been paid in respect of the relevant Series Hedge Agreement had it not been terminated).

11.5.6 **If termination payment payable by Issuer**

Where such a termination payment is payable by the Issuer to the relevant Series Hedge Provider, such payment shall be paid under and as indicated in the relevant Series Priorities of Payments and **Series Hedge Provider Subordinated Amounts** means on any Series Payments Date relating to a Series in relation to a Series Hedge Agreement the amount, if any, due to the relevant Series Hedge Provider on that Series Payments Date (excluding the amount of any Series Party Collateral relating to that Series Hedge Agreement which is not to be applied towards any termination payment from the relevant Series Hedge Provider) in connection with a termination of that Series Hedge Agreement where such termination has arisen as a result of an 'Event of Default' where that Series Hedge Provider is the 'Defaulting Party' or as a result of a 'Additional Termination Event' arising due the failure by the Series Hedge Provider to comply with the requirements of the ratings downgrade provisions set out in that Series Hedge Agreement (and for these purposes 'Event of Default', 'Defaulting Party', 'Additional Termination Event' and 'Affected Party' have the meanings indicated in that Series Hedge Agreement).

Where the Issuer enters into a further Series Hedge Agreement to replace all or part of any Series Hedge Agreement which terminates early, the Issuer shall upon receipt apply the amount, if any, received in consideration for entry into that replacement Series Hedge Agreement in or towards payment of any termination payment (including any Series Hedge Provider Subordinated Amounts) then outstanding by the Issuer to the relevant Series Hedge Provider in respect of that Series Hedge Agreement which has terminated early and the remainder of that amount, if any, shall be credited to the Series Payments Revenue Ledger.

11.6 **Holding and investment of the Issuer's funds**

11.6.1 **Segregated Series Accounts for each Series**

All amounts which are from time to time received by the Issuer in respect of Series Security Assets relating to a Series will be paid directly into a Series Account relating to that Series (see further 8.6 *Series Account Services*). No other moneys will be credited to any Series Account maintained by the Issuer relating to that Series and, therefore, such moneys shall be kept segregated from and shall not be co-mingled with any other moneys received by the Issuer (including, without limitation, moneys relating to Series Security Assets for a different Series or moneys relating to the General Security Assets).

11.6.2 **Mortgage receipts to be paid into Series Collection Accounts**

Unless indicated otherwise in the relevant Series Note Final Terms or, as applicable, in the relevant Series Prospectus, in relation to each Series:

- all moneys received in respect of the Mortgages in the relevant Series Portfolio (received, in the majority of cases, by direct debit to accounts of the relevant Borrowers) will, prior to a Series Collection Account Termination Event, be paid into the Series Collection Account(s) relating to that Series; and
- no other moneys will be credited to such Series Collection Account and, therefore, such moneys shall be kept segregated from and shall not be co-mingled with any other moneys (including, without limitation, moneys of the relevant Series Portfolio Legal Title Holder and moneys relating to a Series Portfolio for a different Series).

11.6.3 **Sweep of funds from Series Collection Accounts to Issuer's Series Accounts**

Unless indicated otherwise in the relevant Series Note Final Terms or, as applicable, in the relevant Series Prospectus, in relation to each Series, amounts received into any Series Collection Account in relation to a Series will, apart from an agreed 'float' amount, be transferred on each Business Day into a Series Account relating to that Series.

11.6.4 **Series Collection Account Trust Deeds**

In respect of each Series Collection Account relating to a Series, the Issuer will have the benefit of a trust declared in a deed (each a **Series Collection Account Trust Deed**) by the Series Portfolio Legal Title Holder

in favour of the Issuer and the Security Trustee (as the sole beneficiaries of such trust) in respect of all moneys from time to time credited to the relevant Series Collection Account, the terms of which (in each case) require all moneys from time to time credited to that Series Collection Account to be applied directly to the Issuer or the Security Trustee.

In respect of each Series Collection Account Trust Deed, notice of its terms and the rights of the Issuer and the Security Trustee in respect of the moneys in the relevant Series Collection Account will be given to and acknowledged by the relevant Series Collection Account Provider. The Issuer's rights and interests under each Series Collection Account Trust Deed relating to a Series shall be subject to the Security and shall form part of the Series Security Assets allocated to that Series.

11.6.5 Reinvestment of funds in Series Investment Accounts

If the Issuer enters into a Series Investment Account Agreement in relation to a Series, all amounts standing to the credit of any Series Transaction Account for that Series may be transferred from time to time into a Series Investment Account relating to that Series. Funds standing from time to time to the credit of a Series Investment Account will be transferred from the Series Investment Account to the Series Transaction Account as and when needed for payments to be made by or on behalf of the Issuer.

Amounts standing to the credit of a Series Investment Account in relation to a Series from time to time will earn a guaranteed rate of interest, as specified in the relevant Series Note Final Terms or, as applicable, in the *Series Investment Account Agreement* section in *G Series credit structure and cashflows* in the relevant Series Prospectus. Such interest will be credited to a Series Account relating to that Series and (unless indicated otherwise in the relevant Series Note Final Terms or, as applicable, in the relevant Series Prospectus):

- an amount equal to the portion of such interest (if any) which was earned on amounts representing amounts (if any) transferred to the Issuer by way of collateral by a Series Credit Support Provider pursuant to a Series Credit Support Document shall be paid to that Series Credit Support Provider; and
- the remainder shall be applied in the manner specified in the relevant Series Payments Rules relating to that Series.

11.6.6 Reinvestment of funds in Series Authorised Investments

Unless indicated otherwise in the relevant Series Note Final Terms or, as applicable, in the relevant Series Prospectus in relation to a Series, the Series Cash Manager (acting on instructions from the Issuer or the Programme Servicer acting on behalf of the Issuer) or, following enforcement of the Security relating to the Series Security Assets, the Security Trustee will be entitled (but shall not be obliged) to invest amounts from time to time standing to the credit of the Series Accounts in investments selected by the Issuer or the Programme Servicer acting on behalf of the Issuer which fall within the definition of Series Authorised Investments in the relevant Series Note Final Terms or, as applicable, in the *Series Authorised Investments* section in *G Series credit structure and cashflows* in the relevant Series Prospectus (each a **Series Authorised Investment**).

In relation to a Series, the Issuer shall be entitled, subject to certain conditions, to enter into a custody agreement relating to the Series Authorised Investments relating to that Series a custodian including to keep all records and documentation relating to the Series Authorised Investments deposited by or on behalf of the Issuer for safekeeping with that custodian and to hold any cash, distributions and monies received for deposit under the relevant custody agreement.

The Issuer's rights and interests under each Series Authorised Investment relating to a Series and proceeds from its disposal shall be subject to the Security and shall form part of the Series Security Assets for that Series. All amounts received by the Issuer in respect of or derived from each Series Authorised Investment shall be credited directly to a Series Account relating to such Series.

11.6.7 Reinvestment of funds in General Authorised Investments

The General Cash Manager (acting on instructions from the Issuer or the Programme Servicer acting on behalf of the Issuer) or, following enforcement of the Security relating to the General Security Assets, the Security Trustee will be entitled to invest amounts from time to time standing to the credit of a General Account in investments (each a **General Authorised Investment**) which would be eligible as Series Authorised Investments as defined in the then most recently published Series Prospectus (for this purpose adapting the wording of that definition as appropriate to relate to General Payments Dates and other applicable aspects of the General Payments Rules).

The Issuer's rights and interests under each General Authorised Investment and proceeds from its disposal shall be subject to the Security and shall form part of the General Security Assets. All amounts received by

the Issuer in respect of or derived from each General Authorised Investment shall be credited directly to a General Account. Pursuant to the General Account Agreement, the Issuer is entitled, subject to certain conditions, to enter into a custody agreement relating to the General Account Authorised Investments with a custodian.

11.7 Minimum ratings of certain Series parties

11.7.1 Connection between ratings of certain Series parties and ratings of Notes of a Series

Certain Transaction Parties in relation to a Series who are required to provide funds to and/or hold funds for the Issuer (in each case, subject to and in accordance with the provisions of the Transaction Documents relating to that Series to which the relevant Transaction Party is a party) will have or could have material payment obligations or liabilities to the Issuer and/or in respect of funds to which the Issuer is beneficially entitled. The relevant Transaction Parties in relation to a Series may include (without limitation):

- each Series Credit Support Provider (if any) in relation to that Series, in respect of the payments to be made by it under each Series Credit Support Document in relation to that Series to which it is a party;
- each Series Hedge Provider (if any) in relation to that Series, in respect of the payments to be made by it under each Series Hedge Agreement in relation to that Series to which it is a party; and
- each Series Account Provider in relation to that Series, in respect of the funds standing from time to time to the credit of the relevant Series Accounts and in respect of the payment of interest on funds standing from time to time to the credit of each Series Account relating to that Series.

While a Series includes Notes and/or DCIs rated by Series Rating Agencies relating to that Series, the relevant ratings of such Notes or, as applicable, DCIs may to an extent be dependent upon certain Transaction Parties in relation to that Series maintaining certain ratings by such Series Rating Agencies.

11.7.2 Series rating triggers

Although no assurance that Notes and/or DCIs will maintain their initial or any other particular ratings can be given (see 4.1.14 *Ratings of the Notes and/or DCIs*), section H.1 *Series rating triggers table* in the relevant Series Prospectus will summarise any steps that are to be taken if and when a Transaction Party (the **Affected Party** which may include a co-obligor or guarantor in respect of the obligations of another Transaction Party) ceases to have a rating specified in that section. If indicated in the relevant Series Prospectus, such steps may (or may not) include one or more of the following

- the provision of collateral (**Series Party Collateral**) by a **Series Party Collateral Provider** (which may or may not be the Affected Party or a co-obligor or guarantor in respect of the Affected Party) to the Issuer for the obligations of the Affected Party under the relevant Series Document;
- arranging for the obligations of the relevant Affected Party under the relevant Series Document to be transferred to an entity with ratings required by the relevant Series Rating Agency in accordance with the requirements of the relevant Series Document;
- procuring another entity, with ratings required by the relevant Series Rating Agency in accordance with the requirements of the relevant Series Document, to become co-obligor or guarantor in respect of the obligations of the relevant Affected Party under the relevant Series Document; or
- taking such other action as it may agree with the relevant Series Rating Agency.

Any Series Party Collateral provided to the Issuer in respect of the obligations of an Affected Party may, without limitation, take the form of cash or securities and may require the Issuer to enter into arrangements for holding such Series Party Collateral (including opening cash accounts (each being a **Series Party Collateral Cash Account**), opening securities accounts (each being a **Series Party Collateral Securities Account**) and appointing custodians) and taking such steps as the Security Trustee may (in its absolute discretion) require for such Series Party Collateral to form part of the Security and to avoid downgrade of the then current ratings of the Notes in the Series.

Such Series Party Collateral will form part of the Series Security Assets relating to the relevant Series. The terms of the Security Deed and the Security Intercreditor Deed provide that such Series Party Collateral will not be available to be applied and distributed under the relevant Series Priority of Payments except to the extent and until such Series Party Collateral is applied in or towards satisfaction of amounts due by (as applicable) the relevant Affected Party (or, as applicable, by the Series Party Collateral Provider) to the Issuer in accordance with the terms under which the Series Party Collateral was provided and, to the extent not so applied, shall be released from the Security and returned to the relevant provider as and when such terms require.

If those measures include an obligation, in certain circumstances (as may be described in such Series Prospectus), of the relevant Affected Party to pay to the Issuer, by way of Series Party Collateral, all or part of the amount for which Affected Party could become liable to pay under the relevant Series Document, then if and when the Issuer receives any such payment the Issuer shall credit it to a Series Investment Account relating to that Series or, if none, the Series Transaction Account for that Series and shall establish, record and credit such amount to a separate Series Party Collateral Provider Cash Ledger (designated to such Affected Party as the relevant Series Party Collateral Provider) for that Series in the Issuer's accounting books. During any period in which such cash collateralisation arrangement subsists (in accordance with the terms of the relevant Series Document):

- funds shall be debited from such Series Party Collateral Provider Cash Ledger and applied at such times and in the manner as the relevant Affected Party would have been liable to have made a payment under the relevant Series Document (and funds so debited and applied shall be treated as having been paid by the relevant Affected Party in respect of such liability); and
- funds shall be credited to such Series Party Collateral Provider Cash Ledger and applied at such times and in the manner as relevant amounts would have been liable to be paid to the Affected Party under the relevant Series Document (and funds so credited shall be treated as having been paid to the relevant Affected Party in respect of such liability).

11.7.3 Controls on transfer of rights and obligations by providers

Unless indicated otherwise in the relevant Series Prospectus, each Series Hedge Agreement and each Series Credit Support Document in relation to a Series may entitle the relevant Series Hedge Provider or Series Credit Support Provider, at its own expense, to transfer its rights and obligations in respect of such Series Hedge Agreement or Series Credit Support Document (as appropriate) to another entity provided that such entity agrees to be bound by the Security Intercreditor Deed and complies with the transfer terms of the relevant Series Hedge Agreement or, as applicable, each Series Credit Support Document.

11.8 Organisation of the Issuer's funds and liabilities

11.8.1 Structured book-keeping system of ledgers and accounting records

The Transaction Documents (in particular, without limitation, the Security Deed) require the Issuer to establish and maintain a system of memorandum accounts or ledgers and accounting records in the Issuer's books for the purpose of organising, managing and administering the Issuer's funds (as held in the manner described in 11.6 *Holding and investment of the Issuer's funds*) and, in particular, ensure and maintain at all times identifiable segregation of funds of each Series separate from and without co-mingling with the Issuer's other funds (including the funds of each other Series). In this Programme Prospectus and each Series Prospectus:

- a memorandum account in the Issuer's books representing cash funds is designated and referred to as a **Ledger** and amounts are referred to as being "debited" from and "credited" to a Ledger; and
- a memorandum account in the Issuer's books representing non-cash provisions or liabilities is designated and referred to as a **Record** and the balance on a Record is expressed as being "increased" or "reduced" by certain amounts entered in it.

11.8.2 Separate set of Series Ledgers for each Series

In relation to each Series, in accordance with the terms of the relevant Series Cash Management Agreement and the Security Deed, the relevant Series Cash Manager will establish and maintain on behalf of the Issuer a system of Ledgers and Records in the Issuer's books to record, allocate and disburse for particular purposes the Issuer's funds in respect of the Series Security Assets of that Series.

Except where indicated otherwise in section G *Series credit structure and cashflows* in the relevant Series Prospectus, in relation to that Series these cash Ledgers (each a **Series Ledger**) will comprise (each Series Ledger being designated with the relevant Series number):

- a **Series Principal Ledger**;
- a **Series Revenue Ledger**;
- a **Series Payments Principal Ledger**;
- a **Series Payments Revenue Ledger**;
- a **Series Main Reserve Ledger**;

- if the *Prefunding purchases* section in E.1 *Sale of Series Portfolio* in the relevant Series Prospectus indicates that a prefunding arrangement applies to the relevant Series, a **Series Prefunded Mortgage Purchase Ledger**;
- a separate **Series Party Collateral Provider Cash Ledger** for each Affected Party which becomes obliged under any Series Document to provide cash to the Issuer as collateral for certain actual or contingent obligations or liabilities of that Affected Party (each such Series Party Collateral Provider Cash Ledger which is established being additionally designated with the name of the Affected Party and Series Document in respect of which such cash is so provided); and
- each ledger (if any) indicated in the *Series Additional Ledger* section in G *Series credit structure and cashflows* the relevant Series Prospectus (each a **Series Additional Ledger**).

At all times the aggregate of the balances of the Series Ledgers in relation to a Series will at such times equal the aggregate of the balances of each of the Series Accounts for that Series. Debits and credits shall be made to the Series Ledgers at the times and in the amounts indicated in the Transaction Documents (in particular, in the Security Deed, the relevant Series Cash Management Agreement and the Series Payments Rules set out in section G *Series credit structure and cashflows* in the relevant Series Prospectus).

11.8.3 General Ledgers

In addition, in accordance with the terms of the General Cash Management Agreement and the Security Deed, the General Cash Manager will establish and maintain on behalf of the Issuer a system of Ledgers and Records in the Issuer's books to record, allocate and disburse for particular purposes the Issuer's funds in respect of the General Security Assets. These cash Ledgers (each a **General Ledger**) will comprise:

- a **Disposal Ledger** in relation to each Disposal Transaction (each being designated with the relevant Disposal Transaction number);
- the **General Transaction Ledger**;
- the **General Profit Ledger**; and
- each ledger (if any) indicated as being a General Additional Ledger in the *General Supplemental Aspects* section in G *Series credit structure and cashflows* of any Series Prospectus (each a **General Additional Ledger**).

At all times the aggregate of the balances of the General Ledgers will equal the aggregate balance of each General Account. Debits and credits shall be made to the General Ledgers at the times and in the amounts indicated in the Transaction Documents (in particular, in the Security Deed, the General Cash Management Agreement, the Series Payments Rules set out in section G *Series credit structure and cashflows* in the relevant Series Prospectus relating to any Series and the General Payments Rules defined in 11.12 *General Payments Rules*).

11.9 Recording principal deficiencies

11.9.1 Relationship of Series Portfolio principal balance to Series Note principal liability

Unless indicated otherwise in the relevant Series Note Final Terms or, as applicable, in the relevant Series Prospectus, it is anticipated that the relevant Series Payments Rules for a Series will provide that (in general terms):

- repayment of the Note Principal Amount Outstanding in respect of the Notes in that Series will be funded by Mortgage Principal Receipts in respect of the Series Portfolio which was purchased using the proceeds of those Notes; and
- all other liabilities of the Issuer (including interest on those Notes) will fall to be discharged by the application of Mortgage Revenue Receipts in respect of that Series Portfolio.

Accordingly, except to the extent indicated otherwise in the relevant Series Note Final Terms or, as applicable, in the relevant Series Prospectus, prior to a Series Acceleration Date in relation to the relevant Series, Mortgage Principal Receipts in respect of the Series Portfolio relating to that Series will be credited to the Series Principal Ledger relating to that Series and applied in or towards repayment of the Note Principal Amount Outstanding in respect of Notes in that Series according to a Series Priority of Payments for that Series (as specified in the applicable Series Payments Rules).

11.9.2 Creation of Series Principal Deficiency Record

In relation to each Series, unless indicated otherwise in the relevant Series Prospectus, in accordance with the terms of the relevant Series Cash Management Agreement and the Security Deed, the relevant Series

Cash Manager will establish and maintain on behalf of the Issuer a provisioning non-cash Record (the **Series Principal Deficiency Record**) in relation to that Series (which shall be designated with the relevant Series number) to record amounts in respect of events which will cause at any time the Note Principal Amount Outstanding in respect of Notes in certain Tranches in that Series, as indicated in section G *Series credit structure and cashflows* in the relevant Series Prospectus, to exceed the aggregate of:

- the then credit balance (if any) of the Series Principal Ledger and Series Payments Principal Ledger for that Series; and
- the then aggregate Mortgage Principal Balance owing to the Issuer in respect of the Mortgages in the Series Portfolio relating to that Series.

Unless indicated otherwise in the relevant Series Prospectus, such events are expected to include (among other things) principal losses incurred on such Mortgages and the application of Mortgage Principal Receipts received by the Issuer for a purpose other than repayment of the Note Principal Amount Outstanding.

11.9.3 **Series Principal Deficiency Sub-Records**

Each Series Principal Deficiency Record will comprise a set of **Series Principal Deficiency Sub-Records**, one for each Tranche in the Series (whether or not that Tranche includes more than one Class of Notes) as indicated in Section G *Series credit structure and cashflows* in the relevant Series Prospectus and, in each case shall be designated with the same identifier as applies to that Tranche (the Notes in the relevant Tranche being the **Series Principal Deficiency Sub-Record Notes** in relation to the relevant Series Principal Deficiency Sub-Record for that Tranche). For example, if a Series comprises three Classes of Notes having an 'A' Tranche and two Classes of Notes having a 'B' Tranche, then the Series Principal Deficiency Record for that Series would comprise one Series Principal Deficiency A Sub-Record and one Series Principal Deficiency B Sub-Record.

Whenever the balance of the Series Principal Deficiency Record is to be increased or reduced by an amount, one or more of the Series Principal Deficiency Sub-Records will be increased or reduced by, in aggregate, that amount. At all times the aggregate of the balances of the Series Principal Deficiency Sub-Records in relation to a Series will at such times constitute the balance of the Series Principal Deficiency Record relating to that Series.

All increases shall be recorded in each Series Principal Deficiency Sub-Record sequentially in ascending order of their designated Tranche in each case up to an amount equal to the then aggregate GBP Equivalent Note Principal Amount Outstanding of the corresponding Series Principal Deficiency Sub-Record Notes (provided that no such limit on increases shall apply to the Series Principal Deficiency Sub-Record with the highest designated Tranche). This would mean, in the above example, adding amounts to the Series Principal Deficiency B Sub-Record (being, in this example, the one with the lowest designated Tranche) until the total positive balance recorded in that Series Principal Deficiency B Sub-Record equals the then aggregate GBP Equivalent Note Principal Amount Outstanding of the two Classes of Notes in the Series having a 'B' Tranche and then any further amounts would be added to the Series Principal Deficiency A Sub-Record for that Series.

Conversely all decreases shall be recorded in each Series Principal Deficiency Sub-Record sequentially in descending order of their designated Tranches in each case until the balance on the relevant Series Principal Deficiency Sub-Record is reduced to zero (provided that no such limit on decreases shall apply to the Series Principal Deficiency Sub-Record with the lowest designated Tranche).

At any time:

- any positive balance on the relevant Series Principal Deficiency Record relating to the relevant Series represents the amount of the **Series Principal Deficiency** at that time in relation to that Series; and
- any negative balance on the relevant Series Principal Deficiency Record relating to the relevant Series represents the amount of the **Series Principal Overcollateralisation** at that time in relation to that Series.

11.9.4 **Increase or decrease of Series Principal Record**

Section G *Series credit structure and cashflows* in the relevant Series Prospectus relating to any Series shall indicate the circumstances in which the relevant Series Cash Manager shall increase or decrease the Series Principal Deficiency Record relating to that Series.

11.9.5 **Reduction of Series Principal Deficiencies**

The Series Principal Deficiency Record provides, in relation to the relevant Series, a reference point which can be used in the relevant Series Payments Rules to trigger steps to be taken (where possible) with a view

to reducing a Series Principal Deficiency by, for example and if so specified, transferring amounts from the Series Revenue Ledger to the Series Principal Ledger for application in or towards repayment of the Note Principal Amount Outstanding or in increasing the principal amount owing to the Issuer in respect of the Mortgages in the Series Portfolio (and in each such case the Series Principal Deficiency Record would be reduced by the amount so transferred).

11.10 Priorities scheme in respect of the Security Assets

11.10.1 Segregated priorities, enforcement and realisation scheme

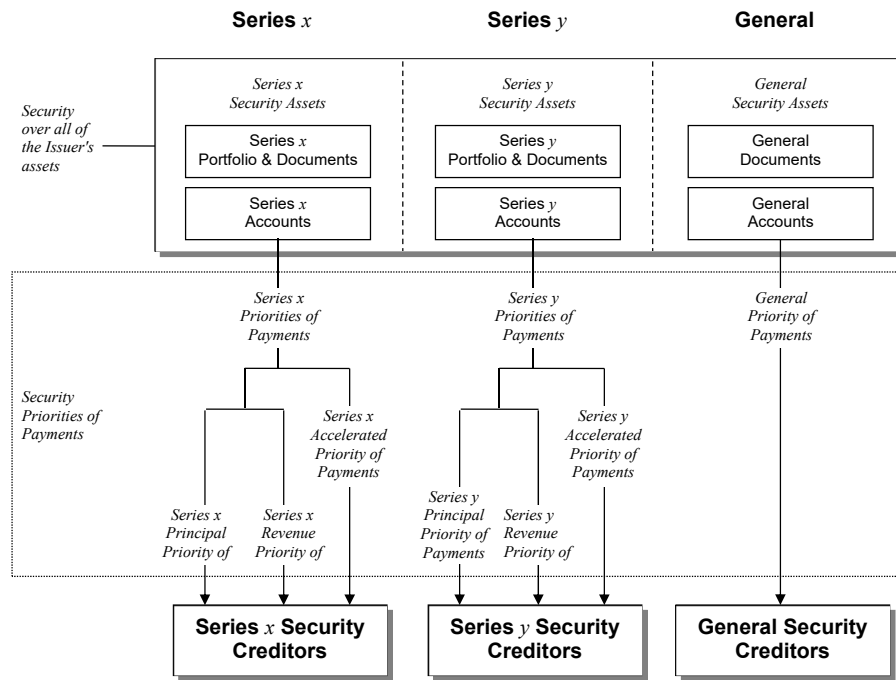
On the Programme Establishment Date, the Security Trustee entered into a Security Intercreditor Deed (the **Security Intercreditor Deed**) with each of the then Security Creditors pursuant to which the Security Trustee, among other things, declared that the Security is held by the Security Trustee upon trust for itself and all the other Security Creditors as security for all the Issuer's liabilities from time to time (whether present, future, actual and/or contingent) to the Security Creditors. The Security Intercreditor Deed provides a security trust scheme (the **Security Trust Scheme**) under which each Security Asset (being the security trust property) is allocated to an identified group of Security Assets and provides for separate priorities for distribution of funds or proceeds relating to each such group (each being a Security Priority of Payments) and for separate conditions and timing for enforcement and realisation of the Security for each such group of Security Assets. Upon each Series Closing Date in respect of a Series each further Security Creditor will accede to and become a party to and agree to the terms of the Security Intercreditor Deed and each new Security Asset will be allocated to a group of Security Assets relating to that Series.

Pursuant to the Security Intercreditor Deed each Security Creditor party thereto and/or bound thereby:

- acknowledges to the Security Trustee the terms of the security trust set out in the Security Intercreditor Deed including, without limitation, the Security Trust Scheme for the holding, enforcement, realisation and distribution of the Security Assets (being the security trust property) according to the terms of the security trust set out in the Security Intercreditor Deed;
- acknowledges and confirms to the Security Trustee the role, appointment and authority of the Security Trustee to, among other things, hold, enforce, realise and distribute the Security Assets as trustee for the Security Creditors in accordance with the Security Deed (including, without limitation, the Security Trust Scheme) and to exercise all and any of such party's rights of enforcement against the Issuer and the Security Assets;

and each Transaction Document contains or will contain a provision under which, among other things, each party to that Transaction Document makes similar acknowledgements (see further 12.3 *Enforcement and realisation of Security*).

The following diagram is intended to provide an overview of the structure of the Security Trust Scheme and how (for the purposes of enforcement, realisation and distribution) Security Assets are segregated and allocated to specified groups of Security Creditors in accordance with separate Security Priority of Payments (showing, for illustration, two hypothetical Series each having a Series Accelerated Priority of Payments and, prior to acceleration, a separate Series Principal Priority of Payments and Series Revenue Priority of Payments, all together with the General Priority of Payments in respect of the General Security Assets):



11.10.2 Segregated Series Priority of Payments and Series Security Assets for each Series

In accordance with the Security Trust Scheme, in relation to each Series:

- the Security Assets relating to that Series constitute the **Series Security Assets** allocated to that Series (whether the Security held by the Security Trustee in respect of such Series Security Assets is created under the Security Deed and/or the relevant Security Supplemental Deed) and include all the Issuer's rights in respect of:
 - the Series Portfolio relating to that Series and all insurances in which the Issuer has an interest in relation to or in respect of that Series Portfolio;
 - each Series Document relating to that Series;
 - each Series Account relating to that Series (including, without limitation, all amounts to be credited and/or credited to any Series Ledger relating to that Series);
 - all Series Party Collateral relating to that Series;
 - each Series Authorised Investment relating to that Series;
 - each Security Asset which is subject to a floating charge only under the Security Deed and is appropriated, designated and allocated to such Series under the Security Intercreditor Deed; and
 - each Series Security Additional Asset (if any) relating to the Series; and
- the provisions defined as the Series Payments Rules in section G *Series credit structure and cashflows* of the relevant Series Prospectus relating to that Series constitute the **Series Payments Rules** relating to that Series including, without limitation:
 - each priority of payments falling within the definition of Series Priority of Payments in such section G (each being a **Series Priority of Payments** relating to that Series and together the **Series Priorities of Payments** relating to that Series);
 - a definition of each periodic date (each being a **Series Payments Date**) upon which specified available funds relating to the relevant Series will be allocated and paid according to the applicable Series Priorities of Payments; and
 - a definition of each periodic date (each being a **Series Calculation Date**) upon which specified calculations and Ledger and Record transfers may be made in connection with each Series Payments Date which occurs in relation to that Series.

Each Series Payments Date and each General Payments Date (see 11.12.4 *General Payments Date procedures*) constitutes a **Security Payments Date**.

The Series Payments Rules for the Series Security Assets relating to a Series shall be administered by the relevant Series Cash Manager (in accordance with the relevant Series Cash Management Agreement and Security Deed) prior to a Series Acceleration Date in relation to the relevant Series and on and following such date will be administered by the Security Trustee or a person appointed by the Security Trustee.

11.10.3 **Series Security Creditors**

The **Series Security Creditors** in relation to a Series include each Noteholder, each DCI Holder (if any), each Series Arranger (if any), each Series Lead Manager (if any), each Series Co-Manager (if any), each Series Note Trustee, each appointee of a Series Note Trustee, the Series Paying Agent, the Series Registrar the Series Note Calculation Agent, each Series Note Additional Arrangements Party (if any), each other Series Servicer, the Series Portfolio Seller, each Series Portfolio Legal Title Holder, each Series Hedge Provider (if any), each Series Funding Facility Provider (if any) and each Series Credit Support Provider (in each case in respect of that Series) and each person indicated as being a Series Security Additional Creditor in the *Series Additional Documents* section in *G Series credit structure and cashflows* in the relevant Series Prospectus (each being a **Series Security Additional Creditor**), in each case in respect of such Series, and each General Security Creditor in so far as amounts (if any) are payable directly to such General Security Creditor under or pursuant to the Series Priority of Payments in respect of such Series (excluding any such amounts as may be payable by virtue of amounts being transferred from a Series Ledger to a General Ledger for distribution in accordance with the General Priority of Payments).

11.10.4 **General Priority of Payments and General Security Assets**

In accordance with the Security Trust Scheme, the **General Security Assets** comprise all Security Assets which, at the relevant time, are not Series Security Assets for any Series.

In accordance with the Security Trust Scheme, all amounts relating to the General Security Assets shall be distributed in accordance with the General Payments Rules (see 11.12 *General Payments Rules* to 11.14 *General Priority of Payments*).

The General Payments Rules for the General Security Assets shall be administered by the General Cash Manager (in accordance with the General Cash Management Agreement, the Security Intercreditor Deed and Security Deed) until such time (if any) as the Security Trustee appoints another person (such as the Security Trustee or a receiver appointed by the Security Trustee) as General Payments Administrator as contemplated in 11.12.2 *General Payments Administrator*.

11.10.5 **General Security Creditors**

The **General Security Creditors** include the Security Trustee, each **Security Enforcer** (being each receiver or other appointee appointed by the Security Trustee to enforce the Security), the Programme Servicer, the Corporate Servicer, each General Account Provider, the General Cash Manager, each other General Servicer (if any) and each person (if any) identified as being a **General Security Additional Creditor** in the *General Supplemental Aspects* section in *G Series credit structure and cashflows* in the then most recent Series Prospectus under the Programme or Security Supplemental Deed relating to any Series.

11.10.6 **Security Priority of Payments**

Each Series Priority of Payments and the General Priority of Payments constitutes a **Security Priority of Payments** and:

- **Priority Level** means a level of a Security Priority of Payments as indicated in the *Level* column of the relevant Security Priority of Payments;
- **Priority Payee** means the person entitled to an allocation and/or payment according to a Security Priority of Payments as indicated in the *Payee* column of the relevant Security Priority of Payments in respect of a Priority Level; and
- **Priority Level Maximum Amount** means at any time in relation to the allocation and/or payment (as applicable) of an amount to a Priority Payee at a particular Priority Level of a Security Priority of Payments, the maximum potential amount that can be allocated and/or paid (as applicable) to such Priority Payee at that time in respect of the liabilities specified in the *Priority Level Maximum Amount* column of that Security Priority of Payments relation to such Priority Payee at that Priority Level.

11.11 Priority Interpretation Rules

Each of the following is a **Priority Interpretation Rule** in relation to a Security Priority of Payments on the relevant Security Payments Date:

- The relevant amounts to be applied according to that Security Priority of Payments shall be allocated and paid in consecutive descending order of the Priority Levels appearing in the relevant Security Priority of Payments, starting with Priority Level 1 (being the highest ranking Priority Level).
- Where two or more items appear at the same Priority Level (whether within the same row in respect of a Priority Level or in two or more rows having the same Priority Level number followed by the "=" sign), the amount available for allocation and/or payment (as applicable) at that Priority Level shall be allocated and/or paid (as applicable) *pro rata* to the specified Priority Level Maximum Amount in respect of each Payee appearing at that Priority Level.
- Unless expressly indicated otherwise, each Priority Level Maximum Amount is the relevant amount as at the relevant Security Payments Date on which funds are being allocated in accordance with the relevant Security Priority of Payments.
- In the event that any amount is to be allocated and paid in accordance with the relevant Series Priority of Payments to a Series Hedge Provider under a Series Hedge Agreement in exchange for an amount payable by that Series Hedge Provider under the same Series Hedge Agreement, then in calculating the allocations and payments under the relevant Series Priority of Payments such amount payable by that Series Hedge Provider shall not be treated as part of the funds available for allocation and payment under more senior Priority Levels of that Series Priority of Payments (this is to ensure that amounts payable by that Series Hedge Provider do not fund allocations and payment at a more senior Priority Level).
- Where an amount is to be allocated and paid in accordance with the relevant Series Priority of Payments, such allocation and payment shall be first made from funds available for allocation at the relevant Priority Level which are in the same currency as the currency in which such amount is payable.
- In the event that any amount is to be allocated and paid in accordance with the relevant Series Priority of Payments and the money available at a particular level of that priority does not comprise a sufficient amount in the relevant currency in which such amount is to be allocated and paid, the Series Payments Administrator shall (on behalf of the Issuer) convert such of that available money into such currency at the then prevailing spot rate of exchange as may be required in order to be applied in or towards such allocation and payment.

11.11.1 Programme No Series Outstanding Period

A **Programme No Series Outstanding Period** means each day on which either no Series is then outstanding or, in respect of each Series which is outstanding, either:

- no amount is outstanding to any Series Security Creditor in respect of that Series; or
- a Series Post Realisation Date has occurred in respect of that Series.

11.12 General Payments Rules

The following summarises the General Payments Rules set out in the Security Intercreditor Deed which are used for, among other things, making payments (or making provisions for such payments) to the General Security Creditors:

11.12.1 Definition of General Payments Rules

The **General Payments Rules** mean and comprise:

- the procedures, arrangements and priorities of payments specified and/or referred to in this 11.12 *General Payments Rules* to 11.14 *General Priority of Payments* inclusive; and
- (except to the extent inconsistent with those procedures, arrangements and priorities of payments) the applicable provisions of the General Cash Management Agreement,

(as modified and/or replaced from time to time in accordance with procedures set out in the Security Intercreditor Deed).

General Priority of Payments refers to the making of allocations and payments in accordance with the table set out in 11.14 *General Priority of Payments* and in the order of the Priority Levels indicated in that table and applying the Priority Interpretation Rules (see 11.11 *Priority Interpretation Rules*).

11.12.2 General Payments Administrator

The **General Payments Administrator** is:

- the person (who may be, but does not need to be, the Security Trustee) specified by the Security Trustee as General Payments Administrator in relation to the General Security Assets in respect of which all or any part of the Security has become enforceable as indicated in a notice given by the Security Trustee to the Issuer and the General Cash Manager; and
- the General Cash Manager in any other case.

11.12.3 General Payments Calculation Date procedures

The General Payments Administrator shall administer the following on each **General Payments Calculation Date**, being the 4th Business Day immediately preceding each General Payments Date:

(a) **Calculation of each General Series Liability**

the General Payments Administrator will calculate each **General Series Liability**, being the amount specified in the *Priority Level Maximum Amount* column in relation to each of the Issuer's liabilities under Priority Levels 1, 2, 3, 4, 5 or 6 of the General Priority of Payments; and then

(b) **Determination of each Series Referable Amount**

the General Payments Administrator will determine, upon the basis of information then available to it (including, without limitation, as notified to the General Payments Administrator by a relevant Transaction Party), how much of the General Series Liability is a **Series Referable Amount** in relation to a Series, being in relation to a Series and a General Series Liability, amounts accrued or owing in respect of that General Series Liability which are attributable to, and were incurred in relation to, that Series (and, for the avoidance of doubt:

- (1) all fees, costs, expenses and other amounts incurred by a Security Enforcer appointed under the Security in respect of the Series Security Assets of a particular Series shall be referable only to that Series; and
- (2) all taxes and provisions for taxes of the Issuer which relate to a particular Series (including the Series Security Assets of that Series, the Series Security Liabilities of that Series and/or actions or omissions in respect of that Series) shall be referable only to that Series); and then

(c) **Determination of each Series Pro Rata Liability**

the General Payments Administrator will determine how much of the General Series Liability is a **Series Pro Rata Liability**, being the remainder of the General Series Liability that is not a Series Referable Amount in respect of any Series; and then

(d) **Determination of each Series Pro Rata Total Amount**

the General Payments Administrator will determine the **Series Pro Rata Total Amount**, being in respect of a Series Pro Rata Liability as at a General Payments Calculation Date:

- (1) the amount incurred during the month in which that General Payments Calculation Date occurs but which was not included in the accrual made on the immediately preceding General Payments Calculation Date; plus
- (2) the amount in respect of that Series Pro Rata Liability which the General Payments Administrator determines will accrue during or is attributable to the period to the next General Payments Calculation Date; and then

(e) **Allocation of Series Pro Rata Total Amount to each Series**

the General Payments Administrator will determine and allocate to each Series the **Series Pro Rata Amount** in relation to that Series, being a share of the relevant Series Pro Rata Total Amount calculated by dividing such Series Pro Rata Total Amount equally among each Series existing as at that General Payments Calculation Date; and then

(f) **Notification to Series Cash Manager and Programme Servicer**

the General Payments Administrator will, in relation to each Series, notify in writing the Security Trustee, the Programme Servicer and each Series Payments Administrator for each Series (along with, in reasonable detail, the relevant calculation) of:

- (1) the aggregate amount which has been allocated to such Series in respect of a Series Referable Amount on that General Payments Calculation Date; and

- (2) the aggregate amount which has been allocated to such Series in respect of a Series Pro Rata Amount on that General Payments Calculation Date; and then

(g) **Estimate of General Payments Date allocations and payments**

on that General Payments Calculation Date, the General Payments Administrator will estimate and plan the administration of the procedures set out in 11.12.4 *General Payments Date procedures* and, in particular, will calculate how the amounts then standing to the credit of the General Transaction Ledger and (on the basis of information then available to it including, without limitation, as notified to it by a relevant Transaction Party) any further amounts expected to be credited and/or debited to the General Transaction Ledger on or before the next General Payments Date (including, if any):

- (1) proceeds of the realisation of General Authorised Investments; and
- (2) interest from the General Account Providers under the General Account Agreements; and
- (3) any amounts to be credited to the General Transaction Ledger in accordance with the terms of any Disposal Transaction in relation to a Series),

would be allocated and paid on the next General Payments Date according to the General Priority of Payments (taking into account any further amounts expected to be paid directly to any payee on or before the next General Payments Date in relation to a Disposal Transaction); and then

(h) **Notification of estimated allocation**

the General Payments Administrator will on or before the Business Day after that General Payments Calculation Date notify each of the Security Creditors who are expressed in the General Priority of Payments to be potential payees as to the amount that has been calculated as being allocated to liabilities which will be owing to them on the next General Payments Date.

11.12.4 **General Payments Date procedures**

The General Payments Administrator shall administer the following on each **General Payments Date** (being:

- The 15th day of each calendar month or, if that is not a Business Day, the next Business Day; or
- such other date as the Security Trustee may designate by a notice to the Issuer, the Programme Servicer and the General Payments Administrator to be a General Payments Date):

(a) **Allocation according to General Priority of Payments**

on that General Payments Date, after each of the amounts (if any) which fall to be allocated and paid according to the Series Priorities of Payments on that General Payments Date have been so allocated and paid, the amount standing to the credit of the General Transaction Ledger shall then be allocated by the General Payments Administrator in accordance with the General Priority of Payments; and then

(b) **Payments and transfers according to allocation**

once the amount standing to the credit of the General Transaction Ledger has been allocated in accordance with the General Priority of Payments, on the relevant General Payments Date the amounts so allocated to a payee identified in the General Priority of Payments shall be paid to that payee or, if the payee is the Issuer, shall be transferred and credited to the Ledger indicated in the General Priority of Payments (in each case making an appropriate debit to the General Transaction Ledger).

11.12.5 **Disputes regarding allocations of General Series Liability**

In the event of any dispute as to amounts claimed to be referable and/or attributable to and incurred in relation to a Series, or any determinations and/or allocations made by the General Payments Administrator in connection with a General Series Liability, the Security Trustee's determination (in its absolute discretion) shall be final and conclusive and binding on the Issuer and all Security Creditors.

11.13 **General Profit Ledger**

11.13.1 **Overview of General Profit Ledger**

Priority Level 6 of the General Priority of Payments provides for allocation and payment of an amount to the General Profit Ledger on each General Payments Date in respect of the **General Profit Accrual Amount** (being £7,812.50 per annum in respect of each of the Issuer Financial Years ending 31 December 2016 and 31 December 2017 respectively and £2,000 per annum in respect of each subsequent Issuer Financial Year).

The crediting of such amounts to the General Profit Ledger and the application of those amounts as described below is primarily to assist the achievement of, and to be consistent with, the expected tax position of the

Issuer for United Kingdom tax purposes and expected accounting treatment of the Issuer for the preparation of certain financial statements (in each case, as at the date of this Programme Prospectus).

11.13.2 Funding of General Profit Accrual Amount

Each amount to be allocated and paid in respect of the General Profit Accrual Amount pursuant to the General Priority of Payments is a Series Pro Rata Liability in respect of each Series (see 11.12.3(c) *Determination of each Series Pro Rata Liability*) and the corresponding Series Pro Rata Amount is to be funded by applying the applicable Series Priority of Payments on each Series Payments Date in relation to the relevant Series.

11.13.3 Application of funds in General Profit Ledger

Following the last day of each financial year of the Issuer (each an **Issuer Financial Year**) the **General Profit Annual Distribution Amount** is the amount credited to the General Profit Ledger during such Issuer Financial Year less the amount of United Kingdom corporation tax payable by the Issuer in respect of such amount.

On each occasion that United Kingdom corporation tax is to be paid by the Issuer, the relevant amount of that payment shall be paid out of the General Account to HMRC and a corresponding debit made to the General Profit Ledger.

Prior to the date upon which a Security Assets Realisation Notice is given:

- if the amount standing to the credit of the General Profit Ledger is equal to or exceeds the applicable General Profit Annual Distribution Amount, the Issuer may, in its discretion and subject to applicable legal requirements and its constitutional documents, from time to time declare a dividend in respect of its shares not exceeding the accrued aggregate General Profit Annual Distribution Amount standing to the credit of the General Profit Ledger at the date of declaration provided that only one such dividend may be declared in each Issuer Financial Year; and
- an amount equalling the amount of such dividend may then be withdrawn from the General Account by the Issuer and an appropriate debit made to the General Profit Ledger by the General Cash Manager and such amount shall then be applied in payment to those entitled to such dividend.

11.14 General Priority of Payments

General Priority of Payments

Level	Payee	Priority Level Maximum Amount	Ledger to be credited
1 =	Security Trustee	Accrued amounts (including indemnity payments, fees, costs, and expenses) outstanding to the Security Trustee under the Transaction Documents.	—
1 =	Security Enforcer	Accrued amounts (including indemnity payments, fees, costs, and expenses) outstanding to any Security Enforcer appointed in respect of the Issuer or any of its assets.	—
2=	Relevant Third Parties (a)	If a Security Assets Realisation Date has not occurred, amounts then accrued but remaining unpaid to Third Parties (including insurance premia, audit fees and value added tax, if any) and incurred without breach by the Issuer of the Transaction Documents; or	—
	(b)	if a Security Assets Realisation Date has occurred, zero.	
2 =	Issuer	(a) If a Security Assets Realisation Date has not occurred, an amount (as determined by the General Cash Manager) to provide for amounts incurred to Third Parties without breach by the Issuer of the Transaction Documents expected to become due and payable by the Issuer on or before the next succeeding General Payments Date; or	General Transaction Ledger
	(b)	if a Security Assets Realisation Date has occurred, zero.	

General Priority of Payments

Level	Payee	Priority Level Maximum Amount	Ledger to be credited
3 =	Issuer	<p>(a) If a Security Assets Realisation Date has not occurred, an amount (as determined by the General Cash Manager) to provide for the Issuer's liability or possible liability of the Issuer in respect of any Tax (except:</p> <p>(1) United Kingdom corporation Tax chargeable by reference to (and payable out of) the General Profit Accrual Amount; and</p> <p>(2) any liability of the Issuer for Tax which is to be indemnified by the Programme Servicer under the Programme Services Agreement); or</p> <p>(b) if a Security Assets Realisation Date has occurred, zero.</p>	General Transaction Ledger
4 =	Corporate Servicer	All accrued amounts (including indemnity payments, fees, costs, and expenses) due, payable and outstanding to the Corporate Servicer.	
4 =	Programme Servicer	All accrued amounts (including indemnity payments, fees, costs, and expenses) due, payable and outstanding to the Programme Servicer under the Programme Services Agreement.	
4 =	General Account Provider	All accrued amounts (including indemnity payments, charges, costs, and expenses) due, payable and outstanding to the General Account Provider under the General Account Agreement.	–
4 =	General Cash Manager	All accrued amounts (including indemnity payments, fees, costs, and expenses) due, payable and outstanding to the General Cash Manager under the General Cash Management Agreement.	–
5	General Facility Provider (if any)	All accrued amounts (including principal, indemnity payments, fees, costs, and expenses) due, payable and outstanding to the General Facility Provider under the General Facility Agreement.	–
6	Issuer	General Profit Accrual Amount.	General Profit Ledger
7	Issuer	The balance of the General Transaction Ledger less the amount allocated in higher Levels of this General Priority of Payments.	General Transaction Ledger

12. Security and intercreditor arrangements

12.1 The Security Deed and the Security Trustee

12.1.1 The Security Deed

On the Programme Establishment Date the Issuer entered into a Security Deed (the **Security Deed**) granting the Security in favour of Citibank, N.A., London Branch, acting through its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, as security trustee (the **Security Trustee** which expression shall include the person or persons for the time being acting as the security trustee under the Security Deed) for the benefit of the **Security Creditors** (comprising the Security Trustee, the Noteholders of each Series, the DCI Holders of each Series, the other Series Security Creditors of each Series and the General Security Creditors).

12.1.2 The Security Trustee

In accordance with the terms of the Security Deed, the Security Trustee (or a receiver appointed by it) is principally responsible for taking action with respect to the Security on behalf of the Security Creditors upon the occurrence of certain events as set forth in the Security Deed.

12.1.3 Change of Security Trustee

Unless otherwise specified in the relevant Series Prospectus, subject to certain restrictions, the Security Trustee may resign its appointment upon not less than three months' prior written notice although such resignation shall not take effect until a successor Security Trustee has been duly appointed. In order to be eligible to act as Security Trustee, among other things, such successor Security Trustee must agree to be bound by the terms of the Security Deed and Security Intercreditor Deed and must meet the applicable eligibility requirements under the Security Deed. 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 its successor provided that, upon being contacted in relation to such successor, each Series Rating Agency in relation to each Series with Notes then outstanding does not indicate that such appointment will result in a Rating Adverse Action by such Series Rating Agency in respect of such Notes.

12.1.4 Security Trustee fee and expenses

The Security Trustee is entitled to charge a fee (the **Security Trustee Fee**) for its role under the Security Deed and other Transaction Documents to which it is a party and is entitled to reimbursement of all costs, charges and expenses incurred by it in connection with the Security Deed and those other Transaction Documents, payable on each General Payments Date subject to and in accordance with the relevant Security Priority of Payments.

12.2 Security in respect of the Security Assets

12.2.1 Security and Security Assets

Pursuant to the Security Deed (together with each supplement thereto from time to time) the Issuer will create security (the **Security**) over all of the Issuer's assets from time to time (the **Security Assets**) in favour of the Security Trustee as security for all the Issuer's liabilities from time to time (whether present, future, actual and/or contingent) to the Security Creditors (the **Security Liabilities**, including, without limitation, its obligations to the Noteholders, the DCI Holders and other Series Security Creditors of each Series and the General Security Creditors from time to time).

12.2.2 Security created under the Security Deed

The Security which the Issuer has created and agreed to create under the Security Deed includes:

- an absolute assignment by way of first fixed security of (or in the case of assets or rights situated in Northern Ireland, a charge or assignment by way of first fixed security of):
 - the Issuer's present and future rights in and to the Mortgages and other assets (excluding Scottish Mortgages) purchased from time to time by the Issuer from the Series Portfolio Seller under a Series Portfolio Sale Agreement;
 - the Issuer's present and future interest (if any) in insurance policies taken out from time to time in connection with those Mortgages (other than any Mortgagee Insurance Policy governed by the laws of Scotland);
 - the Issuer's present and future rights under the Transaction Documents; and
 - the Issuer's present and future rights to all moneys standing to the credit from time to time of each bank account in which the Issuer has an interest including the General Account and each Series

Account (which may take effect as a floating charge and thus rank behind the claims of certain creditors);

- a first fixed charge over any present and future investments from time to time made by or on behalf of the Issuer with moneys deriving from or comprised from time to time in its assets (which may take effect, in certain cases, as floating charges or equitable charges and thus rank behind the claims of certain creditors); and
- a first fixed charge over any other present and future assets (in so far as not already subject to an effective mortgage or assignment pursuant to the Security Deed) from time to time of the Issuer (which may take effect, in certain cases, as floating charges or equitable charges and thus rank behind the claims of certain creditors);
- an assignation in security of the Issuer's interest in the Scottish Loans and their Scottish Mortgage (comprising the Issuer's beneficial interest under the trust declared by the relevant Series Portfolio Legal Title Holder over such Scottish Loans and their Scottish Mortgages for the benefit of the Issuer pursuant to each Series Scottish Mortgage Trust Deed); and
- a first floating charge (the **Floating Charge**) (ranking behind the claims of certain creditors and the fixed security created pursuant to the Security Deed and each Security Supplemental Deed) in respect of all the assets of the Issuer.

12.2.3 Additional Security under Security Supplements

In relation to each issue of Notes and DCIs in relation to a Series the Issuer will enter into each supplemental security deed (if any) specified as such in the *Series Additional Documents* section in *G Series credit structure and cashflows* in the relevant Series Prospectus (each a **Security Supplemental Deed**) pursuant to which the Issuer will create or perfect security (being supplemental to and forming part of the other Security created under the Security Deed) as may be described in the *Series Additional Documents* section in *G Series credit structure and cashflows* in the relevant Series Prospectus (such security being **Series Additional Security**). Series Additional Security will always be required in relation to any Scottish Mortgages comprised in a Series Portfolio acquired by the Issuer on or after the date of the Security Deed.

12.2.4 Governing law of security deeds

The Security Deed and each Security Supplemental Deed (if any) will be governed by English law, other than:

- certain aspects, which will be governed by Northern Irish law to the extent that such aspects relate to Northern Irish Mortgages;
- certain aspects, which will be governed by Scots law to the extent that such aspects relate to Scottish Mortgages; and
- each Security Supplemental Deed pertaining solely to Scottish assets, which will be wholly governed by Scots law,

and, unless the Security Trustee decides otherwise (in its absolute discretion), any Security over the Series Security Assets in respect of a Series will be taken only pursuant to the Security Deed and under English law.

12.2.5 Restrictions on perfection of security interests

Unless and until the Security in respect of the relevant Series Security Assets becomes enforceable (and then, in the case of steps to be taken by the Issuer, only in accordance with the directions of the Security Trustee) or a Series Portfolio Title Perfection Event occurs, the Security Trustee will not be entitled to require the Issuer to perfect its title to the Mortgages included in the Series Security Assets with respect to the Series, or to take, other than as aforementioned, or perfect any security interest over or with respect to the Series Security Assets in accordance with the requirements of any applicable laws (but the Issuer will so perfect such title and any such security interest to the extent that the requirements of a Series Rating Agency so require in connection with a rating of a particular Class of Notes by that Series Rating Agency at the request of the Issuer).

12.3 Enforcement and realisation of Security

The Security Deed sets out the general procedures by which the Security Trustee may take steps to enforce the Security created by the Issuer and realise the Security Assets.

12.3.1 Segregated enforcement of Security relating to, and realisation of, Series Security Assets

The relevant Security in respect of the Series Security Assets for a Series shall become immediately enforceable upon the service by the Security Trustee on the Issuer of either a Series Security Assets Realisation Notice in relation to such Series or a Security Assets Realisation Notice (which affects all Security Assets as described in 12.3.2 *Enforcement of Security relating to and realisation of all Security Assets*).

(a) Series Security Assets Realisation Notice

The Security Trustee at its discretion may, or if directed to do so by a Relevant Security Creditor Resolution by the Series Reference Creditor relating to such Series, shall (subject in each case to being indemnified, secured and/or prefunded to its satisfaction) serve a **Series Security Assets Realisation Notice** in relation to a Series:

- if any Note of such Series is outstanding, if any Note Event of Default has occurred in relation to that Series and the Series Note Trustee of such Series has specified a Series Note Acceleration Date; or
- (if no Note of such Series is outstanding) if any DCI of such Series is outstanding, if any Note Event Of Default has occurred in relation to that Series and the Series Note Trustee of such Series has specified a Series Note Acceleration Date; or
- if no such Series Note or DCI is outstanding, an event has occurred which, if any such Note or DCI had been outstanding would have been a Note Event of Default in relation to that Series and the Series Reference Creditor relating to that Series has certified in writing that such event is materially prejudicial to its interests; or
- in the circumstances (if any) indicated in section *Series Security Assets Realisation Notice Conditions* in G *Series credit structure and cashflows* in the relevant Series Prospectus relating to that Series.

As indicated in 12.3.4 *Security Blocking Administrative Receiver*, the Security Intercreditor Deed provides that in certain circumstances the Security Trustee shall be obliged to serve a Series Security Assets Realisation Notice in relation to a Series.

(b) Series Security Assets Realisation Date

From and including the time when the Security Trustee serves a Series Security Assets Realisation Notice in relation to a Series (being a **Series Security Assets Realisation Date** in relation to such Series) on the Issuer:

- if not already crystallised, any floating charge comprised in the Security shall crystallise in relation to the relevant Series Security Assets (other than in relation to Series Security Assets governed by Scots law, in respect of which crystallisation will occur on the appointment of a receiver); and
- no amount may be drawn from any Series Account relating to that Series except to the extent that it is applied in accordance with the order of priorities set out in the applicable Security Priority of Payments relating to that Series.

(c) Series Security Assets Protection Notice

The Security Trustee at its discretion may serve a **Series Security Assets Protection Notice** in relation to a Series if:

- any Series Potential Event Of Default, Series Event Of Default or Series Mortgage Servicer Termination Event occurs in relation to that Series;
- any event occurs which with the giving of notice and/or lapse of time and/or determination and/or certification would constitute a Series Mortgage Servicer Termination Event in relation to that Series;
- the Security Trustee believes that any Series Event Of Default or Series Mortgage Servicer Termination Event has occurred or is about to occur in relation to that Series
- the Security Trustee believes that all or substantially all or any part of the relevant Series Security Assets in relation to a Series are in danger of being seized or sold under any form of distress, diligence or execution levied, executed or threatened or are otherwise in jeopardy; or
- any circumstance occurs which, in the opinion of the Security Trustee prejudices, imperils, threatens or is likely to do any of the foregoing in respect of the Security relating to the relevant

Series Security Assets or the Issuer takes or threatens to take any action that would be prejudicial to or would be inconsistent with such Security.

Upon issue of a Series Security Assets Protection Notice in relation to a Series (and where the Security includes a floating charge in respect of all or any of the Series Security Assets in relation to such Series), the Security Trustee may (and shall if so directed by the relevant Series Reference Creditor) (to the extent permitted by applicable law) convert by notice any such floating charge into a fixed charge in relation to such of those Series Security Assets as may be specified (generally or specifically) in that notice or, if none is specified, all the Series Security Assets (other than in relation to Series Security Assets governed by Scots law, in respect of which crystallisation will occur on the appointment of a receiver).

12.3.2 Enforcement of Security relating to and realisation of all Security Assets

The Security in respect of the General Security Assets shall become immediately enforceable upon the service by the Security Trustee on the Issuer of either a Security Assets Realisation Notice or a Series Security Assets Realisation Notice in relation to every Series then having Notes and/or DCIs outstanding.

(a) Security Assets Realisation Notice

The Security Trustee at its discretion may serve a **Security Assets Realisation Notice** if:

- any Insolvency Supervening Event has occurred in relation to the Issuer (other than solely as a result of action taken to enforce the Series Priority of Payments of one or more but not all of the Series then outstanding), and
- the Security Trustee shall have certified in writing that such event is, in its opinion, materially prejudicial to the interests of the Series Reference Creditors in respect of each Series then outstanding or, if no Series is outstanding, to any other Security Creditor.

As indicated in 12.3.4 *Enforcement and realisation of Security*, the Security Intercreditor Deed provides that in certain circumstances the Security Trustee shall be obliged to serve a Security Assets Realisation Notice in relation to all the Security Assets.

(b) Security Assets Realisation Date

From and including the time when the Security Trustee serves a Security Assets Realisation Notice on the Issuer (being a **Security Assets Realisation Date**):

- if not already crystallised, any floating charge comprised in the Security shall crystallise (other than in relation to assets governed by Scots law, in respect of which crystallisation will occur on the appointment of a receiver or liquidator) or upon the instructions of the Security Trustee
- no amount may be drawn from any General Account or Series Account except to the extent that it is applied in accordance with the order of priorities set out in the applicable Security Priority of Payments, provided that such drawings shall continue to be made for the purposes of Series Party Collateral as described in 11.7.2 *Series rating triggers* and for the purposes of returning amounts to a Series Collection Account Provider in relation to any claw-backs under failed direct debit payments made by a Borrower.

(c) Security Assets Protection Notice

The Security Trustee at its discretion may serve a **Security Assets Protection Notice** if:

- any Insolvency Supervening Event has occurred in relation to the Issuer (other than solely as a result of action taken to enforce the Series Priority of Payments of one or more but not all of the Series then outstanding), or
- the Series Reference Creditors of each outstanding Series pass a Series Reference Creditor Resolution directing the Security Trustee to give a Security Assets Protection Notice.

Upon issue of a Security Assets Protection Notice, the Security Trustee may (and shall if so directed by such Series Reference Creditor Resolution) convert the floating charge comprised in the Security into a fixed charge in relation to all the Security Assets (other than in relation to Security Assets governed by Scots law, in respect of which crystallisation will occur on the appointment of a receiver or liquidator). The Issuer shall not be permitted to issue any further Notes or DCIs under the Programme from and after any date upon which a Security Assets Protection Notice is given.

12.3.3 Enforcement powers and indemnity of Security Trustee

The Security Trustee may, at its discretion and without notice at any time and from time to time, take such steps and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Security Deed, any Security Supplemental Deed in respect of the Notes and DCIs or any of the other Transaction Documents.

The Security Trustee may, at its discretion and without notice, at any time after the Security allocated to the Series Security Assets for a Series has become enforceable (see 12.3.1 *Segregated enforcement of Security relating to, and realisation of, Series Security Assets*), take such proceedings or steps (including, without limitation, the service of a Series Security Assets Protection Notice or a Series Security Assets Realisation Notice) as it may think fit to enforce such Security. The Security Trustee shall not be bound to take any such proceedings or steps (including, without limitation, the service of a Series Security Assets Protection Notice or a Series Security Assets Realisation Notice) in respect of such Series Security Assets relating to one Series only unless:

- (while any Notes or DCIs are outstanding in relation to that Series) it is required to do so in accordance with Base Condition 11.1 *Enforcement proceedings* (subject to the restrictions contained in the Security Deed and the relevant Security Supplemental Deed to protect the interests of specified Classes of Noteholders) or (in any other case) it has been so directed by a Series Reference Creditor Resolution relating to such Series; and
- the Security Trustee shall have been indemnified and/or prefunded and/or secured to its satisfaction.

The Security Trustee may, at its discretion and without notice, at any time after the Security allocated to the Security Assets has become enforceable (see 12.3.2 *Enforcement of Security relating to and realisation of all Security Assets*), take such proceedings or steps (including, without limitation, the service of a Security Assets Protection Notice or a Security Assets Realisation Notice) as it may think fit to enforce such Security. The Security Trustee shall not be bound to take any such proceedings or steps (including, without limitation, the service of a Security Assets Protection Notice or a Security Assets Realisation Notice) unless:

- (while any Notes or DCIs are outstanding in relation to that Series) it is required to do so in accordance with Base Condition 11.1 *Enforcement proceedings* (subject to the restrictions contained in the Security Deed and the relevant Security Supplemental Deed to protect the interests of specified Classes of Noteholders) or (in any other case) it has been so directed by a Series Reference Creditor Resolution relating to such Series; and
- the Security Trustee shall have been indemnified and/or prefunded and/or secured to its satisfaction.

12.3.4 Security Blocking Administrative Receiver

If, at any time when there is more than one Series outstanding, the Security Trustee has actual notice of:

- the presentation of an application or a petition to a court of competent jurisdiction for an administration order in respect of the Issuer; or
- a notice of an intention to appoint an administrator in respect of the Issuer,

then unless:

- no such appointment of an administrator in respect of the Issuer will occur following the relevant application, petition or notice; or
- the Security Trustee has received legal advice that it has no right to appoint an administrative receiver as indicated below or to appoint an administrative receiver as indicated below would not have the effect of blocking such an appointment of an administrator, or
- the Security Trustee has received instructions not to do so by a Series Reference Creditor Resolution made by the Series Reference Creditors of all Series,

the Security Trustee will be obliged (when entitled to do so) to take all steps reasonably necessary to appoint an administrative receiver (a **Security Blocking Administrative Receiver**) in respect of all of the Issuer's property assets and revenues in accordance with the Security Deed (such appointment to take effect on the final day by which it must take effect in order to prevent an appointment of an administrator) and, in the case of any application to the court or petition to the court for the appointment of an administrator in respect of the Issuer, to attend the hearing, or instruct the Security Blocking Administrative Receiver to attend the hearing, of the application or petition and take such steps as are necessary to block the appointment of an administrator in respect of the Issuer.

The Security Trustee is not liable for any failure to appoint an administrative receiver in respect of the Issuer, save in the case of its own gross negligence, wilful default or fraud and, for the avoidance of doubt:

- the Security Trustee does not have any obligation to indemnify any administrative receiver appointed by it as described above except to the extent of (and from) the cash and assets comprising the Security Assets held by the Security Trustee at such time; and
- the Security Trustee shall have no liability if, having used its reasonable endeavours, it is unable to find a person who is willing to be appointed as an administrative receiver on the terms as to indemnification referred to above.

Except as indicated in this section 12.3.4, the Security Trustee shall not be bound to take any such steps in respect of the appointment of an administrative receiver or the blocking of the appointment of an administrator in respect of the Issuer.

Any such appointment of a Security Blocking Administrative Receiver by the Security Trustee shall not by or of itself constitute a Note Event of Default in relation to any Series or an Insolvency Supervening Event and shall not, by or of itself, entitle or require the Security Trustee to give a Security Assets Protection Notice, a Security Assets Realisation Notice, a Series Security Assets Protection Notice or a Series Security Assets Realisation Notice.

12.3.5 **Ability to appoint administrative receiver and enforcement under a floating charge**

Certain provisions of **Creditor Rights Legislation** (comprising the Enterprise Act 2002, the Insolvency Act 2000, the CIGA and the subordinate legislation made pursuant to those Acts) will apply to aspects of the Security Deed and the Security. In particular:

- if and when the applicable conditions in the Security Deed which entitle the Security Trustee to appoint an administrative receiver are satisfied, the Creditor Rights Legislation will allow the Security Trustee to make such an appointment if (as the Issuer expects it will) such an appointment falls within the exception set out under Section 72B of the Insolvency Act 1986 (First Exception: Capital Market);
- the Creditor Rights Legislation requires that up to £800,000 of enforcement realisations under the floating charge comprised in the Security in respect of net property (being the amount of the Issuer's property which could be available for satisfaction of debts due to the holder(s) of any debenture secured by such floating charge) shall be made available for the satisfaction of the Issuer's unsecured debts (if any) in priority to the liabilities secured by such floating charge;
- the Issuer is exempt from the provisions of the Creditor Rights Legislation which enable directors of a 'small' company to obtain a moratorium for the company where those directors propose a company voluntary arrangement; and
- certain provisions of the CIGA provide for, in certain circumstances, a moratorium on certain actions taken against eligible companies, a prohibition on termination of certain contracts triggered by certain insolvency related events and a new compromise procedure allowing for a 75% majority of creditor or members in each class to bind others in the same class (including secured creditors) (see 4.3.4 *Corporate Insolvency and Governance Act 2020*).

The Creditor Rights Legislation is mirrored in Northern Ireland by the Insolvency (Northern Ireland) Order 2005 and the Insolvency (Northern Ireland) Order 2002 which amend the corporate insolvency provisions contained in the Insolvency (Northern Ireland) Order 1986.

12.3.6 **Reporting to Series Rating Agencies**

The Security Intercreditor Deed contains provisions requiring the Issuer to notify the Series Rating Agencies upon becoming aware of certain events and upon the Security Trustee taking certain action under the Security Deed or other Transaction Documents.

12.4 **Restrictions on rights of Security Creditors**

12.4.1 **Application of standard provision**

The terms of the Security Intercreditor Deed shall apply to each Noteholder, each DCI Holder and each other Series Security Creditor (see Base Condition 2.1 *Constitution*). Each Transaction Document to which a Security Creditor is a party incorporates by reference the Standard Security Creditor Provision set out in the Securitisation Framework Terms (the **Standard Security Creditor Provision**) which indicates that such Security Creditor's rights under the Transaction Document are subject to the covenants of such Security Creditor under the Security Intercreditor Deed and, in the event of a conflict, the terms of the Security Intercreditor Deed shall prevail (and also indicates an equivalent position as regards such Security Creditor's

rights under the Transaction Document against LWCI being subject to the covenants of such Security Creditor under LWCI's security intercreditor deed). Certain aspects of the Security Intercreditor Deed are described in the Disclosure Documents.

12.4.2 **No cross default**

There is no cross default between Series and the occurrence of a Note Event of Default or Series Note Acceleration Date under one Series will not of itself constitute a Note Event of Default or Series Note Acceleration Date under any other Series (see Base Condition 10.3 *No cross default between Series*), and does not of itself cause a Series Acceleration Date to occur in respect of the Series Security Assets relating to another Series.

12.4.3 **Overriding effect of Programme enforcement scheme**

The Security Intercreditor Deed also provides, among other things, that only the Security Trustee may pursue the remedies available under the Security Deed and the Note Conditions to enforce the rights of the Noteholders and other Security Creditors of a Series and that none of the Security Creditors (other than the Security Trustee) shall be entitled to proceed directly against the Issuer or any assets of the Issuer. In particular, without limitation, none of the Series Note Trustee, Noteholders, DCI Holders or other Series Security Creditors for such Series shall be entitled to petition or take any other step for the winding-up of the Issuer in relation to such sums or otherwise, nor shall any of them have any claim in respect of any such sums or on any other account whatsoever over or in respect of any Series Security Assets of the Issuer relating to any other Series. See further 11.10.1 *Segregated priorities, enforcement and realisation scheme* and Base Condition 12.1 *No action by Noteholders or DCI Holders*.

12.4.4 **Preservation of security trust and intercreditor arrangements**

Where one or more Series Security Creditors in respect of a Series:

- takes any action directly or indirectly against the Issuer and/or any Security Asset contrary to such Series Security Creditor's covenants under the Security Intercreditor Deed; or
- claims not to be bound by the terms of the Security Intercreditor Deed (regardless of whether such claim is valid or not),

then, upon being instructed in writing to do so by a Series Reference Creditor Resolution made by the Series Reference Creditors of all Series (other than each Series Reference Creditor of a Series in respect of which a Series Security Assets Realisation Notice has been given) the Issuer is obliged to use its reasonable endeavours to transfer the Security Assets and Security Liabilities in relation to each Series (each a **Transfer Series**) in respect of which a Series Security Assets Realisation Notice has not been given:

- to any person other than the Issuer (being a different and separate person for each such Transfer Series and each such person being a **Transfer New Issuer**);
- on such terms that each Transfer Series is the first and only Series under a note issuance programme established by such Transfer New Issuer on the same terms as the Programme and the same terms as are applicable to the Transfer Series and all Transaction Documents relating to the Transfer Series (each such transaction being a **Transfer Transaction**); and
- in consideration for the Transfer New Issuer assuming liabilities to the relevant Series Security Creditors in place of and releasing the relevant corresponding Series Security Liabilities owing by the Issuer to such Series Security Creditors,

provided that the Issuer shall not be so obliged unless, in relation to a Transfer Series, if the Notes of such Transfer Series are at the relevant time rated by any Series Rating Agency, a Rating Certificate is provided in relation to each such Series Rating Agency regarding the ratings of the Notes of the Transfer New Issuer (if any) which are to replace the Notes in the relevant Transfer Series will be, upon completion of the relevant Transfer Transaction, not be lower than the ratings, immediately prior to such completion, of the Notes in the Transfer Series which have been so replaced.

Pursuant to the Security Intercreditor Deed, in relation to each Transfer Transaction, each Security Creditor:

- agrees to enter into documents and arrangements as may be required to effect such Transfer Transaction in each case in consideration for the Transfer New Issuer assuming liabilities to the relevant Series Security Creditors in place of and releasing the relevant corresponding Series Priority of Payments Liabilities owing by the Issuer to such Series Security Creditors; and
- irrevocably authorises the Security Trustee or any receiver (to the extent that any such authorisation is required) to enter into such documents and arrangements.

12.4.5 **Series Post Realisation Date**

Following the Security relating to the Series Security Assets for a Series having become enforceable and/or the Series Security Assets for a Series having been disposed of in accordance with the Transaction Documents, the Security Trustee shall determine (in its absolute discretion) the date (being the **Series Post Realisation Date** in relation to the relevant Series) upon which:

- either such Security relating to the Series Security Assets has been fully realised and/or such Series Security Assets have been fully disposed of in accordance with the Transaction Documents or any further realisation and/or disposal is either not (in its absolute discretion) reasonably practicable and/or would not (in its absolute discretion) generate any further material benefit for the relevant Series Security Creditors (taking into account any estimated costs of any further enforcement or realisation); and
- the net proceeds of such realisation and/or disposal have been distributed in accordance with the Series Payments Rules for that Series;

and upon making such determination shall give notice to that effect to the Issuer and the Series Security Creditors in relation to that Series.

Upon the occurrence of a Series Post Realisation Date in relation to a Series:

- all amounts (if any) standing to the credit of all Series Accounts (if any) in relation to that Series shall be transferred to the General Account and all such Series Accounts shall be closed on or as soon as practicable after such Series Post Realisation Date;
- all remaining or future Series Security Assets (if any) in relation to that Series shall from (and excluding) such Series Post Realisation Date cease to be Series Security Assets in respect of such Series and instead shall be General Security Assets; and
- the Security Trustee, each Noteholder, each DCI Holder and each other Series Security Creditor in relation to that Series shall cease to have any right or claim against the Issuer in respect of any amounts, obligations and liabilities due, owing, incurred or payable by the Issuer (whether actual or contingent, present or future, contractual or non-contractual) in relation to the Series and all of such amounts, obligations and liabilities shall be treated as discharged and extinguished and cease to exist in full (see Base Condition 12.2 *Limited recourse*);
- the Security Trustee and each other Series Security Creditor in relation to that Series shall not take and shall not be entitled to take any further action or steps against the Issuer or any of its assets to recover any sum still unpaid or enforce any liability outstanding in respect of the Security Liabilities in respect of that Series including, without limitation, any sum or liability in respect of which an amount would or could, if relevant funds had been available, have been or become payable to any person under the Series Payments Rules relating to such Series (save for the Security Trustee taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer).

12.5 **Interests of Security Creditors**

12.5.1 **Decision making and interests of different Security Creditors**

In relation to the Security in respect of the Series Security Assets relating to a Series, the Security Intercreditor Deed contains provisions requiring the Security Trustee to have regard to the interests of the Series Security Creditors relating to that Series as regards the exercise and performance of all powers, trusts, authorities, duties and discretions of the Security Trustee under this Deed or any other documents the rights or benefits in which are included in the relevant Security (except where expressly provided otherwise), but, notwithstanding the foregoing:

- the Security Trustee shall have regard, in relation to the Security in respect of the Series Security Assets allocated to one Series only, to the interests of each then Series Reference Creditor in respect of the relevant Series if, in the Security Trustee's opinion, there is a conflict between the interests of any such Series Reference Creditor and the interests of any other Series Security Creditor in respect of that Series;
- where, in the Security Trustee's opinion, there is a conflict between the interests of the Series Reference Creditors of two or more different Series, the Security Trustee shall be entitled to act on, or refrain from acting until, directions are given to it pursuant to a Series Reference Creditor Resolution passed by the Series Reference Creditors of all such different Series;
- to have regard in relation to the Security in respect of the General Security Assets only to the interests of each then General Security Creditor unless, in the Security Trustee's opinion, there is a conflict

between the interests of any such General Security Creditor and the interests of one or more Series Reference Creditor in respect of Series then outstanding in which case the Security Trustee shall have regard only to the interests of each such Series Reference Creditor and shall be entitled to act on, or refrain from acting until, directions are given to it pursuant to:

- (where the relevant Series Reference Creditors are in respect of two or more different Series) a Series Reference Creditor Resolution passed by such Series Reference Creditors; or
- (in any other case) a Relevant Security Creditor Resolution passed by the relevant Series Reference Creditor(s); and
- where there is no Series outstanding or, in the Security Trustee's opinion, there is no conflict between the interests of any such General Security Creditors and the interests of one or more Series Reference Creditors in respect of Series then outstanding, but, in the Security Trustee's opinion, there is a conflict between the interests of two or more General Security Creditors, the Security Trustee shall be entitled to act on, or refrain from acting until, directions are given to it pursuant to a Relevant Security Creditor Resolution passed by the General Security Creditors.

Due to the segregated structure of the Programme, the Issuer does not foresee any circumstances in which a conflict could arise between Series as referred to above. The provisions set out in this section 12.5 *Interests of Security Creditors* relating to such circumstances have been included only for completeness to provide a decision making structure should any such need arise through, for example, change of law during the life of Notes or, as applicable, DCIs issued under the Programme.

12.5.2 **Series Reference Creditor Resolutions**

The Security Intercreditor Deed contains provisions for the making of Series Reference Creditor Resolutions. A Series Reference Creditor Resolution in relation to a Series Reference Creditor Matter shall be binding on all Security Creditors of the Series Reference Creditor Series relating to that Series Reference Creditor Matter whether or not they have signed and/or approved such Series Reference Creditor Resolution. Also, where, in accordance with the Security Intercreditor Deed, powers are exercised by the Series Reference Creditors of two or more Series, such exercise will be binding on other Security Creditors in each such Series irrespective of the effect on the interests of such other Security Creditors in each such Series. However, a Series Reference Creditor Resolution does not entitle the Issuer, the Security Trustee, a Series Note Trustee and/or any other Security Creditor to override, modify and/or breach a covenant made to, or agreement made with, any party under the Transaction Documents except where such party agrees and/or such covenant expressly indicates that a Series Reference Creditor Resolution can entitle such override, modification and/or breach.

Where the Series Reference Creditor in respect of a Series comprises one or more Classes of Noteholders or, as applicable, one or more Classes of DCI Holders, the Series Note Trustee of such Series shall sign a Series Reference Creditor Resolution on behalf of the relevant Series Reference Creditor if instructed to do so by the relevant Noteholders, or as applicable, DCI Holders, in each case, in accordance with the relevant Series Note Trust Deed, Note Conditions and DCI Conditions, as applicable. No Series Note Trustee shall be liable for any delay or failure to take any such action as a result of seeking instructions and/or directions from the relevant Noteholders or, as applicable, DCI Holders (including, without limitation, by means of a Noteholder Resolution or, as applicable, DCI Holder Resolution).

For the avoidance of doubt, any matter affecting the interests of the Series Reference Creditor in respect of one Series only (and not any other Series) shall be dealt with according to:

- the Note Conditions where that Series Reference Creditor comprises one or more Noteholders (whether or not in the same Class);
- the DCI Conditions where that Series Reference Creditor comprises one or more DCI Holders (whether or not in the same Class); or
- (in any other case) the provisions applicable to Relevant Security Creditors and Relevant Security Creditor Resolutions.

Series Reference Creditor Matter means any matter affecting the interests of Series Reference Creditors in respect of two or more Series.

Series Reference Creditor Rated Series means in relation to any Series Reference Creditor Matter, each Series Reference Creditor Series in respect of that Series Reference Creditor Matter which comprises Notes then rated by a Series Rating Agency.

Series Reference Creditor Resolution means a resolution in relation to a Series Reference Creditor Matter made or, as applicable, approved by in writing by one or more of the relevant Series Reference Creditors, equalling or exceeding the applicable Series Reference Creditor Resolution Threshold, signing (or a person signing on behalf of the relevant Series Reference Creditor) at least one document or counterpart document setting out the resolution.

Series Reference Creditor Resolution Threshold means in relation to a Series Reference Creditor Matter:

- (a) (if, in relation to that Series Reference Creditor Matter, there is more than one Series Reference Creditor Rated Series) the Series Reference Creditors in respect of two or more of those Series Reference Creditor Rated Series representing in aggregate over 50% of the aggregate GBP Equivalent Note Principal Amount Outstanding of all the Notes of each Series Reference Creditor Rated Series in respect of that Series Reference Creditor Matter;
- (b) (if, in relation to that Series Reference Creditor Matter, there is only one Series Reference Creditor Rated Series) the Series Reference Creditor in respect of that Series Reference Creditor Rated Series; or
- (c) (if, in relation to that Series Reference Creditor Matter, there is no Series Reference Creditor Rated Series) the Series Reference Creditors in respect of two Series Reference Creditor Series in respect of that Series Reference Creditor Matter representing in aggregate over 50% of the aggregate GBP Equivalent amount then outstanding to Series Security Creditors of each Series Reference Creditor Series in respect of that Series Reference Creditor Matter,

and, for the avoidance of doubt, in respect of the Series Hedge Provider, the GBP Equivalent amount then outstanding to the Series Hedge Provider is:

- (1) in relation to any transaction arising under the Series Hedge Agreement in respect of which an Early Termination Date (as such term is defined in the relevant Series Hedge Agreement) has been designated, the amount (if any) outstanding to the Series Hedge Provider following such termination as calculated in accordance with the terms of the Series Hedge Agreement, and/or
- (2) otherwise, the GBP Equivalent amount (if any) that would be or is payable to the Series Hedge Provider if an Early Termination Date were designated (assuming the Series Hedge Provider is the Non-Defaulting Party and not an Affected Party (each such term as defined in the Series Hedge Agreement)) at 3pm on such date in respect of the transaction or transactions arising under the Series Hedge Agreement pursuant to the ISDA Master Agreement governing such transaction or transactions.

Series Reference Creditor Series means in relation to any Series Reference Creditor Matter, each Series whose Series Reference Creditor is affected by that Series Reference Creditor Matter.

12.5.3 Relevant Security Creditor Resolutions

The Security Intercreditor Deed contains provisions for the making of Relevant Security Creditor Resolutions. A Relevant Security Creditor Resolution in relation to a Relevant Security Creditor Matter shall be binding on all Security Creditors affected that Relevant Security Creditor Matter whether or not they have signed and/or approved such Relevant Security Creditor Resolution. However, a Relevant Security Creditor Resolution does not entitle the Issuer, the Security Trustee, a Series Note Trustee and/or any other Security Creditor to override, modify and/or breach a covenant made to, or agreement made with, any party under the Transaction Documents except where such party agrees and/or such covenant expressly indicates that a Relevant Security Creditor Resolution can entitle such override, modification and/or breach.

Where a Relevant Security Creditor comprises one or more Classes of Noteholders or, as applicable, one or more Classes of DCI Holders, the Series Note Trustee of such Series shall sign a Relevant Security Creditor Resolution on behalf of the Relevant Security Creditor if instructed to do so by the relevant Noteholders, or as applicable, DCI Holders, in each case, in accordance with the relevant Series Note Trust Deed, Note Conditions and DCI Conditions, as applicable. No Series Note Trustee shall be liable for any delay or failure to take any such action as a result of seeking instructions and/or directions from the relevant Noteholders or, as applicable, DCI Holders (including, without limitation, by means of a Noteholder Resolution or, as applicable, DCI Holder Resolution).

For the avoidance of doubt, any matter affecting the interests of one or more Relevant Security Creditors in respect of one Series only (and not any other Series) shall be dealt with according to:

- the Note Conditions where any such Relevant Security Creditor comprises one or more Noteholders (whether or not in the same Class);

- the DCI Conditions where any such Relevant Security Creditor comprises one or more DCI Holders (whether or not in the same Class); or
- (in any other case) the provisions applicable to Relevant Security Creditors and Relevant Security Creditor Resolutions.

The Security Intercreditor Deed contains provisions limiting the powers of the Security Creditors, among other things, to request or direct the Security Trustee to take any action or to pass an effective Relevant Security Creditor Resolution, according to the effect of such action and/or Relevant Security Creditor Resolution on the interests of each Series Reference Creditor. In particular, a Relevant Security Creditor Resolution of Security Creditors shall not be effective unless, among other things, the Security Trustee is of the sole opinion that it will not be materially prejudicial to the interests of any Series Reference Creditor or it is sanctioned by a Series Reference Creditor Resolution of the relevant Series Reference Creditor Series.

The Security Intercreditor Deed imposes no such limitations on the powers of the Series Reference Creditor in respect of one Series in relation to other Security Creditors in that same Series, in which case the exercise of such powers by such Series Reference Creditor will be binding on other Security Creditors of that Series irrespective of the effect on the interests of such other Security Creditors of that same Series.

Noteholder Matter means any matter affecting the interests of one or more Noteholders of a Series.

DCI Holder Matter means any matter affecting the interests of one or more DCI Holders of a Series.

Relevant Security Creditor means in relation to a Relevant Security Creditor Matter each Security Creditor whose interests are affected by that Relevant Security Creditor Matter.

Relevant Security Creditor Matter means any matter (other than a Noteholder Matter, a DCI Holder Matter or a Series Reference Creditor Matter) affecting the interests of all Security Creditors, a particular group or category of Security Creditors or one Security Creditor.

Relevant Security Creditor Resolution means a resolution in relation to a Relevant Security Creditor Matter made or, as applicable, approved by in writing by one or more of the Relevant Security Creditors, equalling or exceeding the applicable Relevant Security Creditor Resolution Threshold, signing (or a person signing on behalf of the Relevant Security Creditor) at least one document or counterpart document setting out the resolution.

Relevant Security Creditor Resolution Threshold means in relation to a Relevant Security Creditor Matter:

- (a) (if, in relation to that Relevant Security Creditor Matter, there is more than one Relevant Security Creditor) two or more of the Relevant Security Creditors relating to the Relevant Security Creditor Matter holding or representing in aggregate not less than 5% of the aggregate GBP Equivalent amount then outstanding to the Relevant Security Creditors (in respect of a Series Hedge Provider and each Series Hedge Agreement entered into by it, the GBP Equivalent amount then outstanding to such Series Hedge Provider is:
 - (1) in relation to all transactions arising under the relevant Series Hedge Agreement (entered into between the Issuer and such Series Hedge Provider) in respect of which an Early Termination Date (as such term is defined in the relevant Series Hedge Agreement) has been designated, the net amount (if any) outstanding to the Series Hedge Provider following such termination as calculated in accordance with the terms of the Series Hedge Agreement; or
 - (2) otherwise, the GBP Equivalent amount (if any) that would be payable to such Series Hedge Provider if an Early Termination Date were designated (assuming the Series Hedge Provider is the Non-Defaulting Party and not an Affected Party (each such term as defined in the Series Hedge Agreement)) as the date of determination of the Relevant Security Creditor Resolution Threshold in respect of the transaction or transactions arising under such Series Hedge Agreement); or
- (b) (if, in relation to that Relevant Security Creditor Matter, there is only one Relevant Security Creditor) that Relevant Security Creditor.

12.6 Release and disposal of Security Assets

12.6.1 Disposal Transactions

The Security Deed contains provisions for the release from the Security of the relevant Series Security Assets (or part thereof) which correspond to the Series of Notes (or part thereof) in connection with, among other things, transactions involving the disposal of all or any part of the Series Security Assets relating to a Series (each being a **Disposal Transaction**) entered from time to time:

- to allow a redemption of Notes by the Issuer pursuant to Base Condition 6.3 *Optional redemption for taxation and other reasons* and Base Condition 6.4 *Full redemption at the option of the Issuer* in each case subject to and in accordance with the applicable terms of those Base Conditions;
- where the cash proceeds of the relevant transaction, to be received on the same date as any disposal of all or part of such Series Security Assets, will be sufficient, when applied in accordance with the applicable Series Security Payments Rules on the relevant Series Security Payments Date, to fully repay and discharge all amounts owing (whether or not then due) in respect of all Notes outstanding in respect of that Series;
- (if permitted) following the purchase of Notes by the Issuer pursuant to Base Condition 6.7 *Purchase of Notes by the Issuer*;
- as part of an enforcement and/or realisation of the Security by the Security Trustee in respect of such Series Security Assets;
- as part of a Transfer Transaction; or
- in any other case with the prior written approval of the Series Reference Creditor relating to that Series and, if any Notes in the relevant Series rated by a Series Rating Agency will remain outstanding following the relevant Disposal Transaction, a Rating Certificate is provided in relation to each Series Rating Agency regarding such Disposal Transaction and those Notes;

provided that, in certain of such circumstances, if any Series Hedge Agreement is outstanding at the relevant time in respect of the relevant Series, the Issuer has consulted with the relevant Series Hedge Provider(s) prior to such disposal to assess the anticipated payments, if any, required to be made by the Issuer under such Series Hedge Agreement(s) in connection with such disposal and in the reasonable opinion of the Issuer the proceeds of such disposal will be sufficient to meet such payment obligations (if any).

12.6.2 Features of Disposal Transactions

Each Disposal Transaction shall be on such terms as the Issuer and the Security Trustee may agree and may include one or more of the following:

- the Security Trustee releasing from the Security all or part of the Series Security Assets to which such Disposal Transaction relates (the **Disposal Assets**);
- the Issuer entering into and delivering one or more agreements setting out the terms of the Disposal Transaction and effecting the relevant disposal of all or part of the relevant Series Security Assets to which such Disposal Transaction relates;
- the Issuer entering into and delivering (whether at the relevant initial completion of the relevant Disposal Transaction or at any future time) one or more documents and taking steps from time to time to complete and/or perfect the transfer of title of the Disposal Assets; and/or
- the Issuer taking any steps and entering into and delivering any other documents as are appropriate in connection with the relevant Disposal Transaction.

12.7 Limited role and liability of Security Trustee

12.7.1 Exclusion of liability and limitations on duties

Among other things, the Security Deed and Security Intercreditor Deed provide that:

- the Security Trustee will not be responsible for supervising the performance by the Issuer or any other party to the Transaction Documents of their respective obligations under the Transaction Documents and the Security Trustee will be entitled to assume, until it has written notice to the contrary, that all such persons are properly performing their duties;
- the Security Trustee will not be responsible for considering the basis on which approvals or consents are granted by the Issuer or any other party to the Transaction Documents under the Transaction Documents;
- the Security Trustee shall not be bound or concerned to make any investigation into the Security Assets or the validity or enforceability of the relevant Security or Security Assets (including, without limitation, the creditworthiness of any obligor in respect of residential mortgage loans in any Series Portfolio or whether the cashflows from any Series Portfolio and the relevant Notes and DCIs in the Series are matched);

- the Security Trustee will not be liable to any Noteholder, any DCI Holder or other Security Creditor for any failure to make or to cause to be made on its behalf the searches, investigations and enquiries which would normally be made by a reasonable prudent security holder in relation to the Security Assets and has no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Transaction Documents;
- the Security Trustee is under no obligation to maintain any insurance in respect of any part of the Security or Security Assets, whether against loss of such security by theft or fire, in respect of fraud or forgery or against any other risk whatsoever;
- the Security Trustee shall be entitled to rely (without investigation or further enquiry) upon instructions or directions given to it by each Series Note Trustee as being given on behalf of the Class or Classes of Noteholders and/or DCI Holders specified in such instructions or directions and the Security Trustee shall not be bound in any such case to inquire as to the compliance with the applicable Series Note Trust Deed or be responsible for any loss, liabilities, costs, damages, expenses or inconvenience that may be caused by failing to do so;
- the Security Trustee is exempted from any liability in respect of any loss, diminution in value or theft of all or any part of the Security Assets, from any obligation to insure all or any part of the Security Assets (including, in either such case, any documents evidencing, constituting or representing the same or transferring any rights, benefits and/or obligations thereunder) (or any such document aforesaid);
- any action taken by the Security Trustee under the Security Deed or any Transaction Documents binds all of the Security Creditors;
- each Security Creditor shall be solely responsible for making its own independent appraisal of, and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Security Trustee shall not at any time have any responsibility for making any such appraisal or investigation and each Security Creditor must make its own determination of whether or not to request the Security Trustee to take a particular course of action; and
- the Security Trustee shall not be obliged to act in any manner which it has reasonable grounds for believing in good faith to be contrary to law or expose it to any risk of prosecution or other sanction of any kind in any jurisdiction or the withdrawal of, or imposition of any conditions on, any licence, consent or other authorisation issued to the Security Trustee by any governmental or regulatory authority in any jurisdiction.

12.7.2 Indemnification of the Security Trustee

The Security Deed and Security Intercreditor Deed contain provisions for indemnification of the Security Trustee and for its relief from responsibility for the validity, sufficiency and enforceability (which the Security Trustee has not investigated) of the Security or the Security Assets, including provisions relieving it from taking proceedings to enforce repayment or from taking any action in accordance with the Security Deed and Security Intercreditor Deed without being first indemnified and/or prefunded and/or secured to its satisfaction, except in certain circumstances (see 12.3 *Enforcement and realisation of Security*).

12.7.3 Other dealings

Each of the Security Trustee and its subsidiaries or associated companies is entitled to enter into business transactions with the Issuer, any issuer or guarantor of or other obligor in respect of the assets, rights and/or benefits comprising the Security Assets, or any of their respective subsidiaries or associated companies without accounting to any Noteholder or other Security Creditor for any profit resulting therefrom.

12.8 Modifications by Security Trustee

Base Condition 15 *Modifications, authorisations, waivers and substitution* as applicable to a Series is incorporated into and applies to the Security Intercreditor Deed and sets out circumstances in which the Security Trustee may or, in relation to a Compliance Modification, shall, without any consent or sanction of the Noteholders, the DCI Holders or any of the other Series Security Creditors of that Series, agree to or make a modification in respect of the Base Conditions or, in so far as applicable to that Series, any other Transaction Document to which the Security Trustee is a party or in relation to which the Security Trustee holds Security. Unless the Security Trustee agrees otherwise or such Base Condition 15 indicates otherwise, each such modification shall be binding on all Noteholders, DCI Holders and each other Security Creditor.

13. Certain regulatory aspects of securitisation

13.1 EU Securitisation Regulation

On 1 January 2019, Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 (the **EU Securitisation Regulation**) and the associated Regulation (EU) 2017/2401 (together the **EU Securitisation Laws**) began to apply to any securitisations issued from that date, subject to various transitional provisions.

The EU Securitisation Laws implement the revised securitisation framework developed by the Basel Committee, as well as revised risk retention and transparency requirements (now imposed variously on the issuer, originator, sponsor and/or original lender which are subject to EU Securitisation Laws in respect of a securitisation) and due diligence requirements imposed on EU Affected Investors in a securitisation.

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

Certain EU Securitisation Regulation requirements may, in due course, be satisfied by compliance with an EU Equivalent Requirement. **EU Equivalent Requirement** means at any time in relation to any requirement at that time under the EU Securitisation Regulation, the Programme Servicer is able to certify, and has certified, to the Issuer and the Series Note Trustee that a competent EU authority has confirmed that such requirement will be satisfied by compliance with a corresponding requirement under the domestic law of the United Kingdom due to the application of an equivalency regime or similar analogous concept.

For more information as to the risks specific to the Issuer and/or holding of the Notes and/or DCIs in relation to a Series arising from the EU Securitisation Regulation please see 4.6.3 *The EU Securitisation Regulation*.

13.2 UK Securitisation Regulation

The EU Securitisation Regulation as it forms part of domestic law in the United Kingdom by virtue of the EUWA (the **UK Securitisation Regulation**) comprises, as at the date of this Programme Prospectus, substantively very similar provisions to the EU Securitisation Regulation, save for EU-specific references having been deleted and/or replaced with UK-specific references pursuant to various UK statutory instruments including, notably, references to EU Affected Investors having been replaced, in the UK Securitisation Regulation, with references to UK Affected Investors.

Like the EU Securitisation Regulation, among other things, the UK Securitisation Regulation includes risk retention and transparency requirements (imposed variously on the issuer, originator, sponsor and/or original lender of a securitisation) and due diligence requirements which are imposed, under the UK Securitisation Regulation on UK Affected Investors in a securitisation.

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

For more information as to the risks specific to the Issuer and/or holding of the Notes and/or DCIs in relation to a Series arising from the UK Securitisation Regulation and the FSMA 2023 please see 4.6.2 *The UK Securitisation Regulation*.

13.3 UK and EU risk retention requirements

13.3.1 UK Retention Requirement

In relation to each Series, the relevant Series Prospectus will indicate the arrangements for compliance with the risk retention requirements set out in Article 6 of the UK Securitisation Regulation (the **UK Retention Requirement** including the relevant regulatory and implementing technical standards) and other related requirements of the UK Securitisation Regulation in relation to that Series or will indicate that there are no such arrangements in relation to that Series.

13.3.2 EU Retention Requirement

In relation to each Series, the relevant Series Prospectus will indicate the arrangements for compliance with the risk retention requirements set out in Article 6 of the EU Securitisation Regulation or, as applicable, EU Equivalent Requirements (such requirements or, as applicable, EU Equivalent Requirements being the **EU Retention Requirement** including the relevant regulatory and implementing technical standards) and other related requirements of the EU Securitisation Regulation or, as applicable, EU Equivalent Requirements in relation to that Series or will indicate that there are no such arrangements in relation to that Series.

13.3.3 Investor responsibility regarding retention requirements

Each prospective investor is required independently to assess and determine the sufficiency of the information in the Disclosure Documents generally for the purposes of complying with the UK Retention Requirement and EU Retention Requirement, in each case as applicable, and none of the Issuer, the Series Note Trustee or any other Transaction Party makes any representation that the information in the Disclosure Documents is sufficient in all circumstances for such purposes.

In addition, each prospective Noteholder or DCI Holder should ensure that they comply with the implementing provisions in respect of the UK Retention Requirement and EU Retention Requirement in their relevant jurisdiction. Investors, who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

For more information as to the risks specific to the Issuer and/or holding of the Notes and/or DCIs in relation to a Series arising from the UK Retention Requirement please see 4.6.2 *The UK Securitisation Regulation* or arising from the EU Retention Requirement please see 4.6.3 *The EU Securitisation Regulation*.

13.4 UK and EU transparency and reporting requirements

13.4.1 UK Transparency and Reporting Requirements

Unless indicated otherwise in the relevant Series Prospectus, with regard to the transparency requirements set out in Article 7 of the UK Securitisation Regulation (the **UK Transparency and Reporting Requirements** including the relevant regulatory and implementing technical standards, including the standardised templates adopted by the FCA which set out the form in which the relevant reporting entity is required to comply with certain of the periodic reporting requirements):

- the Issuer will comply with such UK Transparency and Reporting Requirements and will make use of those templates in relation to that Series;
- whilst the Issuer (as an 'SSPE' for the purposes of the UK Securitisation Regulation) and any other entity which is designated as an 'originator' for the relevant Series for the purposes of the UK Securitisation Regulation remain responsible for the provision of the required Article 7 information to the relevant recipients designated thereunder, they will agree that the Issuer is the designated entity under Article 7(2) of the UK Securitisation Regulation to fulfil the information requirements of Article 7(1) of the UK Securitisation Regulation in relation to that Series; and
- the Issuer will delegate certain of its obligations under the Article 7 of the UK Securitisation Regulation in relation to that Series to the Programme Servicer under the Programme Services Agreement and will appoint the Series Cash Manager to assist with certain of its obligations under the Series Cash Management Agreement.

In connection with complying with the UK Transparency and Reporting Requirements in relation to that Series, the Issuer will procure that the Programme Servicer will:

(a) UK SR Investor Report

from the Series Closing Date of the relevant Series publish each quarter an investor report (prepared by the Series Cash Manager) in respect of each Interest Period relating to that Series (each a **UK SR Investor Report**), to the extent then required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation;

(b) UK SR Loan-by-Loan Report

from the Series Closing Date of the relevant Series publish each quarter a report (prepared by the Programme Servicer) containing certain loan-by-loan information in relation to the Mortgages in the relevant Series Portfolio in respect of each Interest Period relating to that Series (each a **UK SR Loan-by-Loan Report**), to the extent then required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation;

(c) UK SR Inside Information and Significant Event Report

publish at any required time, without delay, any report (prepared by the Issuer or Programme Servicer with the assistance of Series Cash Manager on the instructions of the Issuer) (each a **UK SR Inside Information and Significant Event Report**) as to:

- (1) any inside information relating to the Issuer which the Issuer determines it is obliged to make in relation to that Series in accordance with Article 17 of Regulation (EU) No. 596/2014 on market abuse as it forms part of domestic law in the United Kingdom by virtue of the EUWA to the extent then required by and in accordance with Article 7(1)(f) of the UK Securitisation Regulation and will be disclosed to the public by the Issuer (or the Programme Servicer on its behalf); and/or
- (2) any significant event to the extent then required in relation to that Series by and in accordance with Article 7(1)(g) of the UK Securitisation Regulation;

(d) Prospectus and Transaction Documents

make available copies of the Disclosure Documents and the relevant Transaction Documents in relation to that Series pursuant to Article 7 of the UK Securitisation Regulation; and

(e) Pre-pricing information

make available any information required to be made available prior to pricing of the Notes in relation to that Series to potential investors in the Notes pursuant to Article 7 of the UK Securitisation Regulation,

in each case through the UK Information Repository in the manner prescribed as at the applicable time under the UK Securitisation Regulation, and those reports and documents will be available to the Noteholders, DCI Holders, relevant competent authorities and, upon request, to potential investors in the Notes or the DCIs through the UK Information Repository.

13.4.2 EU Transparency and Reporting Requirements

Where the relevant Series Prospectus indicates that specified parties to the relevant Series have agreed to contractually comply with the requirements of the EU Securitisation Regulation with regard to the transparency requirements set out in Article 7 of the EU Securitisation Regulation or, as applicable, EU Equivalent Requirements (such requirements or, as applicable, EU Equivalent Requirements being the **EU Transparency and Reporting Requirements** including the relevant regulatory and implementing technical standards, including the standardised templates to be used for certain of the periodic reporting requirements) then, but only to the extent and on the basis indicated in that Series Prospectus:

- the Issuer will covenant to comply with such EU Transparency and Reporting Requirements and will covenant to make use of those templates in relation to that Series;
- the Issuer and/or the relevant entity indicated in that Series Prospectus will covenant that the Issuer will fulfil the information requirements of Article 7(1) of the EU Securitisation Regulation or, as applicable, the EU Equivalent Requirement in relation to that Series as if the Issuer was the designated entity under Article 7(2) of the EU Securitisation Regulation or, as applicable, the EU Equivalent Requirement; and
- the Issuer will delegate certain of its obligations under its covenants relating to Article 7 of the EU Securitisation Regulation or, as applicable, the EU Equivalent Requirement in relation to that Series to the Programme Servicer under the Programme Services Agreement and will appoint the Series Cash Manager under the Series Cash Management Agreement to assist with compliance with certain aspects of those obligations.

In connection with complying with such covenants in relation to the EU Transparency and Reporting Requirements in relation to that Series, the Issuer will procure that the Programme Servicer will, but only to the extent and on the basis indicated in that Series Prospectus:

(a) EU SR Investor Report

from the Series Closing Date of the relevant Series publish each quarter an investor report (prepared by the Series Cash Manager) in respect of each Interest Period relating to that Series (each a **EU SR Investor Report**), to the extent then required by and in accordance with Article 7(1)(e) of the EU Securitisation Regulation or, as applicable, the EU Equivalent Requirement;

(b) EU SR Loan-by-Loan Report

from the Series Closing Date of the relevant Series publish each quarter a report (prepared by the Programme Servicer) containing certain loan-by-loan information in relation to the Mortgages in the

relevant Series Portfolio in respect of each Interest Period relating to that Series (each a **EU SR Loan-by-Loan Report**), to the extent then required by and in accordance with Article 7(1)(a) of the EU Securitisation Regulation or, as applicable, the EU Equivalent Requirement;

(c) **EU SR Inside Information and Significant Event Report**

publish at any required time, without delay, any report (prepared by the Issuer or Programme Servicer with the assistance of Series Cash Manager on the instructions of the Issuer) (each a **EU SR Inside Information and Significant Event Report**) as to:

- (1) any inside information relating to the Issuer which the Issuer determines it is obliged to make in relation to that Series in accordance with Article 17 of Regulation (EU) No. 596/2014 on market abuse to the extent then required by and in accordance with Article 7(1)(f) of the EU Securitisation Regulation or, as applicable, the EU Equivalent Requirement and will be disclosed to the public by the Issuer (or the Programme Servicer on its behalf); and/or
- (2) any significant event to the extent then required in relation to that Series by and in accordance with Article 7(1)(g) of the EU Securitisation Regulation or, as applicable, the EU Equivalent Requirement;

(d) **Prospectus and Transaction Documents**

make available copies of the Disclosure Documents and the relevant Transaction Documents in relation to that Series pursuant to Article 7 of the EU Securitisation Regulation or, as applicable, the EU Equivalent Requirement; and

(e) **Pre-pricing information**

make available any information required to be made available prior to pricing of the Notes in relation to that Series to potential investors in the Notes pursuant to Article 7 of the EU Securitisation Regulation or, as applicable, the EU Equivalent Requirement,

in each case through the EU Information Repository (if any) or, as applicable, the Transaction Information Website in the manner prescribed as at the applicable time under the EU Securitisation Regulation, and those reports and documents will be available to the Noteholders, DCI Holders, relevant competent authorities and, upon request, to potential investors in the Notes or the DCIs through the EU Information Repository (if any) or, as applicable, the Transaction Information Website.

13.4.3 Investor responsibility regarding transparency and reporting requirements

Each prospective investor is required independently to assess and determine the sufficiency of the information in the Disclosure Documents generally for the purposes of complying with the UK Transparency and Reporting Requirements and EU Transparency and Reporting Requirements, in each case as applicable, and none of the Issuer, the Series Note Trustee or any other Transaction Party makes any representation that the information in the Disclosure Documents is sufficient in all circumstances for such purposes.

In addition, each prospective Noteholder or DCI Holder should ensure that they comply with the implementing provisions in respect of the UK Transparency and Reporting Requirements and EU Transparency and Reporting Requirements in their relevant jurisdiction. Investors, who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

For more information as to the risks specific to the Issuer and/or holding of the Notes and/or DCIs in relation to a Series arising from the UK Transparency and Reporting Requirements please see 4.6.2 *The UK Securitisation Regulation* or arising from the EU Transparency and Reporting Requirements please see 4.6.3 *The EU Securitisation Regulation*.

13.5 UK and EU information repositories

13.5.1 UK Information Repository

UK Information Repository means at any time in relation to a Series, a securitisation repository registered in accordance with Article 10 of the UK Securitisation Regulation or (where there is no such securitisation repository) each website, which conforms to the requirements set out in Article 7(2) of the UK Securitisation Regulation and has at that time been most recently notified by the Programme Servicer to the Issuer, the Series Cash Manager, the Series Note Trustee, each Rating Agency the Noteholders and the DCI Holders relating to that Series as being used by the Issuer at that time for making available for inspection online and/or publishing certain information relating to the Issuer and that Series for the purposes of the UK Securitisation Regulation.

13.5.2 **EU Information Repository**

EU Information Repository means at any time in relation to a Series:

- the UK Information Repository relating to that Series at any time after the Programme Servicer is able to certify (and has certified) to the Issuer and the Series Note Trustee that a competent EU authority has confirmed that the UK Information Repository relating to that Series will be treated as satisfying the applicable requirements of the EU Securitisation Regulation; or
- (at any other time) a securitisation repository registered in accordance with Article 10 of the EU Securitisation Regulation or (where there is no such securitisation repository) each website, which conforms to the requirements set out in Article 7(2) of the EU Securitisation Regulation and has at that time been most recently notified by the Programme Servicer to the Issuer, the Series Cash Manager, the Series Note Trustee, each Rating Agency, the Noteholders and the DCI Holders as being used by the Issuer at that time relating to that Series for making available for inspection online and/or publishing certain information relating to the Issuer and that Series for the purposes of the EU Securitisation Regulation.

13.5.3 **Current UK Information Repository and EU Information Repository**

As at the date of this Programme Prospectus:

- the UK Information Repository selected for the purposes of each Series is the website of SecRep Limited (via its website at www.secrep.co.uk).
- no entity or website has been selected as the EU Information Repository for the purposes of any Series.

Each UK Information Repository and, if any, EU Information Repository and the contents available within the UK Information Repository and, if any, EU Information Repository do not form part of the Disclosure Documents and are not incorporated by reference into, and do not form part of the information provided for the purposes of, the Disclosure Documents and disclaimers may be posted with respect to the information available within them. Registration may be required for access to the UK Information Repository and, if any, EU Information Repository and persons wishing to access the information within the UK Information Repository and, if any, EU Information Repository will be required to certify that they are entitled to access the information within them.

13.6 **Simple, transparent and standardised securitisations**13.6.1 **UK STS Securitisations**

The UK Securitisation Regulation makes provision for a securitisation transaction to be designated a simple, transparent and standardised transaction (a **UK STS Securitisation**) and provides that such securitisation transactions should be subject to more favourable regulatory treatment, including reduced risk weightings for credit institution and investment firm investors. In order to obtain this designation in relation to a Series, a securitisation transaction needs to comply with the requirements set out in Articles 20, 21 and 22 of the UK Securitisation Regulation and one of the originator or sponsor in relation to such securitisation transaction needs to file a notification to the FCA confirming the compliance of the relevant securitisation transaction with those requirements.

In relation to each Series issued under the Programme, section J *Some regulatory disclosures* of the relevant Series Prospectus will indicate whether or not the Issuer will seek to designate that Series as a UK STS Securitisation and such a notification will be filed with the FCA in relation to that Series.

13.6.2 **EU STS Securitisations**

Similarly, the EU Securitisation Regulation makes provision for a securitisation transaction to be designated a simple, transparent and standardised transaction (an **EU STS Securitisation**) and provides that such securitisation transactions should be subject to more favourable regulatory treatment, including reduced risk weightings for credit institution and investment firm investors. In order to obtain this designation in relation to a Series, a securitisation transaction needs to comply with the requirements set out in Articles 20, 21 and 22 of the EU Securitisation Regulation and one of the originator or sponsor in relation to such securitisation transaction is required to file a notification to the ESMA confirming the compliance of the relevant securitisation transaction with those requirements.

In relation to each Series issued under the Programme, section J *Some regulatory disclosures* of the relevant Series Prospectus will indicate whether or not the Issuer will seek to designate that Series as an EU STS Securitisation and such a notification will be filed with the ESMA in relation to that Series.

For more information as to the risks specific to the Issuer and/or holding of the Notes relating to a Series not being and not being expected to be designated as a UK STS Securitisation or an EU STS Securitisation, please see 4.6.4 *Simple, transparent and standardised securitisations*.

13.7 **U.S. Risk Retention Rules**

See the section 1.9.4 *Requirements of the U.S. Risk Retention Rules* above for information as to the applicability of the U.S. Retention Rules and section A.5 *Applicability of U.S. Risk Retention Rules* of the relevant Series Prospectus.

14. Certain taxation aspects of the Notes and DCIs

14.1 United Kingdom taxation aspects of the Notes and DCIs

The following is a summary of certain aspects of the United Kingdom withholding taxation treatment in relation to payments of interest in respect of the Notes and of the United Kingdom stamp tax position of the Notes and DCIs. It is based on current law and the practice of Her Majesty's Revenue and Customs (HMRC), which may be subject to change, sometimes with retrospective effect. It does not deal with other United Kingdom tax aspects of acquiring, holding or disposing of the Notes or DCIs. It relates only to the position of persons who are absolute beneficial owners of the Notes or DCIs. It 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. It assumes that there will be no substitution of an Issuer pursuant to Base Condition 15.9 *Transfer and substitution of Issuer, Notes and/or DCIs*, or otherwise and it does not consider the tax consequences of any such substitution.

Prospective investors are referred to 1.1 *Prospective investors* (including, without limitation, section 1.1.6 *Prospective investors responsible for their own taxes*). In particular, prospective investors 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 or DCIs even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

14.1.1 United Kingdom withholding tax

(a) Short-term Notes

Where interest is payable on Notes relating to a Series which have a maturity of less than one year (and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more), the interest will not be 'yearly interest' for the purposes of the Income Tax Act 2007 (the **ITA 2007**) and accordingly payments of interest on such Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

(b) Other Notes

The Notes issued by the Issuer in relation to a Series which carry a right to interest will constitute **Quoted Eurobonds** provided they are and continue to be listed on a 'recognised stock exchange'.

Such Notes will be listed on a 'recognised stock exchange' for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the FCA's Official List (see 1.2.4 *Application for listing on FCA's Official List and admission to trading on London Main Market*) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a 'recognised stock exchange'.

Payments of interest on such Notes as fall outside the scope of 14.1.1(a) *Short-term Notes*, but which are Quoted Eurobonds, may be made without withholding or deduction for or on account of United Kingdom income tax irrespective of whether the Notes are in global form (such as a Global Note) or in definitive form. In other cases, which will be more fully described in any applicable Series Prospectus, interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20%) 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. 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' above mean 'interest' as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of 'interest' or 'principal' which may prevail under any other law.

(c) DCIs

The amendments made by the Taxation of Securitisation Companies (Amendment) Regulations 2018 confirmed, among other things, that residual payments made by a securitisation company (which would include payments of deferred consideration payable in accordance with the terms of the DCIs) do not constitute 'annual payments' within the meaning of section 899 of the Income Tax Act 2007 such that the Issuer is not subject to an obligation to withhold or deduct for or on account of United Kingdom income tax in respect of such payments.

14.1.2 United Kingdom stamp duty and stamp duty reserve tax**(a) Notes**

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue of the Notes or on the transfer of a Note in accordance with the terms of the Transaction Documents.

(b) DCIs

No United Kingdom stamp duty or stamp duty reserve tax is chargeable on the issue of DCIs in accordance with the terms of the Transaction Documents.

United Kingdom stamp duty may be chargeable on any instruments transferring a DCI (including where such DCI is in definitive form) and DCI Holders are advised to consult with their professional advisers in respect of matters relating to the acquisition and holding of the DCIs.

14.2 United States federal tax aspects of the Notes

Where a Series includes Rule 144A Notes, the relevant Series Prospectus may include a summary of certain United States federal income tax aspects relating to such Rule 144A Notes.

15. Subscription and sale of Notes and DCIs

15.1 Series Subscription Agreements

In relation to each Series, the Issuer will enter into the Series Subscription Agreement indicated in section M.1 *Series Subscription Agreement* in the relevant Series Prospectus (each a **Series Subscription Agreement**) pursuant to which (among other things):

- one or more persons (each a **Series Subscriber**), as specified in that section, will agree, subject to various conditions, to subscribe and pay for or to procure purchasers who subscribe and pay for, on the Series Closing Date, Notes and/or, as applicable, DCIs at a specified issue price; and
- each Series Subscriber will undertake to the Issuer that each time that such Series Subscriber makes an offer, purchase or sale of Notes or DCIs, it will have each consent, approval or permission which is required for such offer, purchase or sale under the laws and regulations in force in any jurisdiction to which it is subject or in which:
 - it makes such offer, purchase or sale; or
 - it has in its possession, or distributes, offering, distribution and/or sale material (including the preliminary Disclosure Documents and the Disclosure Documents),
 in all cases at its own expense, and it will comply with all such laws and regulations;
- each Series Subscriber will undertake to the Issuer that it will not directly or indirectly:
 - offer, sell or deliver any Notes or DCIs; or
 - have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in respect of the Notes or DCIs,
 in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and it will procure that all offers and sales of Notes or DCIs by it will be made on the same terms; and
- the Issuer will agree to indemnify, among others, each Series Subscriber against certain other liabilities in connection with the offer and sale of the relevant Notes and, as applicable, DCIs.

15.1.1 Series Arrangers, Series Lead Managers and Series Managers

The table in C.1 *Table of Transaction Parties* in the relevant Series Prospectus will indicate (as applicable):

- each arranger (if any) in respect of the Series (each a **Series Arranger**);
- each lead manager (if any) in respect of the Series (each a **Series Lead Manager**"); and
- each co-manager (if any) in respect of the Series (each a **Series Manager**).

15.1.2 Fees and commissions of Series Arrangers and Series Subscribers

In relation to each Series, the Issuer may pay fees and commissions to each Series Arranger and each Series Subscriber at such rates as may be agreed in the relevant Series Subscription Agreement. Any such fees and commissions may be deducted from the subscription proceeds or, as the case may be, from the proceeds of sale of the relevant Notes.

15.2 Selling restrictions

Selling restrictions applicable in respect of Notes and/or DCIs in a Series will be specified in section M.2 *Selling and investment restrictions* in the relevant Series Prospectus.

15.2.1 United Kingdom selling restrictions

(a) Prohibition of sales to UK retail investors

Unless indicated otherwise in the relevant Series Prospectus, in the applicable Series Subscription Agreement relating to a Series, each Series Subscriber will represent to and agree with the Issuer in relation to Notes and, as applicable, DCIs in that Series that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision:

- (1) the expression 'retail investor' means a person who is one (or more) of the following:
 - a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the domestic law of the United Kingdom by virtue of the EUWA; or
 - a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR; or
 - not a qualified investor as defined in the UK Prospectus Regulation; and
- (2) 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 to the Notes.

(b) **FSMA requirements**

Unless indicated otherwise in the relevant Series Prospectus, in the applicable Series Subscription Agreement relating to a Series, each Series Subscriber will represent to and agree with the Issuer in relation to Notes and, as applicable, DCIs in that Series:

- (1) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 and, as applicable, DCIs in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (2) 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 and, as applicable, DCIs in, from or otherwise involving the United Kingdom.

15.2.2 **United States selling restrictions**

Unless indicated otherwise in the relevant Series Prospectus, in the applicable Series Subscription Agreement relating to a Series:

- (a) The Issuer has not been and will not be registered under the U.S. Investment Company Act and the Notes and DCIs have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Reg S) except in certain transactions exempt from the registration requirements of the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Reg S.
- (b) The Notes and DCIs are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and regulations thereunder.
- (c) Each Series Subscriber will represent to, warrant to and agree with the Issuer that in connection with offers, sales and other transactions outside the United States (except as permitted under the Series Subscription Agreement):
 - (1) it will not offer, sell or deliver any Notes or DCIs to, or for the account or benefit of, U.S. persons either:
 - (A) as part of such Series Subscriber's distribution at any time; or
 - (B) otherwise until expiry of the Reg S Distribution Compliance Period,
 except in accordance with Rule 903 of Reg S; and
 - (2) it will send to each dealer or person receiving a selling concession, fee or other remuneration to which it sells Notes or DCIs during the Reg S Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes and DCIs within the United States or to, or for the account or benefit of, U.S. persons.

Terms used in this paragraph have the meaning given to them by Reg S.

- (d) Until expiry of the Reg S Distribution Compliance Period, an offer or sale of the Notes or DCIs within the United States by any dealer (whether or not participating in the offering) may violate the registration

requirements of the U.S. Securities Act, if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the U.S. Securities Act.

- (e) Offers and sales of the Notes or DCIs within the United States or to U.S. persons is further restricted as specified in 16 *Transfer Regulations*.

15.2.3 **Prohibition of sales to EEA retail investors**

Unless indicated otherwise in the relevant Series Prospectus, in the applicable Series Subscription Agreement relating to a Series, each Series Subscriber will represent to and agree with the Issuer in relation to Notes and, as applicable, DCIs in that Series 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 EEA. For the purposes of this provision:

- (a) the expression 'retail investor' means a person who is one (or more) of the following:
 - (1) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or
 - (2) a customer within the meaning of the provisions of the EU Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (10) of Article 4(1) of EU MiFID II; or
 - (3) not a qualified investor as defined in the EU Prospectus Regulation; and
- (b) the expression 'offer' includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered.

15.2.4 **General public offering restrictions**

Unless indicated otherwise in the relevant Series Prospectus, in the applicable Series Subscription Agreement relating to a Series each Series Subscriber will acknowledge to the Issuer that, except for:

- (a) the submission of the relevant Disclosure Documents to the relevant Listing Institution;
- (b) approval of the relevant Disclosure Documents by the relevant Listing Institution; and
- (c) application to the relevant Listing Institution for listing of the Notes,

no action has been, or will be, taken in any jurisdiction by any party to the Series Subscription Agreement that would permit a public offering of the Notes or DCIs, or possession, circulation or distribution of the Disclosure Documents or any amendment or supplement to the Disclosure Documents to be issued in connection with the issue of the Notes or DCIs or any other offering, distribution and/or selling material, in any country or jurisdiction where action for that purpose is required.

16. Transfer Regulations

16.1 Requirements for holdings and transfers

16.1.1 Core requirements

A holding or purported holding of a Note, or DCI or an interest in a Note or DCI (including any interest in a Global Note or Global DCI) or transfer or purported transfer of a Note or DCI or any such interest shall not be valid or effective, shall be void *ab initio*, shall not be honoured by the Issuer or the Series Registrar and shall not be registered in the Series Register unless:

- (a) (in the case of Notes) following any such registration, the holder, transferor or the transferee (as the case may be) having a separately registered holding of Notes in the Series Register where the aggregate Note Initial Principal Amount of the Notes comprised in that holding would equal a Note Authorised Denomination;
- (b) (in the case of DCIs) following any such registration, the holder, transferor or the transferee (as the case may be) having a separately registered holding of DCIs in the Series Register where the aggregate number of DCIs comprised in that holding would equal a DCI Authorised Denomination;
- (c) such Note or, as applicable, DCI is held or transferred pursuant to a transaction that does not require registration under the U.S. Securities Act;
- (d) such Note or, as applicable, DCI is held or transferred pursuant to a transaction that complies with the U.S. Risk Retention Rules; and
- (e) such holding or transfer complies with each other Transfer Regulation.

16.1.2 Interpretation of these Transfer Regulations

In these Transfer Regulations:

Global Transferee means a purchaser and subsequent transferee who becomes beneficial owner of a Note represented by an interest in a Global Note or, as applicable, a DCI represented by an interest in a Global DCI;

Risk Retention U.S. Person means a U.S. person as defined in the U.S. Risk Retention Rules;

transferor shall, where the context permits or requires, include joint transferors and be construed accordingly;

U.S. Risk Retention Exemption means the exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions that meet certain requirements;

U.S. Risk Retention Rules means the final rules promulgated under Section 15G of the U.S. Exchange Act (as amended by Section 941 of the Dodd-Frank Act) which, among other things, generally require the 'sponsor' (or its majority owned affiliates) of a 'securitization transaction' to retain at least 5% of the economic interest in the 'credit risk' of 'securitized assets', as such terms are defined in those rules,

and other expressions have the same meaning as they have in the Note Conditions or, as applicable, DCI Conditions.

16.2 Restrictions in respect of interests in Global Notes

16.2.1 Prior to expiry of the Reg S Distribution Compliance Period U.S. Persons cannot hold interests in Reg S Notes

Noteholders may hold their interests in a Reg S Global Note directly through the relevant Reg S Clearing System, if they are participants in such Reg S Clearing System or indirectly through organisations that are participants in such Reg S Clearing System. Beneficial interests in a Reg S Global Note may be held only through a Reg S Clearing System at any time. During the Reg S Distribution Compliance Period, beneficial interests in a Reg S Global Note may not be transferred to a person that takes delivery of a beneficial interest in a Rule 144A Global Note (if any) unless the transfer is to a person that is a Qualified Institutional Buyer in a transaction in reliance on Rule 144A and the transferor provides a written certification as described in paragraph 16.2.2 below.

16.2.2 Transfers of interests from a Reg S Global Note to a Rule 144A Global Note

A beneficial interest in the Reg S Global Note relating to a Class of Notes may be transferred to a person who takes delivery in the form of a beneficial interest in the Rule 144A Global Note (if any) relating to that Class, prior to the expiration of the Reg S Distribution Compliance Period, only upon receipt by the Series Registrar

of a written certificate from the transferor (in the form required by the Series Note Trust Deed or the Transfer Regulations) to the effect that, among other things, such transfer is being made to a person whom the transferor reasonably believes is a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A. Any beneficial interest in a Reg S Global Note that is so transferred will, upon transfer, cease to be represented by a beneficial interest in such Reg S Global Note and will become represented by a beneficial interest in the Rule 144A Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such Rule 144A Global Note.

16.2.3 Transfers of interests from a Rule 144A Global Note to a Reg S Global Note

A beneficial interest in a Rule 144A Global Note (if any) may be transferred to a person who takes delivery in the form of a beneficial interest in the corresponding Reg S Global Note relating to the same Class of Notes only upon receipt by the Series Registrar of a written certification from the transferor (in the form required by the Series Note Trust Deed or the Transfer Regulations) to the effect that among other things, such transfer is being made outside the United States to a non-U.S. person in an offshore transaction in accordance with Rule 903 or Rule 904 of Reg S. Each beneficial interest in a Rule 144A Global Note so transferred will, upon transfer, cease to be represented by a beneficial interest in that Rule 144A Global Note and will become represented by a beneficial interest in that Reg S Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in that Reg S Global Note.

16.3 Representations etc of Global Transferees

Each Global Transferee will be deemed to have represented and agreed as follows:

- (a) in connection with the purchase or transfer of a Note, an interest in a Note, a DCI or an interest in a DCI:
 - (1) the Global Transferee acknowledges that none of the Issuer or any Transaction Party is acting as a fiduciary or financial or investment adviser for such Global Transferee;
 - (2) such Global Transferee is not relying and has not relied (for the purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer or any Transaction Party other than (and subject to the terms of) any statements in the Programme Prospectus and Series Prospectus relating to the issue of such Notes or, as applicable, DCIs;
 - (3) such Global Transferee has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary and has made its own investment decisions based upon its own judgment and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the Issuer or any Transaction Party;
 - (4) in the case of a Reg S Note, such Global Transferee is not a U.S. Person and is acquiring the Notes in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Reg S;
 - (5) in the case of a Rule 144A Note, such Global Transferee is a Qualified Institutional Buyer purchasing for its own account or for the account of one or more Qualified Institutional Buyers and such Global Transferee is able to bear the economic risk of an investment in the Notes and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of purchasing the Notes;
 - (6) in the case of a Rule 144A Note, if such Global Transferee is a Qualified Institutional Buyer, then:
 - (A) (1) if it is a dealer of the type described in paragraph (a)(1)(ii) of Rule 144A, it owns and invests on a discretionary basis not less than U.S.\$10,000,000 in securities of issuers that are not Affiliated with it, provided that securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned by such dealer; or (2) if it is not a dealer of the type described above, it otherwise satisfies the definition of a Qualified Institutional Buyer under Rule 144A; and
 - (B) it is not a participant-directed employee plan, such as a 401(k) plan, or any other type of plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A, or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, unless investment decisions with respect to the plan are made solely by the fiduciary, trustee or sponsor of such plan;

- (7) in the case of a Rule 144A Note or any other Note being transferred pursuant to Rule 144A, such Global Transferee acknowledges that such transfer is being made in reliance on Rule 144A and will inform any transferee from it that the transfer is being made in reliance on Rule 144A; and
- (8) (in the case where the relevant Series Prospectus indicates that the Series Portfolio Seller intends to rely on the U.S. Risk Retention Exemption) if such Global Transferee's acquisition of the relevant Note, DCI or interest in the Note or DCI (as applicable) occurs in the initial distribution of the relevant Notes and DCIs, such Global Transferee:
 - (A) either is not a Risk Retention U.S. Person or, if applicable, such Global Transferee has obtained the prior written consent of the Series Portfolio Seller in relation to such acquisition;
 - (B) is acquiring such Note, DCI or interest in the Note or DCI (as applicable) for its own account and not with a view to distribute such Note, DCI or interest; and
 - (C) is not acquiring such Note, DCI or interest as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note, DCI or interest 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% Risk Retention U.S. Person limitation in the U.S. Risk Retention Exemption);
- (b) on each day from the date on which such Global Transferee acquires such Note, as applicable, DCI through and including the date on which such Global Transferee disposes of its interests in such Note, as applicable, DCI, in connection with the purchase of such Notes, as applicable, DCI, such Global Transferee satisfies each condition or restriction (if any), including to those relating to ERISA, set out under the *ERISA* section (if any) in the *Subscription and sale of the Notes and DCIs* section in the relevant Series Prospectus;
- (c) such Global Transferee understands that:
 - (1) the Notes and, as applicable, DCIs are being offered only in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act;
 - (2) the Notes and, as applicable, DCIs have not been and will not be registered under the U.S. Securities Act;
 - (3) if in the future such Global Transferee decides to offer, resell, pledge or otherwise transfer the Notes or, as applicable, DCIs, such Notes or, as applicable, DCIs may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Note Conditions or, as applicable, DCI Conditions, the Transfer Regulations and the Series Note Trust Deed; and
 - (4) such Global Transferee acknowledges that no representation has been made as to the availability of any exemption under the U.S. Securities Act or any state securities laws for resale of the Notes or, as applicable, DCIs;
- (d) such Global Transferee is aware that, except as otherwise provided in the Note Conditions and/or the Series Note Trust Deed:
 - (1) the Notes being sold to it in reliance on Reg S will be Reg S Global Notes, and that in each case interests therein may be held only through the relevant Reg S Clearing System; and
 - (2) prior to the expiration of the Reg S Distribution Compliance Period, before any interest in a Reg S Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Note, it will be required to provide the Series Registrar with a written certification (in the form required by the Series Note Trust Deed or the Transfer Regulations) as to compliance with applicable securities laws;
- (e) such Global Transferee agrees and acknowledges that any resale or other transfer of beneficial interests in a Rule 144A Note to any person other than a Qualified Institutional Buyer shall not be permitted;
- (f) such Global Transferee understands and agrees that while a Note is a Global Note or a DCI is a Global DCI:
 - (1) the Series Note Trustee and Series Registrar shall have no responsibility or obligation to any Global Transferee, a member of, or a participant in, any Clearing System or other person with respect to the accuracy of the records of the Clearing System or its nominee or of any participant or member thereof, with respect to any ownership interest in the Notes or with respect to the delivery to any participant, member, Global Transferee or other person (other than the Clearing System) of any notice (including any notice of redemption) or the payment of any amount or

delivery of any Notes or, as applicable, any DCIs (or other security or property) under or with respect to such Notes or, as applicable, such DCIs;

- (2) all notices and communications to be given to the Noteholders or, as applicable, DCI Holders and all payments to be made to Noteholders in respect of the Notes or, as applicable, DCI Holders in respect of the DCIs shall be given or made only to or upon the order of the registered Noteholders (which shall be the Global Noteholder) or, as applicable, registered DCI Holder (which shall be the Global DCI Holder); and
- (3) the Series Note Trustee and Series Registrar may rely and shall be fully protected in relying upon information furnished by the Clearing System with respect to its members, participants and any Global Transferees;
- (g) such Global Transferee will provide notice to each Person to whom it proposes to transfer any interest in the Notes or, as applicable, DCIs of the Transfer Regulations and the Note Conditions; and
- (h) such Global Transferee understands and agrees that any purported transfer of Notes to a purchaser (including, without limitation, the transfer of Notes to such Global Transferee) shall be null and void *ab initio* unless such purchaser complies with the requirements of sub-paragraphs (4), (5), (6) and (7) of paragraph (a) above (as applicable) and, if such Global Transferee does not comply with the requirements within 30 days of such transfer, the Issuer retains the right to resell to a permitted investor any Notes sold to any purchaser (including, without limitation, such Global Transferee) unless such purchaser complies with sub-paragraphs (4), (5), (6) and (7) of paragraph (a) above (as applicable).

16.4 Manner of transfer

The Notes are transferable in units equal to a Note Authorised Denomination and the DCIs are transferable in units equal to a DCI Authorised Denomination by delivery to the Series Registrar Specified Office (or such other place as the Series Registrar may agree) of:

- (a) a duly completed Transfer Form executed under the hand of the transferor or, where the transferor is a corporation, under such corporation's common seal or under the hand of two of such corporation's officers duly authorised in writing;
- (b) if the Transfer Form is executed by some other person on behalf of the transferor or, in the case of the execution of a Transfer Form on behalf of a corporation by such corporation's officers, the original of the document conferring authority of that person or those officers to do so (or a copy of such document certified in such manner as the Series Registrar may require);
- (c) the relevant Note Certificate (if a Note Certificate has been issued in respect of the Note to be transferred) or, as applicable, DCI Certificate (if a DCI Certificate has been issued in respect of the DCI to be transferred); and
- (d) such other evidence (including legal opinions) as the Issuer and the Series Registrar may reasonably require to prove the validity and effect of the Transfer Form or documents accompanying it, the title of the transferor or his right to transfer the Note or, as applicable, DCI and his identity.

The signature of the person effecting a transfer of a Note or, as applicable, DCI shall conform to any list of duly authorised specimen signatures supplied by the registered Noteholder or, as applicable, DCI Holder or be certified by a recognised bank, notary public or in such other manner as the Series Registrar may require.

16.5 Restriction on registration of transfers

16.5.1 No registrations while payees are being ascertained

No Noteholder or DCI Holder may require the transfer of a Note or DCI to be registered during the period from and including a Series Register Record Date to and including the date that the relevant payment in respect of such Note or DCI becomes due.

16.5.2 No registrations while proxy appointments outstanding

No Noteholder or DCI Holder which has executed a proxy instrument in relation to a meeting of Noteholders or, as applicable, DCI Holders may require the transfer of a Note or DCI covered by such proxy instrument to be registered until the earlier of the conclusion of such meeting and its adjournment for want of a quorum.

16.5.3 Single Series Register entry for entire holding of holder

Unless otherwise requested by a Noteholder or, as applicable, DCI Holder and agreed by the Issuer and the Series Registrar, a Noteholder and DCI Holder in respect of Notes and, as applicable, DCIs in the Series shall

be entitled to have only one subsisting entry in the Series Register in respect of his or (in the case of a joint holding) their entire holding of Notes in a particular Class or, as applicable, DCIs in a particular Class.

16.6 Persons entitled upon cessation, death etc

In the event of the dissolution, cessation or death of a Noteholder or, as applicable, DCI Holder:

- (a) which is not a joint Noteholder or, as applicable, DCI Holder, the administrators, executors or similar representatives of such Noteholder or, as applicable, DCI Holder; or
- (b) which is one or more of joint Noteholders or, as applicable, DCI Holders, the remaining or surviving joint Noteholder(s) or, as applicable, DCI Holder(s);

shall be the only persons recognised by the Series Registrar and the Issuer as having any title to such Notes or, as applicable, DCIs.

Any person becoming entitled to Notes or, as applicable, DCIs in consequence of the dissolution, cessation, death or official bankruptcy or insolvency of the relevant Noteholder or, as applicable, DCI Holder may, upon producing such evidence that such person holds the position in respect of which such person proposes to act under this paragraph or of such person's title as the Issuer and the Series Registrar shall require (including legal opinions), be registered as the Noteholder in respect of such Notes or, as applicable, DCI Holder in respect of such DCIs or, subject to Transfer Regulations as to transfer, may transfer such Notes or, as applicable, DCIs.

The Issuer and the Series Registrar shall be at liberty to retain any amount payable upon the Notes or, as applicable, DCIs to which any person is so entitled until such person shall be registered as aforesaid or such person shall duly transfer the Notes or, as applicable, DCIs.

16.7 Issue of certificates in relation to transfers

Subject to and without prejudice to Base Condition 2.6 *Certificates*:

- (a) Joint Noteholders of a Note or, as applicable, joint DCI Holders of a DCI shall be entitled to one Note Certificate or, as applicable, DCI Certificate only in respect of their joint holding which shall, except where they otherwise direct, be delivered to the joint Noteholder or, as applicable, DCI Holder whose name appears first in the Series Register in respect of the joint holding.
- (b) Where a Noteholder or a DCI Holder transfers part only of his holding comprised in the relevant Note or DCI:
 - (1) (if a Note Certificate or, as applicable, DCI Certificate is requested by such Noteholder or DCI Holder or is required) there shall be delivered to such Noteholder or, as applicable, DCI Holder a Note Certificate or, as applicable, DCI Certificate in respect of the balance of such holding; and
 - (2) (if a Note Certificate or, as applicable, DCI Certificate is requested by the relevant transferee or is required) a new Note Certificate or, as applicable, DCI Certificate in respect of the balance of the Note or, as applicable, DCI transferred will be delivered to the transferee;

in each case in accordance with these Transfer Regulations.

- (c) If a Note Certificate or, as applicable, DCI Certificate required to be delivered under these Transfer Regulations, subject to unforeseen circumstances beyond the control of the Series Registrar arising and to the applicable Transfer Regulations having been complied with by the relevant transferor and transferee, the Series Registrar will within 5 Working Days after the date of registration of a transfer of the relevant Note:
 - (1) where the person entitled to the Note Certificate or, as applicable, DCI Certificate has requested in writing, despatch (at the risk and at the expense of such person) such Note Certificate or, as applicable, DCI Certificate by mail to such address such person has specified in such request; or
 - (2) if no such request has been made, deliver such Note Certificate or, as applicable, DCI Certificate at its Series Registrar Specified Office to the person entitled to the Note Certificate or, as applicable, DCI Certificate,

and, for the purposes of this paragraph, **Working Day** means a day on which commercial banks are open for business (including dealings in foreign currencies) in the city in which the Series Registrar has its Series Registrar Specified Office.

16.8 No charge to be made for certain transfers etc

The Issuer and the Series Registrar shall, save in the case of the issue of replacement Notes and where expressly indicated otherwise in these Transfer Regulations, make no charge to any Noteholders or, as applicable, DCI Holders for:

- (a) the registration or transfer of any holding of Notes or, as applicable, DCIs; or
- (b) the issue of any Note Certificates or, as applicable, DCI Certificates; or
- (c) the delivery of any Note Certificates or, as applicable, DCI Certificates at the Series Registrar Specified Office;

but such registration, transfer, issue or delivery shall be effected against such indemnity from the Noteholder, DCI Holder or the transferee thereof as the Series Registrar may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such registration, transfer, issue or delivery.

17. Form of Series Note Final Terms

Series Note Final Terms

dated []

(to the Programme Prospectus dated 12 August 2024)

London Wall Mortgage Capital plc

Incorporated with limited liability in England and Wales with registered number 10001337 and LEI 213800QSO8J75OTK5919.

Residential mortgage backed securities programme

Series []

Expressions used in these Series Note Final Terms have the meaning indicated in the Base Conditions (the **Note Conditions**) set forth in the Programme Prospectus dated 12 August 2024 [and the supplemental Prospectus[es] dated []] (which [together] constitute[s] a base prospectus for the purposes of the UK Prospectus Regulation, being [together] the **Programme Prospectus**). In these Series Note Final Terms **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom 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.

This document constitutes the final terms of the Notes described in these Series Note Final Terms [for the purposes of Article 8 of the UK Prospectus Regulation] and must be read in conjunction with the Programme Prospectus [as so supplemented].

These Series Note Final Terms supplement the disclosure in the Programme Prospectus. The Series 20[] Notes will be governed, to the extent not described in these Series Note Final Terms, by the applicable provisions of the Programme Prospectus. A summary of this issue is annexed to these Series Note Final Terms.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Series Note Final Terms and the Programme Prospectus.

From on or about the date of these Series Note Final Terms and throughout the period in which any Notes are outstanding, the Programme Prospectus [and the supplemental prospectus[es]], together with these Series Note Final Terms, shall be available in electronic form which may be viewed free of charge on the website of the regulated market of the London Stock Exchange at:

<https://www.londonstockexchange.com/news?tab=news-explorer>,

and copies may be obtained from the registered office of the Issuer, at [], and the Series Paying Agent Specified Office set out below. See also 1.3 *Availability of information for inspection* in the Programme Prospectus.

The admission of the Programme to listing on the Official List of the Financial Conduct Authority and to trading on the Regulated Market of the London Stock Exchange took effect on [] 20[]. The Class [] Notes in this Series are intended to be admitted to listing on the Official List of the Financial Conduct Authority and admitted to trading on the Regulated Market of the London Stock Exchange and will be so admitted to listing and trading upon submission to the Financial Conduct Authority and the Regulated Market of the London Stock Exchange of these Final Terms and any other information required by the Financial Conduct Authority and the Regulated Market of the London Stock Exchange, subject in each case to the issue of the Notes. Prior to official listing, dealings will be permitted by the Regulated Market of the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day in London after the day of the transaction.

Prohibition of sales to EEA retail investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of:

- a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **EU MiFID II**); or
- a customer within the meaning of Directive 2016/97 (as amended, the **EU Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of the EU MiFID II.

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **EU PRIIPS Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPS Regulation.

Prohibition of sales to UK retail investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of:

- a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the United Kingdom by virtue of the EUWA; or
- a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 and any rules or regulations made under that Act to implement the EU Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of the UK MiFIR.

Consequently no key information document required by the EU PRIIPs Regulation as it forms part of domestic law in the United Kingdom by virtue of the EUWA (the **UK PRIIPS Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPS Regulation.

A. Note Specified Terms

The following are the Note Specified Terms relating to the Notes in Series [] under the Programme and form part of the Note Conditions as applied to the Notes (but solely with respect to this Series) by the Series Note Trust Deed (the **Series Note Trust Deed**) entered into on [] (the **Series Closing Date**, and being the issue date of the Notes) between the Issuer and the Series Note Trustee. The indicated details apply to each Class of Notes unless stated otherwise.

(1) Series	Series [] under the Programme (the Series).												
(2) Constitution of the Notes	The Notes in this Series (the Notes) comprise []. The [] Notes are [Reg S Notes][Rule 144A Notes][Rule 2a-7 Notes]. Most Senior Tranche means [].												
(3) Note Currency	[GBP/EUR/USD].												
(4) Note Initial Principal Amount	<table> <tr> <th>Class of Notes</th><th>Tranche</th><th>US Classification</th><th>Initial principal amount</th></tr> <tr> <td>[Class A/B/C]</td><td>[]</td><td>[]</td><td>[]</td></tr> </table>			Class of Notes	Tranche	US Classification	Initial principal amount	[Class A/B/C]	[]	[]	[]		
Class of Notes	Tranche	US Classification	Initial principal amount										
[Class A/B/C]	[]	[]	[]										
(5) Issue Price	[]%.												
(6) Interest Rate	[Floating Rate Notes: for each Class indicated in the following table and the Interest Rate applicable to that Class is the Reference Rate plus the Interest Margin indicated in the row relating to that Class in the following table:												
	<table> <tr> <th rowspan="2">Class of Notes</th><th rowspan="2">Reference Rate</th><th colspan="2">Interest Margin per annum</th></tr> <tr> <th>[Prior to Step-up Date (if applicable)]</th><th>[From/after Step-up Date (if applicable)]</th></tr> <tr> <td>[]</td><td>[Compounded Daily SONIA] [Compounded Daily SOFR] [Compounded Daily €STR] [EURIBOR]</td><td>[]%</td><td>[]%</td></tr> </table>			Class of Notes	Reference Rate	Interest Margin per annum		[Prior to Step-up Date (if applicable)]	[From/after Step-up Date (if applicable)]	[]	[Compounded Daily SONIA] [Compounded Daily SOFR] [Compounded Daily €STR] [EURIBOR]	[]%	[]%
Class of Notes	Reference Rate	Interest Margin per annum											
		[Prior to Step-up Date (if applicable)]	[From/after Step-up Date (if applicable)]										
[]	[Compounded Daily SONIA] [Compounded Daily SOFR] [Compounded Daily €STR] [EURIBOR]	[]%	[]%										

Lag Time: ☐ Business Days.

[Fixed Rate Notes: each Class indicated in the following table and the Interest Rate applicable to that Class is as indicated in the row relating to that Class in the following table:

Class of Notes	Interest Rate per annum	
	[Prior to Step-up Date (if applicable)]	From/after Step-up Date (if applicable)]
<input type="checkbox"/>	<input type="checkbox"/> %	<input type="checkbox"/> %

- (7) Interest deferral ☐.
- (8) Interest accrual method [Actual/365] [Actual/360].
- (9) Business Day convention ☐.
- (10) Interest payment dates ☐.
- (11) First interest payment date ☐.
- (12) First Interest Period ☐.
- (13) Final Maturity Date ☐.
- (14) Optional Redemption Date [Not applicable] [☐ January /February / March /April /May /June /July /August /September /October /November /December 20☐].
- (15) Optional Redemption Conditions Base Conditions 6.3 and 6.4: [Not applicable]. The Required Notes are [the [A][B] Notes]. The Permitted Notes are [the Z Notes].
- (16) Optional Redemption Additional Tax Circumstances [Not applicable].
- (17) Optional Redemption Additional Tax Conditions ☐. The Required Notes are [the A Notes]. The Permitted Notes are [the Z Notes].
- (18) Form of the Notes [In respect of each Class of [Reg S] Notes: a Global Note relating to that Class in registered form which is intended upon issue to be deposited with one of Euroclear and Clearstream as common safekeeper and registered in the name of a nominee of one of Euroclear and Clearstream acting as common safekeeper, (i.e. the New Safekeeping Structure) (subject to Base Condition 2.8 *Removal of Notes from Clearing Systems*).] [In respect of each Class of Reg 144A Notes: a Global Note relating to that Class in registered form [which is intended upon issue to be deposited with one of Euroclear and Clearstream as common safekeeper and registered in the name of a nominee of one of Euroclear and Clearstream acting as common safekeeper, (i.e. the New Safekeeping Structure)][, being registered in the name of a nominee for DTC] (subject to Base Condition 2.8 *Removal of Notes or DCIs from Clearing Systems*).]
- (19) Application for Listing FCA's Official List and the London Stock Exchange's Main Market.
- (20) Clearance / settlement ☐ are the Clearing Systems (in each case subject to Base Condition 2.8 *Removal of Notes or DCIs from Clearing Systems*).

- (21) Intended to be held in a manner which would allow Eurosystem eligibility [No.][Yes. Note that the designation 'yes' simply means that the Notes are intended upon issue to be deposited with one of Euroclear and Clearstream as common safekeeper, and registered in the name of a nominee of one of Euroclear and Clearstream acting as common safekeeper, and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
- (22) Clearing system codes
- | Class of Notes | ISIN Common Code | | | |
|----------------|------------------|-----|-----|-----|
| [] | [] | [] | [] | [] |
- (23) Note Ratings
- [].
- | Class of Notes | [] | [] | [] |
|----------------|-----|-----|-----|
| [] | [] | [] | [] |
- (24) Minimum Denomination
- £[100,000 and integral multiples of £1,000] in excess of that minimum denomination.
- (25) Specified Offices
- The Series Note Trustee Specified Office is [Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB].
- The Series Registrar Specified Office is [Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB].
- The Series Paying Agent Specified Office is [Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB].
- The Series Note Calculation Agent Specified Office is [Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB].

Third party information

[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]/[Not Applicable.]

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

B. Other information

Series issuance details:

- (1) Authorisation by Issuer of the Notes
- The issue of the Notes in the Series was authorised pursuant to a resolution of the board of directors of the Issuer passed on [].
- (2) Admission to trading
- The Notes are expected to be admitted to trading on the London Stock Exchange's Main Market on [].
- (3) Expenses related to admission to trading on Regulated Market
- The Issuer estimates that the total expenses incurred or to be incurred by the Issuer in relation to the admission of the Notes to trading on the London Stock Exchange's Main Market will be approximately [].

- (4) Use of proceeds
- The gross proceeds from the issue of the Notes on the Series Closing Date will be [].
- The net proceeds of the issue of the Notes on the Series Closing Date are expected to amount to approximately [] and will be applied on the Series Closing Date as follows: [] and will be fully invested by the issuer on or before the [] day following the Series Closing Date.
- (5) Yield in respect of the Notes
- The following table indicates the estimated yield in respect of each Class of Notes, such yield being calculated on the basis that []:
- | Class of Notes | Yield |
|----------------|-------|
| [] | [] |
- (6) Post issuance investor reporting
- The Series Cash Manager on behalf of the Issuer will publish a quarterly Series Investor Report detailing, among other things, certain aggregated loan data in relation to the Series Portfolio, amounts paid by the Issuer pursuant to the Series Priorities of Payments in respect of the relevant period and required counterparty information [and []]. Such Series Investor Reports will be published on the Transaction Information Website. The Transaction Information Website and its contents do not form part of the Disclosure Documents.
- (7) Risk retention
- The risk retention requirement applicable to the Series is [].
- The material net economic interest retained by the [originator, the sponsor or the original lender] is [].
- (8) STS
- The Series is [not] compliant with STS and, therefore, [a/no] notification has been made or will be made to the FCA [or ESMA] as regards simple, transparent and standardised securitisation compliance.

Series parties:

- (9) Series Registrar [].
- (10) Series Paying Agent [].
- (11) Series Note Calculation Agent [].
- (12) Series bank account providers [].
- (13) Series administrators and calculation agents [].
- (14) Interests of persons involved in the issue [].

Series credit structure:

- (15) Overview of Series credit structure
- [Series Priorities of Payments: []].
- Series Liquidity Facility Agreement: [Not applicable/ provided by []].
- Series Funding Facility Agreement: [Not applicable/ provided by []].
- Series Reserve Fund: [Not applicable]. Series Reserve Fund Required Amount: [].
- (16) Series subordinated debt finance
- Series Funding Facility Agreement: [Not applicable/ provided by []].

- (17) Series investments [Not applicable].
- Investment parameters for the investment of temporary liquidity surpluses: [AAA rated sterling debt securities] [Sterling deposits with AAA rated authorised banks.]
- Party responsible for such investment: Series Cash Manager.

- (18) Receipts from the Series Portfolio [Monthly direct debits to Series Collection Account].
- Cash deposits from Borrowers: [Not applicable.]

Series assets:

- (19) Series Portfolio Originator [].
- (20) Lending Criteria relating to the Series Portfolio Method of origination: Branch network: [[not] applicable. Mortgage intermediary distribution channels: [[not] applicable. Online channels: [[not] applicable.]
- Principal lending criteria: [Maximum []% loan to value at origination.] [Maximum loan of £[].] [For leasehold Mortgage Properties a lease with a term of at least [] years unexpired.]
- (21) Features of the Mortgages [].
- (22) Series Portfolio Warranties [].
- (23) Mortgagee Insurance Policies [Not applicable.][Freedom of Agency/Properties in Possession] policy with [].] (See 7.10.3 *Mortgagee Insurance Policies* in the Programme Prospectus).
- (24) Substitute purchases [Not applicable.]
- [Type of assets that may be substituted: [Mortgages which breaches a Series Portfolio Warranty. Mortgages which fully redeem on or before the [] anniversary of the Series Closing Date.]
- Capacity to substitute assets with a different class or quality of assets: [Not applicable].
- [Any substitution is not permitted if it would adversely affect the ratings of any Notes.] (See 7.2.3 *Substitute Mortgage Purchases* in the Programme Prospectus).
- (25) Mortgage Further Advances and Mortgage Variations [Not applicable.][Applicable].

Series provisional portfolio summary data: [].

- (26) Mortgage Loans by LTV using origination value

LTV range		Number of Mortgage Loans	% of Total	Aggregate Provisional Balance (£)	% of Total
> 0%	<= []%	[]	[]	[]	[]
> []%	<= 100%	[]	[]	[]	[]
> 100%		[]	[]	[]	[]
Total		[]	100.00	[]	100.00

In the above table LTV is calculated using the [Provisional Balance as at the Series Provisional Portfolio Date] as the numerator.

The average LTV weighted by Provisional Balance is []%. There has been no revaluation of any of the Mortgage Properties for the purposes of the issue of the Notes or DCIs. The information contained in this LTV ratio table has been prepared using the valuations of each of the Mortgage Properties made available to the Series Portfolio Seller as at the date of the initial Mortgage origination.

(27) Mortgage Loans by Provisional Balance

Mortgage Current Balance range		Number of Mortgage Loans	% of Total	Aggregate Provisional Balance (£)	% of Total
> £0	<= £[]	[]	[]	[]	[]
> £[]	<= £[]	[]	[]	[]	[]
Total		[]	100.00	[]	100.00

(28) Mortgage Loans by remaining maturity

Remaining maturity in months		Number of Mortgage Loans	% of Total	Aggregate Provisional Balance (£)	% of Total
> 0	<= []	[]	[]	[]	[]
> []	<= []	[]	[]	[]	[]
Total		[]	100.00	[]	100.00

18. Form of Series DCI Pricing Supplement

Series DCI Pricing Supplement

dated []

(to the Programme Prospectus dated 12 August 2024)

London Wall Mortgage Capital plc

Incorporated with limited liability in England and Wales with registered number 10001337 and LEI 213800QSO8J75OTK5919.

Residential mortgage backed securities programme

Series []

Expressions used in this Series DCI Pricing Supplement have the meaning indicated in the Base Conditions (the **DCI Conditions**) set forth in the Programme Prospectus dated 12 August 2024 [and the supplemental Prospectus(es) dated []] (being [together] the **Programme Prospectus**).

This document constitutes the specified terms of the DCIs described in this Series DCI Pricing Supplement and must be read in conjunction with the Programme Prospectus [as so supplemented].

This Series DCI Pricing Supplement supplements the disclosure in the Programme Prospectus. The Series 20[] DCIs will be governed, to the extent not described in this Series DCI Pricing Supplement, by the applicable provisions of the Programme Prospectus.

Full information on the Issuer and the offer of the DCIs is only available on the basis of the combination of this Series DCI Pricing Supplement and the Programme Prospectus. [The Programme Prospectus [and the supplemental prospectus(es)]]], together with this Series DCI Pricing Supplement, [is] [are] available for viewing on the Transaction Information Website and copies may be obtained from the registered office of the Issuer, at [], and the Series Paying Agent Specified Office set out below.

No application has been, or will be, made to the FCA (as competent authority under the UK Prospectus Regulation) for the DCIs to be admitted to the UK Official List and no application has been, or will be, made to the London Stock Exchange for the DCIs to be admitted to trading on the London Main Market. This Series DCI Pricing Supplement does not constitute a prospectus or final terms issued in compliance with the UK Prospectus Regulation for the purpose of giving information with regard to the DCIs and the FCA (as competent authority under the UK Prospectus Regulation) has neither approved nor reviewed the information contained in this Series DCI Pricing Supplement or the Programme Prospectus in connection with the DCIs.

Prohibition of sales to EEA retail investors

The DCIs are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of:

- a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **EU MiFID II**); or
- a customer within the meaning of Directive 2016/97 (as amended, the **EU Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of the EU MiFID II.

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **EU PRIIPS Regulation**) for offering or selling the DCIs or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the DCIs or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPS Regulation.

Prohibition of sales to UK retail investors

The DCIs are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of:

- a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the United Kingdom by virtue of the EUWA; or

- a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 and any rules or regulations made under that Act to implement the EU Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of the UK MiFIR.

Consequently no key information document required by the EU PRIIPs Regulation as it forms part of domestic law in the United Kingdom by virtue of the EUWA (the **UK PRIIPS Regulation**) for offering or selling the DCIs or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the DCIs or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPS Regulation.

DCI Specified Terms

The following are the DCI Specified Terms relating to the DCIs in Series [] under the Programme and form part of the DCIs Conditions as applied to the DCIs (but solely with respect to this Series) by the Series Note Trust Deed (the **Series Note Trust Deed**) entered into on [] (the **Series Closing Date**, and being the issue date of the DCIs) between the Issuer and the Series Note Trustee. The indicated details apply to each Class of DCIs unless stated otherwise.

- | (1) Series | Series [] under the Programme. | | | | |
|---|--|---------------|-------------------------|-----|-------------|
| (2) Constitution of the DCIs | The DCIs in this Series (the DCIs) comprise []. | | | | |
| (3) DCI Currency | []. | | | | |
| (4) Number of DCIs | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Class of DCIs</th> <th style="text-align: right;">Number of DCIs in Class</th> </tr> </thead> <tbody> <tr> <td style="height: 20px;">[]</td> <td style="text-align: right;">[]</td> </tr> </tbody> </table> | Class of DCIs | Number of DCIs in Class | [] | [] |
| Class of DCIs | Number of DCIs in Class | | | | |
| [] | [] | | | | |
| (5) DCI Amounts | []. | | | | |
| (6) DCI Amount deferral | []. | | | | |
| (7) Form of the DCIs | A Global DCI relating to the relevant Class in registered form which is intended upon issue to be deposited with one of Euroclear and Clearstream as common safekeeper and registered in the name of a nominee of one of Euroclear and Clearstream acting as common safekeeper, (i.e. the New Safekeeping Structure) (subject to Base Condition 2.8 <i>Removal of Notes or DCIs from Clearing Systems</i>). | | | | |
| (8) Application for Listing | Not applicable. | | | | |
| (9) Clearance / settlement | [] are the Clearing Systems (subject to Base Condition 2.8 <i>Removal of Notes or DCIs from Clearing Systems</i>). | | | | |
| (10) Intended to be held in a manner which would allow Eurosystem eligibility | [No.][Yes. Note that the designation 'yes' simply means that the DCIs are intended upon issue to be deposited with one of Euroclear and Clearstream as common safekeeper, and registered in the name of a nominee of one of Euroclear and Clearstream acting as common safekeeper, and does not necessarily mean that the DCIs will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] | | | | |
| (11) Clearing system codes | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Class of DCIs</th> <th style="text-align: right;">ISIN Common Code</th> </tr> </thead> <tbody> <tr> <td style="height: 20px;">[]</td> <td style="text-align: right;">[] [] []</td> </tr> </tbody> </table> | Class of DCIs | ISIN Common Code | [] | [] [] [] |
| Class of DCIs | ISIN Common Code | | | | |
| [] | [] [] [] | | | | |
| (12) DCI ratings | Not applicable. | | | | |

(13) Minimum Denomination .

Third party information

has been extracted from . The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by , no facts have been omitted which would render the reproduced information inaccurate or misleading.]/[Not Applicable.]

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

19. Programme Prospectus index of definitions

The following expressions used in this Programme Prospectus are defined on the page number specified below:

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Issuer and its registered office
London Wall Mortgage Capital plc
8th Floor
100 Bishopsgate
London EC2N 4AG

Investment manager to certain members of
London Wall Capital Investments LLP
One William Street Capital Management, L.P.
25th Floor, 299 Park Avenue
New York NY 10171
United States of America

Programme Servicer
London Wall Capital Investments LLP
6th Floor
125 London Wall
London EC2Y 5AS

Security Trustee
General Account Provider and General Cash Manager
Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Legal advisers to One William Street Capital Management, L.P.
as to English law and United States law
Cadwalader, Wickersham & Taft LLP
100 Bishopsgate
London EC2N 4AG

as to Northern Irish law
Cleaver Fulton Rankin
50 Bedford Street
Belfast BT2 7FW

as to Scots law
Shepherd and Wedderburn LLP
9 Haymarket Square
Edinburgh EH3 8FY

Legal advisers to
Citibank, N.A., London Branch
as to English law
Allen Overy Shearman Sterling LLP
One Bishops Square
London E1 6AO

Auditors to the Issuer
Ernst & Young
Harcourt Centre
Harcourt Street
Dublin 2 D02 YA40
Ireland

Series Registrar and Series Paying Agent
Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB