

IMPORTANT NOTICE

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

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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER. THE FOLLOWING PROGRAMME ADMISSION PARTICULARS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

The programme admission particulars have been delivered to you on the basis that you are a person into whose possession the programme admission particulars may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. By accessing the programme admission particulars, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the programme admission particulars by electronic transmission, (c) you are not a U.S. person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia and (d) if you are a person in the United Kingdom, then you are a person who (i) has professional experience in matters relating to investments or (ii) is a high net worth entity falling within Article 49(2)(a) to (d) of the Financial Services and Markets Act (Financial Promotion) Order 2005.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET –The Pricing Supplement in respect of any notes issued pursuant to the programme admission particulars (the **Notes**) will include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET –The Pricing Supplement in respect of any Notes will include a legend entitled "UK MiFIR product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **UK distributor**) should take into consideration the target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (as amended or superseded, the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

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

The programme admission particulars have been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Peabody Trust, ABN AMRO Bank N.V., Bank of China Limited, London Branch, Barclays Bank PLC, BNP PARIBAS, HSBC Bank plc, Lloyds Bank Corporate Markets plc, MUFG Securities EMEA plc, NatWest Markets

Plc, RBC Europe Limited or SMBC Bank International plc or any person who controls any of them or any director, officer, employee or agent of any of them or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the programme admission particulars distributed to you in electronic format and the hard copy version available to you on request from ABN AMRO Bank N.V., Bank of China Limited, London Branch, Barclays Bank PLC, BNP PARIBAS, HSBC Bank plc, Lloyds Bank Corporate Markets plc, MUFG Securities EMEA plc, NatWest Markets Plc, RBC Europe Limited or SMBC Bank International plc.

PROGRAMME ADMISSION PARTICULARS



PEABODY TRUST

(incorporated in England with limited liability under the Co-operative and Community Benefit Societies Act 2014 with registration number 7741 and registered with the Regulator of Social Housing under the Housing and Regeneration Act 2008, as amended by the Localism Act 2011, with number 4878)

£1,000,000,000 NOTE PROGRAMME

Under this £1,000,000,000 Note Programme (the **Programme**), Peabody Trust (the **Issuer**) may from time to time issue notes (the **Notes**) as agreed between the Issuer and the relevant Dealer (as defined below).

The Issuer's obligations under the Notes may be secured in accordance with the provisions of Condition 4 (*Security*) (such Notes, **Secured Notes**) or not so secured (such Notes, **Unsecured Notes**), in each case, as specified in the applicable Pricing Supplement (as defined below).

The maximum aggregate principal amount of all Notes from time to time outstanding under the Programme will not exceed £1,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement (as defined below)), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in these Programme Admission Particulars to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors" below.

Application has been made to the London Stock Exchange plc (the **London Stock Exchange**) for Notes issued under the Programme during the period of 12 months from the date of these Programme Admission Particulars to be admitted to trading on the London Stock Exchange's International Securities Market (the **ISM**). The ISM is not a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU (**MiFID II**) or for the purposes of Regulation (EU) No. 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the **EUWA**) (**UK MiFIR**). In respect of any Notes which are specified as "Social Bonds", "Green Bonds" or "Sustainable Bonds" in the applicable Pricing Supplement, application may also (if so specified in the applicable Pricing Supplement) be made for such Notes to be admitted to trading on the London Stock Exchange's Sustainable Bond Market (the **SBM**).

The ISM is a market designated for professional investors. Notes admitted to trading on the ISM are not admitted to the Official List of the Financial Conduct Authority. The London Stock Exchange has not approved or verified the contents of these Programme Admission Particulars.

References in these Programme Admission Particulars to Notes being **admitted to trading** (and all related references) shall mean that such Notes have been admitted to trading on the ISM, so far as the context permits.

Notice of the aggregate principal amount of Notes, interest payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Conditions of the Notes*") of Notes will be set out in a pricing supplement (the **Pricing Supplement**) which, with respect to Notes to be admitted to trading on the ISM, will be delivered to the London Stock Exchange. Copies of Pricing Supplements in relation to Notes to be admitted to trading on the ISM will also be published on the website of the London Stock Exchange through a regulatory information service or will be published in such other manner permitted by the International Securities Market Rulebook effective as of 1 January 2021 (as may be modified and/or supplemented and/or restated from time to time, the **ISM Rulebook**).

These Programme Admission Particulars do not constitute a base prospectus for the purposes of a listing or an admission to trading on any market in the European Economic Area (the **EEA**) or the United Kingdom (the **UK**) which has been designated as a regulated market for the purposes of MiFID II or UK MiFIR, respectively.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

The Issuer and the Programme (both in relation to Secured Notes and Unsecured Notes) have each been rated "A" by Fitch Ratings Ltd. (**Fitch**), "A-" by S&P Global Ratings UK Limited (**S&P**) and "A3" by Moody's Investors Service Limited (**Moody's**). Notes issued under the Programme may be rated by Fitch, S&P and/or Moody's or may be unrated. Where a Tranche of Notes is rated, such rating will be disclosed in the Pricing Supplement and will not necessarily be the same as the rating assigned to the Programme by Fitch, S&P and/or Moody's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger

NATWEST

Dealers

ABN AMRO	BANK OF CHINA
BARCLAYS	BNP PARIBAS
HSBC	LLOYDS BANK CORPORATE MARKETS
MUFG SECURITIES	NATWEST
RBC CAPITAL MARKETS	SMBC

The date of these Programme Admission Particulars is 14 February 2025

IMPORTANT INFORMATION

These Programme Admission Particulars comprise programme admission particulars in respect of all Notes issued under the Programme and admitted to trading in accordance with the ISM Rulebook.

The Issuer accepts responsibility for the information contained in these Programme Admission Particulars and the Pricing Supplement for each Tranche of Notes issued under the Programme. Having taken all reasonable care to ensure that such is the case, the information contained in these Programme Admission Particulars is, to the best of the knowledge of the Issuer, in accordance with the facts and contains no omission likely to affect its import.

The figures referred to and information contained in the Valuation Report prepared by Savills Advisory Services Limited (the *Valuer*) in the section entitled "*Market Commentary*" were obtained from TwentyCI, Bank of England, Oxford Economics, Land Registry, Zoopla and Rightmove, respectively. The Issuer confirms that such figures and information have been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by TwentyCI, Bank of England, Oxford Economics, Land Registry, Zoopla and Rightmove, no facts have been omitted which would render the reproduced figures and information inaccurate or misleading.

The Valuer accepts responsibility for the information contained in the section headed "*Valuation Report*". Having taken all reasonable care to ensure that such is the case, the information contained in the section headed "*Valuation Report*" is, to the best of the knowledge of the Valuer, in accordance with the facts and contains no omission likely to affect its import.

With the exception of the information contained in the section headed "*Valuation Report*", the Valuer does not accept any liability in relation to the information contained in these Programme Admission Particulars or any other information provided by the Issuer, M&G Trustee Company Limited (the *Bond Trustee* and the *Security Trustee*), NatWest Markets Plc (the *Arranger*) or ABN AMRO Bank N.V., Bank of China Limited, London Branch, Barclays Bank PLC, BNP PARIBAS, HSBC Bank plc, Lloyds Bank Corporate Markets plc, MUFG Securities EMEA plc, NatWest Markets Plc, RBC Europe Limited and SMBC Bank International plc (together, the *Dealers*) in connection with the offering of the Notes.

The Valuation Report refers to the position at the date stipulated therein, and the Valuer is not obliged to take any action after the date of the Valuation Report to review or to update the Valuation Report. To the extent that the Issuer has summarised or included any part of the Valuation Report in these Programme Admission Particulars, such summaries or extracts should be considered in conjunction with the entire Valuation Report.

These Programme Admission Particulars are to be read in conjunction with all documents which are deemed to be incorporated in them by reference (see "*Documents Incorporated by Reference*" below). These Programme Admission Particulars shall be read and construed on the basis that those documents are incorporated into and form part of these Programme Admission Particulars.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which these Programme Admission Particulars refer does not form part of these Programme Admission Particulars.

None of the Arranger, the Dealers and any of their respective affiliates and the Note Trustee have independently verified (a) the information contained herein or (b) any matter which is the subject

of any statement, representation, warranty or covenant of the Issuer contained in the Notes or any document relating to the Programme. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Dealers or any of their respective affiliates or the Note Trustee as to (a) the accuracy, adequacy or completeness of the information contained or incorporated in these Programme Admission Particulars or any other information provided by the Issuer in connection with the Programme, (b) any acts or omissions of the Issuer or any other person in connection with the Programme or (c) the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of any Notes or any other agreement or document relating to any Notes or the Programme. None of the Arranger, the Dealers and any of their respective affiliates and the Note Trustee accepts any liability in relation to the information contained or incorporated by reference in these Programme Admission Particulars or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer, the Arranger, any Dealer or any of their respective affiliates or the Note Trustee to give any information or to make any representation not contained in or not consistent with these Programme Admission Particulars or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, any Dealer or any of their respective affiliates or the Note Trustee.

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

Neither these Programme Admission Particulars nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation, (b) should be considered as a recommendation by the Issuer, the Arranger, any Dealer or any of their respective affiliates or the Note Trustee that any recipient of these Programme Admission Particulars or any other information supplied in connection with the Programme or any Notes should purchase any Notes or (c) should be construed as legal, business, tax or other advice. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither these Programme Admission Particulars nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Arranger, any Dealer or any of their respective affiliates or the Note Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of these Programme Admission Particulars nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger, the Dealers and the Note Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

The Issuer has confirmed to the Arranger and the Dealers that these Programme Admission Particulars contain all information which is (in the context of the Programme and the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions, or intentions expressed herein are honestly held or made and are not misleading in any material respect; that these Programme Admission Particulars do not omit to state any material fact

necessary to make such information, opinions, predictions or intentions (in the context of the Programme and the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

To the extent so specified in the applicable Pricing Supplement, Notes issued under the Programme are intended to be Social Bonds, Green Bonds or Sustainable Bonds (each as defined in the Sustainable Finance Framework (as defined in the section headed "*Use of Proceeds and Sustainable Finance Framework*" below)) and the net proceeds from the issue of Notes of each Series will be used by the Issuer for social, green or sustainable purposes as set out in the applicable Pricing Supplement. None of the Arranger, the Dealers and any of their respective affiliates and the Note Trustee will verify or monitor the proposed use of proceeds for any such Notes and no assurance is given by the Issuer, the Arranger, the Dealers or any of their respective affiliates, the Note Trustee or any other person that the use of the proceeds of issue of any such Notes will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which any investor or its investments are required to comply. The Sustainable Finance Framework and the Second Party Opinion (as defined in the section headed "*Use of Proceeds and Sustainable Finance Framework*" below) do not form part of, nor are they incorporated by reference in, these Programme Admission Particulars. See further "*Risk Factors – Use of Proceeds / Social, Green and Sustainable Bonds*" below.

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 both) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the *Insurance Distribution Directive*), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the *PRIPs 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 PRIPs Regulation.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Pricing Supplement in respect of any Notes will include a legend entitled "*MiFID II product governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a *distributor*) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the product governance rules under EU Delegated Directive 2017/593 (as amended or superseded, the *MiFID Product Governance Rules*), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arranger, the Dealers and any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET – The Pricing Supplement in respect of any Notes will include a legend entitled "*UK MiFIR product governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes

(a UK distributor) should take into consideration the target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (as amended or superseded, the *UK MiFIR Product Governance Rules*) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arranger, the Dealers and any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 (2020 REVISED EDITION) OF SINGAPORE

In connection with Section 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (as modified and amended from time to time, the *SFA*) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the *CMP Regulations 2018*), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the *SFA*), that the Notes issued under the Programme are 'prescribed capital markets products' (as defined in the *CMP Regulations 2018*) and Excluded Investment Products (as defined in MAS Notice 6 SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

IMPORTANT INFORMATION RELATING TO THE USE OF THESE PROGRAMME ADMISSION PARTICULARS AND OFFERS OF NOTES GENERALLY

These Programme Admission Particulars do not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of these Programme Admission Particulars and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Arranger, the Dealers and any of their respective affiliates and the Note Trustee do not represent that these Programme Admission Particulars may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger, the Dealers or any of their respective affiliates or the Note Trustee which is intended to permit a public offering of any Notes or distribution of these Programme Admission Particulars in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither these Programme Admission Particulars nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession these Programme Admission Particulars or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of these Programme Admission Particulars and the offering and sale of Notes. In particular, there are restrictions on the distribution of these Programme Admission Particulars and the offer or sale of Notes in the United States, the UK, Hong Kong, Japan, the Republic of Korea and Singapore and a prohibition on the sale of any Notes to EEA retail investors, see "*Subscription and Sale*" below.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Unless otherwise indicated, the financial information in these Programme Admission Particulars relating to the Issuer has been derived from the relevant Financial Statements (as defined in "*Documents Incorporated by Reference*" below).

The Issuer's financial year ends on 31 March, and references in these Programme Admission Particulars to any specific year are to the 12-month period ended on 31 March of such year. The Financial Statements have been prepared and audited in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, the Statement of Recommended Practice "*Accounting by registered social housing providers*" 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022 (the *Accounting Standards*) and the Co-operative and Community Benefit Societies Act 2014.

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of these Programme Admission Particulars will have the meaning attributed to them in "*Conditions of the Notes*" or any other section of these Programme Admission Particulars. In addition, the following terms as used in these Programme Admission Particulars have the meanings defined below:

- *Sterling* and £ refer to pounds sterling;
- *euro* and € refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;
- *U.S. dollars*, *U.S.\$* and \$ refer to United States dollars; and
- *billion* refers to a thousand million.

Certain figures and percentages included in these Programme Admission Particulars have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in these Programme Admission Particulars or any applicable supplement;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;**
- (d) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets;**
- (e) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and**
- (f) understands the accounting, legal, regulatory and tax implications of a purchase, holding and disposal of an interest in the Notes.**

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

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement 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, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules. Any loss resulting from over-allotment and stabilisation shall be borne, and any net profit arising therefrom shall be retained, as against the Issuer, by any Stabilisation Manager for its own account.

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Overview of the Programme

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of these Programme Admission Particulars and, in relation to the conditions of any particular Tranche of Notes, the applicable Pricing Supplement.

Words and expressions defined in "*Form of the Notes*" and "*Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer: Peabody Trust

Legal Entity Identifier (LEI): 213800RE21RPMCU87D71

The Issuer is a Registered Provider of Social Housing and a charitable organisation whose activities are regulated by the Regulator (as defined below). It is an exempt charity.

The Issuer's primary business object is to carry on, for the benefit of the community, the provision and management of housing, including social housing, and the provision of assistance to help house people and associated facilities, amenities and services for poor people or for the relief of aged, disabled (whether physically or mentally), chronically sick people or persons in hardship or distress.

Description: £1,000,000,000 Note Programme

Use of Proceeds: The net proceeds from each issue of Notes (each after deduction of expenses payable by the Issuer) shall be applied in furtherance of the Issuer's objects as permitted by its Rules including, without limitation, on-lending to other members of the Peabody Group and the repayment of any existing indebtedness of the Issuer.

If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

If the Notes are specified as "Social Bonds", "Green Bonds" or "Sustainable Bonds" in the applicable Pricing Supplement, the net proceeds from the issue of the Notes (each after deduction of expenses payable by the Issuer) will be used for social, green or sustainable purposes, respectively, and, unless otherwise specified in the applicable Pricing Supplement, will be applied in accordance with the Sustainable Finance Framework as described in "*Use of Proceeds and Sustainable Finance Framework*" below.

Status of the Notes: The Secured Notes will constitute direct, unconditional and unsubordinated obligations of the Issuer, secured in the manner set out in Condition 4 (*Security*), and will rank *pari passu* without any preference or priority among themselves.

The Unsecured Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will

rank *pari passu* without any preference or priority among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

Programme Size: Up to £1,000,000,000 outstanding at any time (or its equivalent in other currencies calculated as described in the Programme Agreement). The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Distribution: Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Certain Restrictions: Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of these Programme Admission Particulars.

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the UK, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (**FSMA**) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".

Currencies: Subject to any applicable legal or regulatory restrictions, Notes may be denominated in Sterling and any other currency agreed between the Issuer and the relevant Dealer.

Notwithstanding the foregoing, Secured Notes will not be issued in any currency other than Sterling unless and until a replacement or a supplement to these Programme Admission Particulars is published.

Denomination of Notes: The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency (see "*Certain Restrictions*" above), and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Maturities: The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or

maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

Issue Price: Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes: The Notes will be issued in bearer form as described in "*Form of the Notes*".

Interest Basis: The Notes may be either Fixed Rate Notes or Floating Rate Notes.

Fixed Rate Notes: Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

Floating Rate Notes: Floating Rate Notes will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. (**ISDA**), and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series), or the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (as published by ISDA as at the Issue Date of the first Tranche of the Notes of the relevant Series) as specified in the applicable Pricing Supplement; or
- (b) on the basis of the reference rate set out in the applicable Pricing Supplement.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. For the avoidance of doubt, the interest rate in respect of Floating Rate Notes shall not be less than zero.

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined for Floating Rate Notes, on the occurrence of a Benchmark Event the Issuer shall use its reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser that may (subject to certain conditions and following consultation with the Issuer) determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread and Benchmark Amendments (if any) in accordance with Condition 7.2(c) (*Benchmark Replacement*).

Final Redemption:

Unless previously redeemed in accordance with Condition 9 (*Redemption and purchase*) the Notes will be redeemed:

- (a) at the Final Redemption Amount on the Maturity Date specified in the applicable Pricing Supplement; or
- (b) where Instalment Redemption is specified as applicable in the applicable Pricing Supplement, in the Instalment Amounts on the Instalment Dates specified in the applicable Pricing Supplement.

Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution. See "*Certain Restrictions*" above.

Early Redemption:

The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity date or stated instalment dates (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity or instalment date(s) and at a price or prices and on such other terms, and/or subject to such conditions, as may be agreed between the Issuer and the relevant Dealer.

Purchases:

The Issuer or any of other member of the Peabody Group may at any time purchase Notes at any price in the open market or otherwise. Such Notes purchased by the Issuer or any other member of the Peabody Group may be held, reissued, resold or, at the option of the Issuer or such other member of the Peabody Group, surrendered to any Paying Agent for cancellation.

Secured Notes and Unsecured Notes:

If the applicable Pricing Supplement specifies that a Series of Notes will be Secured Notes, the Issuer's obligations in respect of such Series of Notes shall be secured in accordance with the provisions of Condition 4 (*Security*) (such Notes, **Secured Notes**). The applicable Pricing Supplement may also specify that the Issuer's obligations in respect of a Series of Notes shall not be so secured (such Notes, **Unsecured Notes**).

Security (in respect of Secured Notes only):

The Issuer's obligations in respect of each Series of Secured Notes are secured pursuant to each Security Agreement by:

- (a) first legal mortgages over the Charged Properties;
- (b) first fixed charges over all plant and machinery, the benefit of Insurances and future licences, consents and authorisations in respect of the Charged Properties; and
- (c) assignments by way of security of the Issuer's and any Charging Group Member's rights, title and interest arising under the personal agreements and covenants by the tenants, lessees, licensees or other parties under the Letting Documents and all agreements, now or from time to time entered into or to be entered into for the sale, letting or other disposal or realisation of, or in connection with the management, ownership, refurbishment, development, repair, improvement or servicing of, the whole or any part of the Security Assets.

An Eligible Group Member may become a Charging Group Member by acceding to the Security Trust Deed and creating security as described above.

The security created pursuant to the Security Agreements will be apportioned to the Series Secured Parties on:

- (i) a Numerical Apportionment Basis; or
- (ii) a Specific Apportionment Basis,

in each case, as specified in the applicable Pricing Supplement and in accordance with and subject to the terms of the Security Trust Deed.

The Issuer's obligations in respect of each Series of Notes are also secured pursuant to the Note Trust Deed by:

- (a) a first fixed charge over all moneys from time to time standing to the credit of the Series Charged Account in relation to such Series and all debts represented thereby;
- (b) an assignment by way of security of the Issuer's rights, title and interest arising under the Agency Agreement and the Account Agreement, to the extent they relate to such Series; and
- (c) a first fixed charge over all of the rights of the Issuer in respect of any sums held from time to time by the Paying Agents for the payment of principal, premium or interest in respect of such Series.

The claims of the Series Secured Parties in respect of such Series will rank in priority to the claims of the unsecured creditors.

Negative Pledge (in respect of Secured Notes only):

In respect of each Series of Secured Notes, the Issuer has covenanted (pursuant to Condition 5.1(b) (*Negative Pledge and Disposals*)) not to create or permit to subsist, and to procure that each Charging Group Member will not create or permit to subsist (pursuant to the Note Trust Deed), in each case for so long as any of the Secured Notes of such Series remain outstanding, save as expressly permitted by the Note Trust Deed and/or the Security Documents, over any of the Series Charged Property, any mortgage or charge or any other security interest ranking in priority to, or *pari passu* with, the Series Security, excluding, for this purpose any security interest created by or pursuant to the Note Trust Deed or by operation of law.

There is no negative pledge in respect of the Unsecured Notes.

Asset Cover Covenant (in respect of Secured Notes only):

Pursuant to Condition 5.1(c) (*Asset Cover Covenant*) the Issuer has covenanted, for so long as any of the Secured Notes of each Series remain outstanding, that it shall at all times ensure that the sum of:

- (a) the Minimum Value of the Charged Properties in respect of the relevant Series of Secured Notes multiplied by the Series Security Percentage; and
- (b) the Charged Cash in respect of such Series of Secured Notes,

will not be less than the aggregate principal amount of the Secured Notes of such Series that remain outstanding.

In calculating the Minimum Value of the Charged Properties, a discount is applied in accordance with the definition thereof such that any value given in a valuation of Charged Properties on an EUV-SH basis is divided by 105, and any value given in a valuation of Charged Properties on an MV-ST basis is divided by 115, and, in each case, is multiplied by 100.

Valuations (in respect of Secured Notes only):

In respect of each Series of Secured Notes, the Issuer has covenanted, pursuant to Condition 5.1(d) (*Valuations*) (and subject as provided therein), for so long as any of the Secured Notes of such Series remain outstanding, that it shall deliver a Valuation to the Note Trustee and the Security Trustee in the period between 31 March and the date falling 60 days after 31 March in each year whereby the Valuer values:

- (a) not less than 20 per cent. of the Charged Properties on a Full Valuation Basis; and

- (b) the remaining Charged Properties on a Desk Top Valuation Basis.

Addition, Substitution and Release of Charged Properties and Charged Cash (in respect of Secured Notes only):

The Issuer or any Charging Group Member may, in respect of each Series of Secured Notes, charge and/or allocate, substitute or release and/or reallocate Charged Properties from the Series Property Security (and the Note Trustee, in its capacity as Representative, shall consent to such charging and/or allocation, substitution or release and/or reallocation and countersign an amended Apportionment Certificate to reflect the same) subject to, and in accordance with, the requirements set out in Conditions 6.1 (*Addition of New Charged Properties*), 6.2 (*Substitution of Charged Properties*), 6.3 (*Release and/or Reallocation of Charged Properties*) and 6.4 (*Statutory Disposals*).

The Issuer may also, at any time, deposit money into the applicable Series Charged Account relating to a Series of Secured Notes to ensure compliance with the Asset Cover Covenant relating to that Series.

Unencumbered Assets Covenant (in respect of Unsecured Notes only)

Pursuant to Condition 5.2(b) (*Unencumbered Assets Covenant*), the Issuer has covenanted that, for so long as any of the Unsecured Notes of any Series remain outstanding, it shall ensure that the Unencumbered Assets of the Issuer shall not be less than 125 per cent. of the Unsecured Financial Indebtedness of the Issuer.

Information Covenant:

In respect of each Series of Notes, the Issuer has covenanted to deliver to the Note Trustee, within 180 days after the end of each Financial Year:

- (a) a copy of its own and its consolidated audited financial statements for such Financial Year;
- (b) (in respect of each Series of Secured Notes) a copy of the audited financial statements of each Charging Group Member for such Financial Year (both its own and, where applicable, on a consolidated basis); and
- (c) a Compliance Certificate,

and, upon request by a Noteholder to the Issuer, (i) to make copies of such documents available to any of the Noteholders at the Issuer's registered office or (ii) to provide copies of such documents by email upon request, subject to satisfactory evidence of the Noteholder's holding of Notes and identity.

In addition to the rights of the Noteholders of each Series to convene a meeting pursuant to Condition 18 (*Meetings of Noteholders, Modification, Waiver and Authorisation*), at the request of the requisite majority of the Noteholders of any Series, the Issuer shall hold a meeting of the Noteholders of such Series

(including by way of conference call) to discuss the financial position of the Issuer and (if applicable) each Charging Group Member, provided that the Issuer shall not be required to hold any such meeting more than once in any calendar year.

Events of Default:

Following the occurrence of an Event of Default the Note Trustee may, and if so requested by the holders of at least 25 per cent. in principal amount of the Notes of the relevant Series then outstanding shall (subject to it being secured and/or indemnified and/or prefunded to its satisfaction and, upon certain events, the Note Trustee having certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders of such Series), give notice to the Issuer and the Notes of such Series shall become immediately due and repayable at their principal amount, together with accrued interest, and (in respect of a Series of Secured Notes) the Series Security shall become enforceable.

The Events of Default in relation to each Series of Secured Notes include, *inter alia*, non-payment of any principal, premium and interest due in respect of the Notes of the relevant Series and failure of the Issuer or any Charging Group Member to perform or observe any of its other obligations under the Conditions of the Notes, the Note Trust Deed or the Security Documents (in each case, upon the expiry of the relevant grace period), insolvency, unlawfulness and acceleration, or non-payment, in respect of other indebtedness in an aggregate amount equal to or in excess of £10,000,000 (or its equivalent).

The Events of Default in relation to each Series of Unsecured Notes include, *inter alia*, non-payment of any principal, premium and interest due in respect of the Notes of the relevant Series and failure of the Issuer to perform or observe any of its other obligations under the Conditions of the Notes or the Note Trust Deed (in each case, upon the expiry of the relevant grace period), insolvency, unlawfulness and acceleration, or non-payment, in respect of other indebtedness in an aggregate amount equal to or in excess of £10,000,000 (or its equivalent).

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 10 (*Taxation*). In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 10 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.

Meetings of Noteholders:

The Conditions of the Notes and the Note Trust Deed contain provisions for calling meetings of Noteholders (including by way of conference call) of the relevant Series to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders of the relevant Series

including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Modification and Waiver:

The Note Trustee may, pursuant to Condition 18 (*Meetings of Noteholders, Modification, Waiver and Authorisation*), without the consent of Noteholders, Receiptholders, Couponholders or, in respect of a Series of Secured Notes, any Series Secured Party, agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, the Conditions, the Note Trust Deed or any other Programme Document or determine that any Potential Event of Default or Event of Default shall not be treated as such (subject to the proviso in Condition 18.2) or consent to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Note Trustee, proven. In respect of each Series of Secured Notes, no modification shall be made to Condition 4.2 (*Post-enforcement*) without the consent of each Series Secured Party.

Risk Factors:

There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under "*Risk Factors*".

Rating:

The Issuer and the Programme (both in relation to Secured Notes and Unsecured Notes) have each been rated "A" by Fitch, "A-" by S&P and "A3" by Moody's.

Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Pricing Supplement and will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Admission to trading:

Application has been made for Notes issued under the Programme to be admitted to trading on the ISM and, in respect of any Notes which are specified as "Social Bonds", "Green Bonds" or "Sustainable Bonds" in the applicable Pricing Supplement, application may also (if so specified in the applicable Pricing Supplement) be made for such Notes to be admitted to trading on the SBM.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes

which are neither listed nor admitted to trading on any market may also be issued.

The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Arranger: NatWest Markets Plc

Dealers: ABN AMRO Bank N.V.
Bank of China Limited, London Branch
Barclays Bank PLC
BNP PARIBAS
HSBC Bank plc
Lloyds Bank Corporate Markets plc
MUFG Securities EMEA plc
NatWest Markets Plc
RBC Europe Limited
SMBC Bank International plc

and any other Dealers appointed in accordance with the Programme Agreement.

Principal Paying Agent and Account Bank: The Bank of New York Mellon, London Branch

Note Trustee and Security Trustee: M&G Trustee Company Limited

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

Selling Restrictions: There are restrictions on the offer, sale and transfer of the Notes in the United States, the UK, Hong Kong, Japan, the Republic of Korea and Singapore and a prohibition on the sale of any Notes to EEA retail investors and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

United States Selling Restrictions: Regulation S, Category 2. TEFRA C or TEFRA D, as specified in the applicable Pricing Supplement.

Risk Factors

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in these Programme Admission Particulars a number of factors which could materially adversely affect its business and ability to make payments due.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in these Programme Admission Particulars and reach their own views prior to making any investment decision.

Factors which may affect the Issuer's ability to fulfil its obligations under the Notes

Risks relating to the Issuer's business activities and industry

A. Risks related to social rental income

1. Social rental income risks

See "*Description of the Social Housing Sector in England – Social Housing Rents*" below.

The tenants of social housing (as defined in Part 2 of the Housing and Regeneration Act 2008) properties of the Issuer are personally responsible for the rental payments on the relevant occupied properties and, consequently, the Issuer is exposed to the risk of tenant arrears and bad debts. For the year ended 31 March 2024, the Issuer's turnover from social housing lettings was £768 million, or 78 per cent. of the Issuer's £989 million of turnover, and operating surpluses from social housing lettings were £177 million, or 73 per cent. of the Issuer's £244 million of operating surpluses. As at 31 March 2024, the Issuer's tenant arrears balance was £79 million with a provision of £38 million for bad debts.

Any significant exposure to arrears and bad debts may adversely affect the ability of the Issuer to meet its payment obligations in respect of the Notes. Receipt of rental income by the Issuer relies on the Issuer's ability to let its properties. Demand for the Issuer's properties is mainly driven by local housing need and property condition as compared to alternative accommodation. The Issuer considers that housing need in the areas in which it operates, predominantly the Greater London area, is high, and that it maintains its properties to a good standard and in accordance with regulatory requirements. Notwithstanding that, if there was a material net reduction in demand for the Issuer's properties, this could reduce overall rental income and, as a result, affect the ability of the Issuer to meet its payment obligations under the Notes.

2. Risks related to social housing rent levels

See "*Description of the Social Housing Sector in England – Social Housing Rents*" below.

The Issuer adjusts its rents for social housing (as defined in Part 2 of the Housing and Regeneration Act 2008) annually from 1 April each year. From 1 April 2020, social housing rents in England were set at the Consumer Price Index (CPI) plus 1 per cent. formula for a period of five years. The UK Government announced in January 2024 that it would extend this rent policy to 2025-2026, however the rent policy

beyond 2026 has not yet been confirmed. During the period of 1 April 2024 to 31 March 2025, rent increases are capped at CPI (6.7 per cent.) plus 1 per cent., which means that Registered Providers of Social Housing, including the Issuer, may only increase rents by up to 7.7 per cent. (the **Rent Cap**).

Collection of rental income is dependent on a stable external environment. Sudden domestic or global macro-events may increase levels of inflation and lead to higher interest rates and may, therefore, adversely affect the Issuer's ability to collect rental income on a timely basis or may cause rental arrears to rise. For example, a prolonged banking payment systems issue could lead to a delay in the receipt of rental income.

The Issuer applied the Rent Cap for the year 2023-2024 and does not believe this materially affected the operation of its business. The Issuer will apply future rent increases or decreases in accordance with the UK Government rent regimes (if any) in place at the time. Notwithstanding this, as at the date of these Programme Admission Particulars, the UK Government is considering revisions to the Rent Cap, with a consultation on a new five-year social housing rent settlement proposed in relation to funding post-2026. The UK Government has expressed its intention to continue to increase rents in line with CPI plus 1 per cent., however details of any new rent settlement are not expected until the Spring 2025 budget, so no certainty can be given as to what level of any rent increase there may be from 2026 onwards.

The affordability of any proposed social housing rent rises for the Issuer's tenants will be considered and changes to rents are subject to board approval. At present any government-mandated rent reduction is unlikely to apply to rents chargeable in respect of shared ownership leases held by the Issuer (unless implemented on a voluntary basis). However, no certainty can be given that this position will remain the case. Any reduction in rental income generally could, if material, adversely affect the Issuer's ability to meet its payment obligations under the Notes.

3. Risks related to Universal Credit

See "*Description of the Social Housing Sector in England – Universal Credit*" below.

As at 31 March 2024, the Issuer estimates that it had approximately 28,359 tenants in receipt of Universal Credit. Of those, 17,404 (or 61 per cent.) were in arrears.

To manage the risks in relation to welfare reform, the Issuer, in support of its social mission, provides advice and tenant support services, such as employment and welfare advice, to support residents' household incomes. It also provides research and influencing work on the impact of welfare reform and residents' living standards such as through the Peabody Index.

The Department for Work and Pensions currently expects all households claiming legacy benefits and tax credits to have been notified of the need to move across to Universal Credit by 2029. The completion of the final stages of the roll out of Universal Credit may have an adverse impact on the ability of tenants to pay their rent. In turn, this could have an adverse impact on the Issuer's cash flow and could affect the ability of the Issuer to meet its payment obligations on a timely basis under the Notes.

B. Property market-related risks

1. Risks related to shared ownership

See "*Description of the Social Housing Sector in England – Shared Ownership*" below.

As at 31 March 2024, the Issuer held 11,654 low-cost home ownership homes. Shared ownership income is generated:

- (a) on the initial sale of the property (known as the "first tranche") to the "shared owner" carried out by the Issuer and its wholly owned subsidiary Peabody Developments Limited (**Peabody Developments**);
- (b) on subsequent sales of further "tranches" or portions of the property to the shared owner (known as "staircasing") by the Issuer (the property habitually having been transferred to the Issuer by Peabody Developments); and
- (c) in the form of subsidised rent on the part of the property which the shared owner does not own, which is payable by the shared owner to the Issuer until such time as the property is fully owned by the shared owner.

There is the risk that if a tenant of a shared ownership property borrows monies through a mortgage from a commercial lender (having obtained consent from the Issuer) then that lender's mortgage (and any costs of the commercial lender in enforcing that mortgage) may take priority ahead of the security arrangements in place under the Security Trust Deed. However, if that commercial lender was to enforce its security following a tenant defaulting on its mortgage, such lender could staircase (i.e. purchase a portion of the freehold property) up to 100 per cent. in order to be able to sell the whole leasehold interest, in which case the Issuer as landlord could receive such staircasing payments from the commercial lender. If the price for the full 100 per cent. receivable on sale is not sufficient to meet the principal outstanding (plus 12 months' interest and other statutorily permitted costs) then the shortfall will remain as a debt due to the landlord from the defaulting leaseholder. Under the Regulator's current rules, any shortfall not recovered is borne first by the provider of any grant in respect of the property, and thus the Issuer will only be affected to the extent that the shortfall cannot be covered by grant monies. If a commercial lender did enforce its security by staircasing up to 100 per cent. and there was such a shortfall, the Issuer would no longer receive rent for its retained share of the property, which could have an impact upon its rental income, which in turn could affect the ability of the Issuer to meet its payment obligations under the Notes.

The Right to Shared Ownership scheme provides tenants that satisfy certain criteria the right to purchase an equity stake in their home if that home was built with grant funding obtained under the Affordable Homes Programme 2021-2026. Increased access to shared ownership by tenants living in affected properties could result in certain of the Issuer's tenants seeking to exercise their rights to shared ownership. This may result in an increase in the Issuer's rented units being converted to shared ownership units. In turn, this could have an impact upon the Issuer's rental income, which could affect the ability of the Issuer to meet its payment obligations under the Notes.

2. Risks related to exposure to performance of subsidiaries – housing for sale development programme and joint ventures

The Peabody Group's housing for sale programmes are delivered by Peabody Developments and Catalyst by Design Limited (**Catalyst by Design**). The housing for sale development programme includes shared ownership properties and units developed for outright sale on the open market. The Issuer, through Peabody Developments, Catalyst by Design and other subsidiaries, has invested in a

number of joint venture arrangements and the Issuer will consider whether to invest further in joint venture arrangements (whether directly or indirectly) based on the merits of any opportunity at the relevant time.

The Issuer is exposed to the cash flow and profits from Peabody Developments and Catalyst by Design firstly because the Issuer has invested in Catalyst by Design through its equity holding, secondly through lending to fund their activities and lastly because where surpluses are generated by Peabody Developments and Catalyst by Design, gift-aid payments may be made to the Issuer.

As at 31 March 2024, the total direct lending from the Issuer to Peabody Developments is £728 million secured by floating charges over its assets. As at 31 March 2024, the total direct lending from the Issuer to Catalyst by Design is £74 million secured by a floating charge over its assets. As sales (whether of units developed for shared ownership or on the open market) made by Peabody Developments and Catalyst by Design are dependent on economic conditions and performance of the housing market (see "*Risks related to the market and development*" below) so too is their capacity to service debt borrowed from the Issuer and to generate a surplus. Additionally, as a consequence of cyclicity and volatility in the prices of residential property, both Peabody Developments and Catalyst by Design may be exposed to counterparty risk (including joint venture counterparties) and may acquire development sites in periods of higher prices and may be forced to sell units developed on such sites during periods of lower prices. There is no guarantee that the prices Peabody Developments and Catalyst by Design are able to achieve on the sale of such properties would realise the margin anticipated or would exceed the acquisition or development cost of any relevant property.

Major, or a series of, health and safety incidents, incorrect assumptions, flawed assessments underlying cost estimates, material defects, contractor or sub-contractor risk (including the risk that any development counterparty may be subject to insolvency proceedings) and insufficient warranty coverage may have a material adverse effect on the business, results of operations, financial condition and/or prospects of Peabody Developments and Catalyst by Design. A material downturn in the housing market or the materialisation of any of the construction related risks described above may therefore adversely affect the ability of Peabody Developments and Catalyst by Design to repay the Issuer or to generate such surpluses to enable the making of gift aid payments. This may correspondingly affect the cash flows of the Issuer and, therefore, the ability of the Issuer to meet its payment obligations under the Notes.

3. *Risks related to the market and development*

Residential property investment is subject to varying degrees of market and development risks. Market values of properties are generally affected by overall conditions in the economy; political factors and systemic events, including the condition of the financial markets; the cost and availability of finance to businesses and consumers; fiscal and monetary policies; changes in UK Government legislation; political developments, including changes in regulatory or tax regimes; changes in unemployment, gilt yields, interest rates and credit spreads; levels of prevailing inflation; changes in consumer spending; an increase in the supply of, or a reduction in demand for, residential property; infrastructure quality; the returns from alternative assets as compared to residential property; environmental considerations; changes in planning laws and practices; and the perceived threat from terrorism. Residential real estate values and rental revenues are also affected by factors specific to each local market in which the property is located, including the supply of available property and demand for residential real estate and the availability of mortgage finance to prospective purchasers.

These market risks may impact upon the expenses incurred by the Issuer associated with existing residential properties, the rental income produced by these properties, the value of existing investments, the ability to develop land acquired, the ability to sell shared ownership properties and the ability to

acquire additional sites. This could, in turn, impact upon the Issuer's cash flow and its ability to satisfy any asset cover covenants which it is required to maintain pursuant to the terms of existing facility arrangements.

C. Financial-related risks

1. Risks related to capital resources

The ability of the Issuer to operate its business depends in part on it being able to raise funds and maintain access to funds. An increase in the cost, or lack of availability, of finance (whether for macroeconomic reasons, such as a lack of liquidity in the debt markets or the inability of a financing counterparty to honour pre-existing lending arrangements, or reasons specific to the Issuer) could impact the Issuer's ability to progress its business objects, deliver the expected rates of return on investments and the day-to-day financing (or refinancing) requirements of the Issuer's business over the longer term. Any material increase in the cost of financing or any decrease in the availability of financing on reasonable terms could have a material adverse effect on the Issuer's business, operations, financial condition and/or prospects and in turn the Issuer's ability to meet their payment obligations under the Notes.

As at 31 March 2024, the Peabody Group held £5,974 million of external loan facilities, including £1,098 million which represented undrawn, fully secured facilities (of which £818 million is immediately available). As at 31 March 2024, the Issuer was also in the process of charging security for a further facility of £125 million. As at 31 March 2024, Peabody Group held net debt (being interest bearing borrowings less cash and cash equivalents) of £4,871 million. £1,263 million of intragroup debt owed to subsidiaries of the Issuer as at 31 March 2024 and available liquidity (being committed and available undrawn loan facilities and available cash and cash equivalents) of £951 million.

In addition, the Issuer is subject to the risk that it will be unable to generate sufficient cash flows, or be unable to obtain sufficient funding, to satisfy its obligations to service and/or refinance its indebtedness. Further, any covenants contained in the Issuer's borrowing arrangements, including the Notes, may limit or prohibit the Issuer's operational and financial flexibility. Any event of default, cross default, breach of a covenant or the inability to vary or waive any covenants could generally have a material adverse effect on the Issuer's business, results of operations, financial condition and/or prospects and, in turn, the Issuer's ability to meet its payment obligations under the Notes.

2. Risks relating to treasury

The on-going creditworthiness of the Issuer depends on many factors, including the link to national government, industry, competitive, financial, and operational performance, economic factors, the level of drawn debt, the ability to access new debt and the strength of its management and governance structure. Actual deterioration or a perceived deterioration in any of these factors or a combination of these factors may result in a downgrade in perceived creditworthiness and/or reduce its ability to raise further or renew existing financing facilities. This could affect the Issuer's ability to meet its payment obligations under the Notes.

To manage liquidity risk and augment its capital reserves, the Issuer's treasury strategy ensures that a significant liquidity buffer in the form of cash and undrawn but committed revolving credit facilities is available, funding is procured in advance of need and sufficient headroom against covenants is maintained. Further, the Issuer seeks to ensure that leverage is maintained at a level within its risk appetite as measured by its ability to service debt and maintain strong investment grade credit ratings.

3. Risks related to interest rates

The Issuer is subject to adverse interest rate movements that could lead to an increase in the cost of borrowing. The Issuer's interest rate risk arises from the risk of fluctuations in interest charges on floating rate borrowings. The Issuer's treasury function seeks to mitigate interest rate risk volatility and uncertainty by allowing for a balance of fixed and floating rate debt, consistent with the Issuer's treasury strategy and treasury management policies and applicable regulatory guidelines. As at 31 March 2024, the Issuer had £3,283 million fixed rate drawn debt (71 per cent.) and £1,369 million of floating drawn debt.

The Issuer also seeks to manage this risk in accordance with its hedging strategy through the use of variable to fixed interest rate swaps, some which are recorded as basic financial instruments under FRS 102 and are not required to be marked to market at the year end. As at 31 March 2024, the Issuer held £4 million of non-basic derivatives held at fair value as at 31 March 2024 in respect to interest rate swap contracts entered into with a weighted average interest rate of 3.9 per cent. over 7 years. The notional balance at 31 March 2024 was £150 million which was all in designated hedge relationships.

The Issuer is, however, subject to mark to market exposure on some of its loan facility agreements which require that appropriate security or cash is provided to cover mark to market exposures on these financial derivatives prior to the release of excess security. The Issuer manages this risk through its pool of approximately 35,000 unencumbered properties and also by holding sufficient headroom in loan specific security pools so that security levels are maintained at a level above existing asset cover thresholds.

4. Risks related to pensions

The Issuer participates in a number of defined benefit and defined contribution pensions schemes including the defined contribution scheme with Legal & General (**L&G**), the Ealing Family Housing Association Pension Scheme (**EFHAPS**), the Social Housing Pensions Scheme (**SHPS**), and the Local Government Pension Scheme (**LGPS**). The assets of these schemes are held separately to those of the Issuer.

The Issuer participates in the L&G defined contribution scheme for employees who join the Peabody Group.

The Issuer previously participated in the London Pensions Fund Authority Scheme (**LPFA**) for those employees who elected to join prior to 31 March 2008. The scheme was closed to new entrants and was closed to future accrual on 31 March 2020. As of 1 September 2023, the Peabody Group exited the LPFA.

The EFHAPS was closed to future members with effect from 31 March 2007. The most recent actuarial valuation of this scheme was conducted as at 30 September 2023 and demonstrated that the scheme was in surplus.

The SHPS is an industry-wide multi-employer scheme, administered by The Pensions Trust, with a number of different benefit structures. The Issuer participates in the final salary section, which is closed to new entrants. The SHPS is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with a document issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pensions schemes in the UK.

The SHPS is classified as a "last man standing arrangement". Therefore, the Issuer is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the

scheme deficit following withdrawal from the SHPS. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the SHPS. Following the 30 September 2017 valuation, the SHPS has moved away from a tiered recovery plan approach to allocating deficit contributions on a "full share of liability" basis (the **Recovery Plan**). Under the Recovery Plan, in addition to employer contributions to fund future service, the Issuer will pay an annual deficit contribution in order to meet the shortfall within the scheme. Following the results of the SHPS 30 September 2023 actuarial valuation the Issuer's deficit funding contributions from 1 April 2025 will be £5.2 million per annum increasing by 2 per cent. per annum from April 2026 to March 2028.

The participating employers of the SHPS scheme have been notified that the Trustee of the SHPS scheme have performed a review of the changes made to the SHPS scheme's benefits over the years and that there is uncertainty surrounding some of these changes. The SHPS's Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2025.

The LGPS is a public sector pension scheme independently administered locally through various regional pension funds. The Issuer participates in the LGPS as administered by the London Boroughs of Hammersmith & Fulham, and Hackney, Kent County Council and West Sussex County Council. The LGPS is a defined benefit scheme which is currently based on final pensionable salary and is only open to staff who transferred from local authorities. Employer participation in the LGPS is subject to the rules of the LGPS which are set out in legislation.

As a result of the legislation governing the LGPS, there is a potential debt due from the Issuer when it leaves the LGPS, for example, if it ceases to employ active members of the LGPS. The debt due from the Issuer on departure would be calculated by comparing the liabilities of the Issuer with the assets of the Issuer as at the date that the Issuer leaves the LGPS. The Issuer participates in two other defined benefit schemes (the Pensions Trust Career Average Revalued Earnings Pension Scheme and the TPT Retirement Solutions Growth Plan) which are both closed to new entrants.

As at 31 March 2024, the Issuer's total liability in respect of its defined benefit pensions schemes was assessed at £23 million and the defined benefit pension scheme contributions made by the Issuer in relation to these schemes were £5 million in the year ended 31 March 2024. All are subject to triennial review by a qualified actuary.

If the market value of any relevant pension scheme declines in relation to the assessed liabilities, which depends on, among other things, the real returns that can be obtained from the assets, the longevity of its members, the rate of increase of salaries, discount rate assumptions and inflation, or if the trustees or the regulator of pensions determines that the Issuer's liabilities requires a different approach to contributions and deficit reduction, the Issuer may be required to increase its contributions which could have an adverse impact on its ability to meet its payment obligations on a timely basis under the Notes.

D. Risks related to regulation

The Issuer has addressed the latest standards applying to Registered Providers of Social Housing through an enhanced governance structure. This includes resident board members on the landlord bodies and a code of conduct setting out expectations of employees with regard to principles and behaviours. Value for money is being driven by efficiency savings targets and increased revenues supported by a strong focus on procurement and operational efficiency in housing services and better business processes.

On 27 September 2023, the Regulator published its regulatory judgement for the Issuer, the first since Catalyst Housing Limited joined the Peabody Group, which concluded that both the viability and

governance standards were met and graded the Peabody Group "G1" for governance and "V2" for viability. The Regulator also requires that the Peabody Group collect and publish data in relation to Tenant Satisfaction Measures (**TSMs**), with the first year's data published in 2024. TSMs for the Peabody Group show an overall tenant satisfaction of 52.4 per cent. for the year 2023-24. See also the section headed "*Description of the Issuer and the Peabody Group*" below.

Any breach of regulations or any corresponding intervention by the Regulator in respect of the Issuer including any exercise of the Regulator's statutory powers of enforcement, any regulatory downgrade (even if any downgrade made is to a lower if still compliant regulatory grade) or any placing on the Regulator's list of providers with gradings under review may adversely impact the Issuer. Depending on the type and severity of any action, this could ultimately affect the ability of the Issuer to meet its payment obligations on a timely basis under the Notes.

The regulation of Registered Providers of Social Housing has undergone significant changes in recent years with the introduction of the Social Housing (Regulation) Act 2023 (the **SHRA**) and revisions to the consumer standards.

Subsequent to the introduction of the SHRA, the Regulator of Social Housing continues to provide proactive regulation of the economic standards. Whereas historically, in relation to the consumer standards, the Regulator of Social Housing has taken a more reactive approach (with the use of its statutory powers being restricted to instances where there is a risk of serious detriment to tenants), the SHRA has changed the regulation of the consumer standards in that it removes the "serious detriment" test entirely, therefore lowering the threshold at which the Regulator of Social Housing can use its statutory powers to enforce the consumer standards. The SHRA also provides the Regulator of Social Housing with the ability to issue codes of practice relating to the consumer standards, resulting in four new consumer standards in force since April 2024 (specifically, neighbourhood and community; safety and quality; tenancy; and transparency, influence and accountability). These are supplemented by various guidance, policies and codes of practice, which set out more information about how the Regulator of Social Housing will regulate in practice, and how it will gain assurances in order to form judgments on Registered Providers of Social Housing.

In addition to making the regulation of the regulatory standards more proactive, the SHRA also contains various mechanisms to strengthen the enforcement powers of the Regulator of Social Housing, including the removal of the financial cap on fines, and an ability to require performance improvement plans from registered providers of social housing. Routine inspections of larger landlords have been introduced, which cover a broader scope than previous requirements and involve engagement with tenants as well as boards and leadership teams, together with more reactive inspections where issues of concern are raised.

In addition, the Building Safety Act 2022 has introduced wide-ranging changes to the design, construction and maintenance of the built environment, including the creation of a new Building Safety Regulator. This and other legislation and regulation forms part of a transition towards more proactive regulation of the social housing sector with the overall intention of improving the quality and safety of homes for the benefit of tenants and making landlords more accountable to tenants. The latter is also supported by the increased powers of the Housing Ombudsman, which scrutinises complaints and social landlords' performance and culture on issues such as their repairs service, dealing with anti-social behaviour and listening to, and acting on, tenant feedback. No certainty can be given as to the future direction or continuation of the regulatory regime. However, legal and regulatory changes could lead to the Issuer facing increased compliance and other costs, particularly in relation to investment in the quality of stock. In turn, this could adversely affect the funding resources available to the Issuer and, as a result, the ability of the Issuer to meet its payment obligations under the Notes.

E. Risks related to Housing Grant

See "*Description of the Social Housing Sector in England – Housing Grant*" below.

The Issuer has historically received, and is expecting to receive, grant funding from a variety of sources, including the Greater London Authority and Homes England. The Issuer (and its subsidiaries carrying out development activities) benefits from allocations of housing grant under the Shared Ownership and Affordable Homes Programme 2016-2021 and the 2021-2026 Affordable Homes Programme. From 2026 onwards, the Issuer has, in its business plan (and those of its subsidiaries carrying out development activities), included an assumption of only a small level of grant as most schemes are due to start on site prior to 1 April 2026. However, if at some stage in the future the Issuer is reliant on the receipt of housing grant as part of its business plan, the increased competition, the increased need for bidders to provide evidence regarding timescale compliance and the possible future reduction in grants could result in any future award of housing grant allocated to the Issuer being reduced in size. Accordingly, as a result of a reduced grant environment, the Issuer may seek to increase commercial risk to subsidise affordable housing and development and/or the Issuer may have to increase net debt, each of which may have a corresponding effect on the ability of the Issuer to meet its payment obligations under the Notes.

F. Development and operational risks

1. Increased capital expenditure requirements

Residential property investment is subject to varying degrees of market, development and operational risk. Market risks which may impact upon both the rental market and the development of residential properties include the risk of changes to UK Government regulation, including, but not limited to, regulation relating to planning, taxation, landlords and tenants and welfare benefits. Furthermore, the Issuer may be exposed to additional capital expenditure requirements as a result of regulatory initiatives, such as building safety (see "*Building safety and fire risks*"), the drive to reduce greenhouse gas emissions (see "*Risks related to the implementation of net zero carbon*"), the requirement to address certain health hazards such as damp and mould following the introduction of the SHRA and other pressures. Compliance with such regulatory initiatives may increase the expenses incurred by the Issuer associated with inspecting and refurbishing existing residential properties and/or may affect the rental income produced by these properties which could adversely impact the finances of the Issuer and, accordingly, may adversely affect its ability to make payments under the Notes.

The "*Sector Risk Profile 2024*" published by the Regulator of Social Housing in October 2024, states that "*The sector is currently spending record amounts on repairs and maintenance, with further significant increases forecast (FFR 2024). Over the next five years, repairs and maintenance expenditure is forecast to amount to £50bn, 43 per cent. of social housing lettings turnover.*"

Among other things, the need for the Issuer to undertake investment to respond to changing building safety and energy efficiency standards and consumer expectations may impact upon the expenses incurred by the Issuer associated with existing residential properties, rental income produced by these properties, the value of its existing investments, its ability to develop land that it has acquired, its ability to sell shared ownership properties and its ability to acquire additional sites. This could, in turn, impact upon the Issuer's cash flow, which could have an adverse impact on the Issuer's ability to meet its payment obligations on a timely basis under the Notes.

2. Operational risks

Operational risks may result from major systems failure or breaches in systems security that impact the Issuer's ability to deliver business processes (although the Issuer has prepared business continuity plans in order to mitigate against this, it is dependent upon such technologies in order to deliver business processes (see also "*Data risk and cyber security*" below)) and the consequences of theft, fraud, health and safety and environmental issues, natural disaster and acts of terrorism. These events could result in financial loss to the Issuer.

The Issuer operates a care and support business in a competitive market with downward pressure on prices and upward pressure on costs, including access to a localised living wage for employees and the level of National Insurance contributions. The strategy is to run these services profitably without sacrificing service quality. Care and support service contracts are entered into provided they are forecast to at least break even. Unprofitable contracts will be exited at the earliest opportunity and new contracts will not be entered into where there is the potential for unmanageable risk factors. Services are regularly inspected: three out of four Care Quality Commission services have been rated as good and one is rated outstanding. As at the date of these Programme Admission Particulars, the Issuer is in the process of registering with Ofsted to receive a rating for the service where it provides supported accommodation to looked-after children between the ages of 16 and 17. Services to vulnerable people may be put at risk due to national policy changes, sector instability, poor commissioning practice, organisational instability or failure to deliver financially viable care and support business. Customers may be put at risk due to a failure to attract and retain sufficient members of quality, trained and competent staff, a risk which has increased as a result of the change in the relationship of the United Kingdom with the European Union. If the Issuer becomes unable to continue operate its care and support business profitably, this could impact upon its ability to meet its payment obligations on a timely basis under the Notes.

G. Risks relating to dependency on third-party suppliers

The maintenance, development and safety of the Issuer's properties (including, but not limited to, the Charged Properties) is dependent on the timely performance of third-party contractors performing their obligations under their contracts with the Issuer. The Issuer works closely with its contractors, service providers and developers to avoid issues, but there can be no assurances that the Issuer will not experience problems of this nature in the future. The performance of contracts by the contractors with the Issuer may be subject to disruption for a variety of reasons, including, but not limited to, work stoppages, labour relations, contractor or sub-contractor insolvency and breakdown in machinery. Any such failure by contractors to fulfil their contractual obligations or any such disruption could, if significant, interrupt the Issuer's ability to provide social housing and this could negatively impact the Issuer's rental income stream, which could, in turn, adversely affect its ability to meet its payment obligations under the Notes.

H. Risks related to the scale and complexity of Thamesmead

The Peabody Group's vision for the regeneration of the Thamesmead area involves significant investment and delivery targets, working in partnership with local authorities, including the London Borough of Bexley and the Royal London Borough of Greenwich, and other local agencies. Failing to meet expectations poses a risk to the Peabody Group's (including the Issuer's) financial health and reputation, as well as to the area and its residents. The Peabody Group has put in place comprehensive plans including a clear vision for success. It will seek to attract and retain skilled and experienced staff and explore a range of options for delivery and governance, learning lessons from successful schemes elsewhere.

The nature of some of the land in the Thamesmead area and the Peabody Group's assets, such as river walls, piers and landfills, requires the Peabody Group to seek to ensure appropriate mitigations are in place including appropriate levels of insurance and monitoring and inspection regimes. The Issuer has established a separate directorate of Sustainable Places, which includes skilled staff with a particular focus on Thamesmead.

These risks may impact upon, amongst other things, the expenses incurred by the Issuer and other members of the Peabody Group associated with the regeneration of the Thamesmead area which in turn could impact upon the Issuer's cash flow, which could have an adverse impact on its ability to meet payment obligations on a timely basis under the Notes.

I. Risks related to the mergers, acquisitions and integration

1. Risks relating to mergers and acquisitions

The Issuer has in the past and may in the future enter into mergers and transfers of engagements with other Registered Providers of Social Housing or other organisations carrying out activities which align to the Issuer's mission. The Conditions of the Bonds permit the Issuer to undertake Permitted Reorganisations. In such circumstances, the resulting entity's credit risk may change.

Mergers involve a number of risks, such as the underlying business performing less well than expected after a merger or acquisition, the possibility of the integration and subsequent transformation diverting management's attention and the possible loss of key personnel (see "*Risks relating to personnel*") within the merged or acquired business and other risks inherent in the systems, assets or activities of the merged or acquired business and associated with unanticipated events or liabilities. In addition, the Issuer or other members of the Peabody Group may incur significant merger or acquisition, administrative and other costs in connection with any such transactions, including costs related to the integration of merged or acquired business. These costs may include unanticipated costs or expenses, legal, regulatory and contractual costs, and expenses associated with eliminating duplicate facilities or resources. All of the factors above could have a material adverse effect on the business, results of operations, financial condition or prospects of such merger or acquisition. In turn, this could have a material adverse effect on the Issuer's ability to meet its payment obligations under the Notes.

2. Risks relating to integration

The Issuer is focused on simplifying the structure of entities within the Peabody Group (though further lender consents may be required in order for the Issuer to achieve the desired simplifications). Risks relating further to integration and achieving synergies are particularly relevant to the Issuer in the context of its subsidiary relationships and the subsequent business strategy of the Issuer to achieve benefits through the more efficient use of resources.

The Issuer and the Peabody Group as a whole may not realise the degree, or timing, of benefits of consolidation or any other past or future merger or acquisition that it anticipates when it first enters into a consolidation, merger or acquisition transaction. Anticipated synergies may not materialise, revenue improvements and cost savings may be less than expected and the housing stock acquired as part of a merger or acquisition may not meet expectations requiring, in turn, additional investment not yet included in the Peabody Group's business plan. Additionally, there is a risk that the focus of management and other resources for running the business will be diverted to merger, acquisition or integration projects.

The Issuer's board has considered the risks in respect of subsidiary relationships and sought to learn lessons from previous mergers undertaken by the Issuer and other mergers both within and outside the social housing sector. Integration plans were developed at a directorate and group level with aligned

risk maps; all emerging risks in relation to transformation plans and projects have been and will continue to be reported to the board on a regular basis with suggested mitigating actions for the board to consider and adopt if appropriate. The Issuer's executive team maintains a close watch on performance levels.

Notwithstanding that, the Issuer cannot guarantee that the current projects or any future mergers or acquisitions will generate benefits for the Issuer or the Peabody Group as a whole that are sufficient to justify the expenses incurred or to be incurred in completing such mergers or acquisitions. In turn, this could affect the Issuer's ability to meet its payment obligations under the Notes.

3. Risks relating to business acquisitions

The Issuer has in the past made, and may in the future make, business acquisitions that could impact on the performance and risk profile of the Peabody Group. From time to time the Regulator of Social Housing (the **Regulator**) may encourage larger housing associations, like the Issuer, to acquire smaller Registered Providers of Social Housing or parts of their business if they are struggling to meet certain regulatory standards.

Acquisitions can involve a number of risks, such as the underlying business performing less well than expected after an acquisition, the possibility of the integration diverting management's attention or the possible loss of key personnel within the acquired business and other risks inherent in the systems, assets or activities of the acquired business and associated with unanticipated events or liabilities. The Issuer's regulatory grading may be affected, particularly if the Issuer were to acquire a provider with lower regulatory gradings than itself. The Issuer's board will always consider such risks alongside the merits of any opportunity at the relevant time.

All of these factors could have a material effect on the business, results of operations, financial condition or prospects of the acquired business that, in turn, could have a material adverse effect on the ability of the acquired business to repay any amounts which the Issuer may have lent to it or to generate such surpluses to enable the making of any gift aid payments. This may correspondingly adversely impact the cash flows of the Issuer and the ability of the Issuer to meet its payment obligations under the Notes.

In considering any business acquisition, the Issuer will carefully review relevant risks and seek to mitigate them by:

- (a) targeting businesses, the acquisition of which the Issuer considers will enhance the credit worthiness of the Peabody Group;
- (b) implementing the Peabody Group's brand and culture following any acquisition, aiming to establish commonly agreed principles relating to mission, vision, values and strategic objectives;
- (c) adopting a governance framework that establishes the principle of a group board and executive team that is responsible for delivery of strategic objectives and the management of risks; and
- (d) establishing and implementing an operational and infrastructure integration plan.

J. Litigation Risk

There can be no assurance that the Issuer will not, in the future, be subject to a claim which may have a material impact upon its revenue or business. If this were to occur, this may in turn impact upon the Issuer's ability to meet its payment obligations under the Notes. To date, the Issuer is not aware of any claims being brought against it that have had a material impact on its revenue or business.

K. Risks related to Legal and Compliance Obligations

The Issuer knows the significance to its operations of, and is focused on, adhering to all legal and compliance requirements (see also "*Data risks and cyber security*" below). The Issuer is not currently aware of any material failure to adhere to applicable health and safety or environmental laws, or breach of other regulations, or failure to comply with corporate, employee or taxation laws. If any of these were to occur in the future, this could have an adverse impact on the Issuer's results of operations and, in turn, the Issuer's ability to meet its payment obligations under the Notes. The breadth of obligations with which the Issuer is required to comply is also increasing as a result of additional legal and compliance obligations coming into force (see also "*Risks related to regulation*" above).

The Issuer is aware of a pending prosecution by the Health and Safety Executive against one of its subsidiaries. The outcome of that is not yet known as at the date of these Programme Admission Particulars, and any potential successful prosecution could lead to a financial penalty against the Issuer's subsidiary, although the Issuer does not consider that any such potential financial penalty will have a material adverse effect on the financial condition of the Issuer or its ability to meet its payment obligations under the Notes.

Given that the Issuer owns housing units of all tenures, including general needs and supported housing, the Issuer is aware of the need for all of its units to comply with health and safety legislation to ensure the safety of all occupying tenants. Accordingly, the Issuer is continually reviewing and updating its policies and procedures to ensure that the condition and safety of each unit is compliant with prevailing legal and regulatory requirements. The Issuer also carries out health and safety checks of its properties on an on-going basis, including, but not limited to gas safety checks and fire risk assessments (See also "*Building safety and fire risks*").

The Issuer has the benefit of insurance for, among others, employer's liability, public liability and directors' and officers' liability at levels which the management of the Issuer considers to be prudent for the type of business in which the Issuer is engaged and commensurate with Registered Providers of Social Housing of a similar size.

L. Data risks and cyber security

The Issuer (like all housing associations) processes large amounts of personal data from customers, employees and business partners and is required to maintain electronic data in a secure and accessible way. Loss of key data, for example on rent collection or contracts in place, could lead to significant operational challenges and costs. There is also a risk that data could be "locked", stolen, corrupted and/or misused as a result of internal or external activities, such as hacking or ransomware attacks.

The Peabody Group is required to comply with data protection and privacy laws in the UK. This includes compliance with the General Data Protection Regulation (EU) 2016/679 (as amended or superseded) as it forms part of domestic law (**GDPR**) and the Data Protection Act 2018. GDPR introduced changes to the EU and UK data protection regime. It imposes a high burden on the industry and restricts the ability of the Peabody Group to use data, including through granting customers a "right to be forgotten" and a requirement for informed opt-in consent by customers to the processing of their data. Failure to comply with these requirements can result in significant fines.

Ultimately, issues with data or a cyberattack could have a negative impact on the Issuer's revenues and its ability to meet its payment obligations under the Notes.

M. Risks relating to personnel

The business operations of the Issuer are dependent on the efforts of its personnel including Executive Directors and non-Executive Board members and the ability to attract and retain skilled staff. No assurance can be given that changes in employees will not have a material adverse effect on the results of operations of the Issuer which could, in turn, adversely affect its ability to meet its payment obligations under the Notes.

O. Building safety and fire risks

See "*Description of the Social Housing Sector in England – Building Safety Reforms*" below.

Following the Grenfell Tower tragedy on 14 June 2017, new legislation, including the Building Safety Act 2022, has come into force and various changes have been made to building and fire safety regulations and guidance issued by the UK Government. These new or enhanced requirements have led and, together with the other proposals still under review, could continue to lead to increases in the cost of construction of new homes or to additional costs in relation to the refurbishment, adaptation or regular monitoring of fire safety aspects of existing homes. This includes the remediation of tower blocks and other buildings where the Issuer has responsibility to remove defective cladding or carry out other fire safety and building remediation works.

The Issuer has worked closely with the relevant regulatory bodies regarding the changes that the construction and social housing sectors are facing as a result of increased regulation.

The Grenfell Tower Inquiry published its final Report for Phase 2 of the Inquiry on 4 September 2024 and made a number of recommendations for reform of the regulatory environment, including (amongst other recommendations) amendments to building regulations, an extension of the scope of Higher-Risk Buildings, the establishment of a construction regulator and the registration of contractors permitted to work on high-risk buildings. As at the date of these Programme Admission Particulars, the UK Government has not yet responded on the recommendations, but this remains an evolving situation and it is not yet clear whether any additional costs to the Peabody Group as a result will be material.

The Issuer is committed to considering all possible methods of mitigating fire risk. In total the Issuer has 7,085 blocks across all heights where the Issuer is the duty holder. Of these (as at October 2024):

- 5,568 buildings / cores have been identified as being low risk using the UK Government's Fire Risk Assessment Priority tool (**FRAPT**). This allocates a risk profile of 1 to 5. All buildings with a risk rating of 1 to 4 are then subject to the PAS9980 assessment. The remaining buildings, rated at 5 (low risk), are then assessed when the next Fire Risk Assessment External Wall (**FRAEW**) is due. There is a risk that some buildings rated at 5 may require works but the Issuer's assessment is that works (if any) should be tolerable;
- 1,087 blocks are certified safe for occupation by a fire engineer following a PAS 9980 assessment with any works required having been completed;
- 206 further blocks have been identified as requiring works following a PAS 9980 assessment. The Issuer will undertake these works on a risk priority basis over several years from April 2025. All temporary mitigation measures advised by fire engineers are in place;
- the Issuer is currently remediating 87 blocks, with these being on site or within the pre-contract stage of remediation; and
- the Issuer is currently investigating 216 blocks (all below 11m) to establish their risk profile via PAS 9980 assessments.

Within the totals quoted above, the Issuer has 1,152 blocks that are the focus of fire and building safety legislation as they are higher than 5 stories or 11 metres. 259 of these are high rise buildings (**HRBs**), above 7 storeys or 18 metres, where the Issuer is the Principal Accountable Person (**PAP**). Of these:

- 564 blocks have been identified as being low risk using the FRAPT tool, 10 of which are HRBs;
- the Issuer has 418 blocks, 178 of which are HRBs, certified safe for occupation;
- 162 buildings / cores have been identified as requiring works over the next several years following a PAS 9980 assessment require works, 67 of which are HRBs; and
- the Issuer is currently investigating 8 blocks to establish their risk profile via a PAS 9980 assessment, 4 of which are HRBs.

The Issuer is working closely with external parties, in particular the London Fire Brigade under a Primary Authority Agreement, and has implemented, as a minimum, the interim mitigating measures as recommended by a fire engineer to ensure the safety of residents, pending replacement of the cladding or insulation or other remediation works (where necessary). These measures include but are not limited to:

- the installation of fire alarm and detection systems;
- a review of evacuation procedures in the event of a fire;
- temporary works to reduce risk of fire;
- regular inspection of communal areas; and
- the appointment of a waking watch or use of a fire patrol.

Where remediation is shown to be required, the Issuer will take all available steps to reclaim these costs from developers, insurers and from UK Government funding schemes where available. Where fire safety remediation works are required in buildings built by Peabody Developments, the costs of remediation will be fully met by the Issuer. There is a risk that invasive surveys could uncover significant building defects that could give rise to the need for significant investment in existing stock. In addition, there is reputational risk associated with "mortgage prisoners" in leasehold buildings.

The Issuer spent £50 million on building safety and fire safety-related work in the financial year ended 31 March 2024 taking total capital spend over six years to £276 million. The Issuer's long term financial plan has made provision for the delivery of the currently anticipated level of works required.

Building safety continues to be an evolving situation, and advice and guidance is changing constantly.

The Issuer has a dedicated Building Safety Team, regular Building Safety Board meetings and a specific Peabody Group-wide risk related to building safety which is monitored by the Issuer's Audit and Risk Committee.

There is a risk that the cost of works will increase as a result of additional works, inflation or new regulation. The Issuer is contributing to discussions with the UK Government aiming to increase grant funding to support remediation of social housing units, such as the Building Safety Fund, as available grant currently only applies to leasehold or shared owner properties.

There is also a risk that the certifications can change following regulatory investigations by professional institutions. The Issuer appoints companies it reasonably believes to be suitably qualified to undertake such certifications on behalf of the Peabody Group. However, there remains the possibility that the company's representatives do not discharge their legal and contractual obligations and that the assessments made by such persons are subsequently called into question and/or invalidated. In 2024, the Issuer became aware of an investigation by the Institution of Fire Engineers in relation to Tri Fire Ltd, which carries out external wall surveys and issues building safety certificates in the UK. The

Peabody Group had previously appointed Tri Fire to carry out such surveys and up to 28 per cent. of the Charged Properties may be affected, comprising 1 per cent. which are HRBs, 7 per cent. which are above 11 metres and 20 per cent. which are below 11 metres. Certificates are being recommissioned where appropriate and the Issuer has established a review group led by the CEO and including a member of the Board to oversee the next steps and promote compliance.

If the Issuer were faced with material unforeseen renovation, maintenance or modernisation costs in excess of forecast amounts or material costs relating to recommissioning surveys and obtaining necessary certification and approvals, this could impact upon the Issuer's ability to meet its payment obligations under the Notes.

P. Other costs and inflation risk

As developers, owners and operators of residential accommodation, the Issuer has a principal risk exposure to the cost of construction, maintenance, and repair of buildings. Costs in these areas may increase due to various factors such as changes to the costs of materials, health and safety regulation and/or energy efficiency regulation. This may, in turn, cause the Issuer to delay expenditure on uncommitted development projects in order to mitigate rising costs in other areas of their operations.

The maintenance of existing properties, development of existing sites and acquisition of additional sites may be subject to the availability of finance facilities and the costs of facilities, interest rates and inflation may also have an effect.

Any unforeseen delays in planned maintenance may also lead to more costs through reactive maintenance. A sustained period in which cost inflation exceeded income inflation may also put the Issuer's businesses under financial strain and could have an adverse impact on the ability of the Issuer to meet its payment obligations on a timely basis under the Notes.

Q. Risks related to the implementation of net zero carbon

Extreme weather events, energy prices and the global transition to a low carbon economy could result in a broad range of impacts, including potential strategic, reputational, structural and credit related risks for the Issuer and members of the Peabody Group. In addition, climate change regulations, frameworks and guidance are rapidly emerging and evolving.

Through the Climate Change Act 2008 (**2050 amendment**), the UK set a legally binding target of net zero greenhouse gas emissions by 2050. This target is driving policy change across UK Government, including a stated intention that new-build homes will have 75-80 per cent. fewer carbon emissions than homes built to current standards. Increasing regulatory expectations create a new set of requirements and accompanying risks that need to be managed.

Some landlords are already unable to let buildings which do not satisfy relevant energy performance certificate requirements and the net zero carbon target is likely to significantly affect real estate owners, including members of the Peabody Group, through their having to make large scale investments in the energy efficiencies of their buildings and the management of large-scale retrofit programmes. Innovation from the construction and building services industries will be required in order to overcome any technical challenges which arise as a result of such programmes. The costs of relevant retrofit programmes could be substantial, particularly moving away from gas and fossil fuel heating. By 2050, there would need to be a massive reduction in use of gas boilers and if they are required to be replaced ahead of their planned replacement and the connected heating systems need to be upgraded, this could be a substantial cost.

In order to prepare itself, the Peabody Group has developed a Sustainability Strategy and a more detailed Sustainability Action Plan for 2023-26. This focus on the Peabody Group's homes, communities and business, outlining what it needs to do to achieve its stated objectives and deliver the most impact in terms of maximising sustainability outcomes. The key objectives to reduce the Peabody Group's carbon emissions include:

- Energy efficiency of existing homes - improving the building fabric, heating and hot water systems efficiency, changing resident behaviour, procuring energy from renewable sources, increasing renewable generation and improving the efficiency of Energy Heat networks.
- Sustainability of new homes - reducing the embodied carbon of new homes, improving energy performance and phasing out gas for heating and water.
- Facilities and operation - electrifying the Peabody Group's vehicle fleet, reviewing the impact of new ways of working to rationalise office space and target zero carbon offices and embedding sustainable procurement principles into supply chain.
- Biodiversity – increasing biodiversity and removing CO₂ from the atmosphere in the Peabody Group's new and existing open spaces.
- Working with residents - creating an environment whereby the Peabody Group supports residents to drive down their personal energy and water costs and increase the amount of waste they recycle.

Technology, advice and guidance in this area will continue to evolve. Any of the occurrences described in this risk factor could require the Peabody Group to incur significant expenditure, or if the Peabody Group were faced with material unforeseen costs in excess of forecast asset investment, this may impact upon the Issuer's cash flow and the Issuer's ability to meet its payment obligations under the Notes.

R. Risks related to geopolitical events

1. Risks relating to global conflicts

On 24 February 2022, Russia launched a large-scale military action against Ukraine. As at the date of these Programme Admission Particulars, the war continues, occasionally causing volatility in the global financial markets. Since it began, it has resulted in heightened inflation and, in particular, shortages and increases in the price of energy, including the prices of oil, gas and other commodities. On 7 October 2023, Palestinian militant group Hamas launched an attack on Israel which in turn triggered an Israeli operation in the Gaza strip. There has also been conflict between Israel and the Lebanese militant group, Hezbollah, leading to an Israeli invasion of Lebanon on 1 October 2024. The continuance or escalation of these conflicts, particularly if this leads to further unrest in the Middle East, could lead to further increases in utility prices and heightened inflationary pressures (particularly if supplies to Europe are interrupted), which could put the business of the members of the Peabody Group under financial strain. This could have an adverse impact on the ability of the Issuer to meet its payment obligations under the Notes.

2. Risks relating to the cost of living

The tenants of the social housing properties (as defined in Part 2 of the Housing and Regeneration Act 2008) owned by the Issuer are personally responsible for the rental payments on their tenancies and, consequently, the Issuer is exposed to the risk of tenant arrears and bad debts if inflationary pressures have a negative impact on the tenants' ability to pay rents given the increase in utilities and other costs. Any increase in arrears and/or bad debts could affect the ability of the Issuer to meet its payment obligations under the Notes.

3. Risks relating to Fraud

Cost of living pressures and the disparity between social housing rents and market rents in London and the South East are both drivers of fraud. This can take the form of illegal lettings of properties by those who are not entitled to do so or financial fraud by colleagues, employees or suppliers. The Peabody Group has a robust internal control environment, which is tested via outsourced internal audit and a dedicated tenancy fraud team, but these measures can only reduce, not eliminate, the risk of fraud. Any increase in fraudulent activity could lead to increased costs for the Issuer and affect the ability of the Issuer to meet its payment obligations under the Notes.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

A. Redemption prior to maturity

In the event that the Notes become repayable prior to maturity either following an Event of Default (as defined in the Conditions), due to taxation reasons (pursuant to Condition 9.2 (*Redemption for tax reasons*) or at the option of the Issuer (pursuant to Condition 9.3 (*Redemption at the option of the Issuer (Issuer Call)*), Condition 9.4 (*Maturity Par Call Option*) or Condition 9.5 (*Residual Call Option*)), the Notes will be redeemed in full in an amount equal to that specified in the Conditions or the applicable Pricing Supplement, plus accrued interest. In such circumstances it may not be possible for an investor to reinvest the redemption proceeds at an effective rate of interest as high as the interest rate on the Notes. Furthermore, the optional redemption feature of the Notes is likely to limit their market value as the market value generally will not rise substantially above the price at which they can be redeemed.

B. The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the UK. Among other things, it:

- (a) requires benchmark administrators to be authorised or registered (or, if non-UK-based, to be subject to an equivalent regime or otherwise recognised or endorsed); and
- (b) prevents certain uses by UK supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The UK Benchmarks Regulation could have a material impact on any Notes linked to, or referencing, a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the UK Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

The Bank of England (or a successor), as administrator of SONIA, may make methodological or other changes that could change the value of SONIA, including changes related to the method by which SONIA is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, or timing related to the publication of SONIA. If the manner in which SONIA is calculated is changed, that change may result in a reduction of the amount of interest payable on the relevant Notes, which may adversely affect the trading prices of such Notes. The administrator of SONIA may withdraw, modify, amend, suspend or discontinue the calculation or dissemination of SONIA, respectively, in its sole discretion and without notice and has no obligation to consider the interests of holders of the Floating Rate Notes in calculating, withdrawing, modifying, amending, suspending or discontinuing SONIA.

In its "*Summary and response to market feedback - Supporting Risk-Free Rate transition through the provision of compounded SONIA*" as updated in July 2020, the Bank of England confirmed that it would produce and, from August 2020, publish, its SONIA Compounded Index using the methodology described in that paper (and that it would not publish a set of period averages). The provisions of the Conditions of the Notes for determining the Rate of Interest by reference to the SONIA Compounded Index are based upon the guidance given by the Bank of England in its July 2020 paper for calculating compounded SONIA rates by reference to the SONIA Compounded Index. There can be no assurance that the Bank of England's methodology for determining the SONIA Compounded Index, or its guidance for calculating compounded SONIA rates by reference to such index, will not change over time.

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 any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The Conditions of the Notes provide for certain fallback arrangements in the event that an Original Reference Rate and/or any page on which an Original Reference Rate may be published (or any other successor service) becomes unavailable or a Benchmark Event (as defined in the Conditions) otherwise occurs. Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Conditions), with or without the application of an adjustment spread and may include amendments to the Conditions of the Notes to ensure the proper operation of the successor or replacement benchmark, all as determined by the Issuer (acting in good faith and in consultation with an Independent Adviser). An adjustment spread, if applied, could be positive or negative and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of an Original Reference Rate. However, it may not be possible to determine or apply an adjustment spread and, even if an adjustment is applied, such adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment spread can be determined, a Successor Rate or Alternative Rate may nevertheless be used to determine the Rate of Interest. The use of a Successor Rate or Alternative Rate (including with the application of an adjustment spread) may still result in any Notes linked to or referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Rate is determined, the ultimate fallback for the purposes of calculating the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed

on the Relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time. It should also be noted that fallbacks for benchmarks in hedges may operate differently than under Notes. Investors are recommended to consult their own independent advisers.

C. *The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates*

Interest on the Notes may be determined by reference to a risk-free rate such as SONIA. SONIA, whether determined on a compounded daily basis or as a weighted average rate for a specified period, is backwards-looking, risk-free overnight rates. As such, investors should be aware that SONIA may behave materially differently from other forward-looking term rates. The use of SONIA, whether on a compounded daily or a weighted average basis, as a reference rate for bonds is nascent, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of debt securities referencing SONIA.

The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions as applicable to Notes referencing SONIA that are issued under this Programme. Furthermore, the Issuer may in future issue Notes referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA-referenced Notes issued by it under the Programme. The nascent development of SONIA as interest reference rates for the bond markets, as well as continued development of SONIA-based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-referenced Notes issued under the Programme from time to time.

The manner of adoption or application of SONIA-based rates in one market may differ materially compared with the application and adoption of SONIA-based rates in other markets, such as the derivatives and loan markets, including the manner of adoption or application by the Issuer. Investors should carefully consider how any mismatch between the adoption of SONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SONIA. If the market adopts a different calculation method that would likely adversely affect the market value of such SONIA-referenced Notes.

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

D. *The Rate of Interest on Notes which reference SONIA will be capable of being determined only near the end of the relevant Interest Period*

The Rate of Interest on Notes which reference SONIA is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference SONIA to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of such Notes. Because of the delay between the final day on which SONIA is observed in connection with any interest determination and the related Interest Payment Date, increases in the level of SONIA, which occur during such period will not be reflected in the interest payable on such Interest Payment Date, and any such increase will (if "Lag", "Lookback" or "Observation Shift" is specified as being the "Observation Method" in the applicable Pricing Supplement) instead be reflected in the following Interest Period. Further, if Notes referencing SONIA become due and payable as a result of an Event of Default under Condition 12, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes

shall only be determined immediately prior to the date on which the Notes become due and payable, and shall not be reset thereafter.

E. If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

F. Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

G. Modification, waivers and substitution

The Conditions of the Notes and the Note Trust Deed contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes and the Note Trust Deed also provide that the Note Trustee may, without the consent of the Noteholders:

- (a) agree to any modification (except as stated in the Note Trust Deed) of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or any Programme Document (to which it is a party);
- (b) determine without the consent of the Noteholders that any Potential Event of Default or Event of Default shall not be treated as such; or
- (c) agree to the substitution of another company, registered society or other entity as principal debtor under the Notes in place of the Issuer, in the circumstances described in the Conditions,

provided, in each case, that the Note Trustee is of the opinion that to do so would not be materially prejudicial to the interests of Noteholders.

H. Denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that

such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

I. Change in law

Changes in law may affect the rights of Noteholders as well as the market value of the Notes. The Conditions of the Notes are based on English law and regulatory and administrative practice in effect as at the date of these Programme Admission Particulars. No assurance can be given as to the impact of any possible judicial decision or change to English law or regulatory or administrative practice in the United Kingdom after the date of these Programme Admission Particulars. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Notes, which may have an adverse effect on an investment in the Notes.

J. Risks related to early redemption for taxation reasons

Under Condition 10 (*Taxation*), the Issuer will not be entitled to make any deduction or withholding on account of tax from payments in respect of the Notes unless such withholding or deduction is required by law. In the event that any deduction or withholding on account of tax is required by law, the Issuer shall be required (except in the limited circumstances set out in Condition 10 (*Taxation*)) to pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction had been required. Where the deduction or withholding is required as a result of a change in applicable law or regulations, the Issuer may exercise its option to redeem the Notes of the relevant Series in full in an amount equal to that specified in the applicable Pricing Supplement, plus accrued interest, pursuant to Condition 9.2 (*Redemption for tax reasons*). As mentioned above, in such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

For a description of the current United Kingdom law and practice relating to withholding tax treatment of the Notes, see below in "*Taxation*".

K. Use of proceeds / Social, Green and Sustainable Bonds

To the extent specified in the applicable Pricing Supplement, Notes issued under the Programme are intended to be Social Bonds, Green Bonds or Sustainable Bonds (as defined in the Sustainable Finance Framework (as defined in the section headed "*Use of Proceeds and Sustainable Finance Framework*" below)), as applicable, and the net proceeds from the issue of Notes of each Series will be used by the Issuer for social, green or sustainable purposes, respectively, as set out in the applicable Pricing Supplement.

Notes issued as Social Bonds, Green Bonds or Sustainable Bonds may not be a suitable investment for an investor's investment criteria. Prospective investors should have regard to the information set out in the relevant Pricing Supplement and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary.

No assurance is given by the Issuer, the Arranger, the Dealers or any of their respective affiliates or any other person that the use of the proceeds of issue of any Notes will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates. Neither the Arranger nor the Dealers nor any of their respective affiliates shall be responsible for the ongoing monitoring or verification of the use of proceeds in respect of any such Notes or any of the other targets set out in the Sustainable Finance Framework relating to any such Notes.

If the use of proceeds of any issue of Notes is a factor in a prospective investor's decision to invest in such Notes, they should consider the disclosure in the section headed "*Use of Proceeds and Sustainable Finance Framework*" below and in the applicable Pricing Supplement and consult with their legal or other advisers before making an investment in the Notes and must determine for themselves the relevance of such information for the purpose of any investment, together with any other investigation such investor deems necessary.

It should be noted that there is currently no clearly agreed definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "social", "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "social", "green" or "sustainable" or such other equivalent label nor can any such assurance be given that such a clear definition or consensus will develop over time. On 18 June 2020, Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment was adopted by the Council and the European Parliament (the **EU Taxonomy Regulation**). The **EU Taxonomy Regulation** establishes a single EU-wide classification system, or "taxonomy", which provides companies and investors with a common language for determining which economic activities can be considered environmentally sustainable. In addition, the FCA has, on 31 May 2024, introduced its Anti-Greenwashing Rule which requires communications to be (a) consistent with the sustainability characteristics of the product or service and (b) fair, clear and not misleading. The "*Finalised non-handbook guidance on the Anti-Greenwashing Rule*" further clarifies that sustainability references should be correct and capable of being substantiated, clear and presented in a way that can be understood and complete (they should not omit or hide important information and should consider the full life cycle of the product or service), and comparisons to other products or services should be fair and meaningful. The guidance recognises that the terms "environmental", "social" and "governance" are used to refer to sustainability matters, but also notes that there is no single definition of sustainability. Accordingly, no assurance is or can be given by the Issuer, the Arranger, the Dealers or any of their respective affiliates or any other person to investors that any projects or uses of the proceeds will meet any or all investor expectations regarding such "sustainable" or other equivalently-labelled performance objectives or that any adverse sustainable and/or other impacts will not occur during the implementation of any projects or uses of the proceeds. In addition, no assurance can be given by the Issuer, the Arranger, the Dealers or any of their respective affiliates or any other person to investors that any Notes will comply with any future standards or requirements for being Social Bonds, Green Bonds or Sustainable Bonds and, accordingly, the Social Bond, Green Bond or Sustainable Bond status of the Notes, as applicable, could be withdrawn at any time.

Furthermore, there is no contractual obligation to allocate the proceeds of any Notes to finance eligible businesses and projects or to provide annual progress reports as described in the applicable Pricing

Supplement. The Issuer's failure to allocate the proceeds of any particular Social Bond, Green Bond or Sustainable Bond to finance an eligible project or to provide annual progress reports, the failure of any of the eligible projects to meet any or all investor expectations regarding such performance objectives, or the failure of an independent external review provider to issue a second party opinion on the allocation of the bond proceeds, will not constitute an Event of Default or breach of contract with respect to any particular Social Bond, Green Bond or Sustainable Bond and none of the Note Trustee, the Arranger or the Dealers or any of their respective affiliates will have any responsibility for the ongoing monitoring or verification of any such proceeds.

No assurance or representation is given by the Issuer, the Arranger, the Dealers or any of their respective affiliates or any other person as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes (including, without limitation, any Second Party Opinion (as defined below)). For the avoidance of doubt, any such opinion or certification is not, nor shall it be deemed to be, incorporated in and/or form part of these Programme Admission Particulars. Any such opinion or certification is not, nor should it be deemed to be, a recommendation by the Issuer, the Arranger, the Dealers or any of their respective affiliates or any other person to buy, sell or hold any such Notes. No such opinion or certification is intended to address any credit, market or other aspects of any investment in any Notes, including without limitation market price, marketability, investor preference or suitability of any security or any other factors that may affect the value of the Notes. The Noteholders have no recourse against the Issuer, the Arranger, any Dealer or any of their respective affiliates or the provider of any such opinion or certification for the contents of any such opinion or certification. Any such opinion or certification is only current as at the date that opinion was initially issued and the providers of such opinions and certifications are under no obligation to update them following their issue. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in any Notes. Currently, the providers of such opinions and certifications are not subject to any specific or regulatory or other regime or oversight. The criteria and/or considerations that form the basis of the Second Party Opinion and any other such opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn at any time. Any withdrawal of the Second Party Opinion or any other opinion or certification may have a material adverse effect on the value of any Social Bonds, Green Bonds or Sustainability Bonds in respect of which such opinion or certification is given and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. As at the date of these Programme Admission Particulars, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of the Second Party Opinion and any such opinion or certification and/or the information contained therein.

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

respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

Any such event or failure to apply an amount equivalent to the net proceeds of any Notes issued as Social Bonds, Green Bonds or Sustainable Bonds for any eligible social, green or sustainable project and/or any withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

L. The impact on investor demand for Green Bonds or Sustainable Bonds of the European Green Bond Standard is unclear

Regulation (EU) 2023/2631 introduced the European Green Bond Standard with effect from 21 December 2024, which is a voluntary label for issuers of green use of proceeds bonds (such as any Green Bonds or Sustainable Bonds which may be issued under the Programme) where the proceeds will be invested in economic activities aligned with the EU Taxonomy Regulation. Any Green Bonds or Sustainable Bonds issued under the Programme are intended to comply with the criteria and processes set out in the Sustainable Finance Framework and are not aligned with the European Green Bond Standard. As the European Green Bond Standard is a voluntary label, it is not clear, at this stage, whether the European Green Bond Standard may impact investor demand for, and pricing of, green use of proceeds bonds (such as any Green Bonds or Sustainable Bonds which may be issued under the Programme) that do not meet such standard. It could reduce demand and liquidity for Green Bonds or Sustainable Bonds and their price.

Risks Relating to the Security for the Secured Notes

A. Considerations relating to the Series Security

The validity of any security given by the Issuer and any Charging Group Member in connection with additions of Charged Properties may depend on the solvency of the Issuer or the relevant Charging Group Member, as applicable, at the time of the grant. If any Series Security is found to be invalid as a result, this will affect the amounts available to Noteholders in the event of a default under the Secured Notes.

B. Environmental considerations

Under relevant UK environmental legislation, liability for environmental matters can be imposed on the "owner" or any "person in control" of land. The term "person in control" is not specifically defined and could include a representative of a trustee as a mortgagee in possession (in respect of which see the risk factor entitled "*Mortgagee in Possession Liability*" below). Environmental laws may impose liability on the owner for clean-up costs if a property is or becomes contaminated. The Issuer and the Charging Group Members may therefore be liable for the entire amount of the clean-up and redemption costs for a contaminated site regardless of whether the contamination was caused by it or not. These costs may be significant and may affect, in respect of the Issuer, its ability to meet its payment obligations under the Secured Notes.

In addition, the presence of hazardous or toxic substances, or the failure to adequately remedy adverse environmental conditions at a Charged Property, may adversely affect the market value of the Charged Property, as well as the Issuer's and the Charging Group Members' ability to sell, lease or refinance the

Charged Property. Any environmental liability imposed on the Issuer could also affect its ability to meet its payment obligations under the Secured Notes.

C. Sufficiency of insurance

Although each Charged Property is required to be insured at appropriate levels and against customary risks, there can be no assurance that any loss incurred will be of a type covered by such insurance, nor can there be any assurance that the loss will not exceed the limits of such insurance. Any reduction in income or any loss or damage caused to a Charged Property not adequately covered by insurance could result in a shortfall in funds available to meet the Issuer's payment obligations under the Secured Notes.

D. Fixed charges may take effect under English law as floating charges

Pursuant to the Note Trust Deed, the Issuer has purported to grant fixed charges over, amongst other things, all moneys and/or securities from time to time standing to the credit of each Series Charged Account. English law relating to the characterisation of fixed charges is unsettled. The fixed charges purported to be granted by the Issuer (other than assignment of security) may take effect under English law only as floating charges if, for example, it is determined that the Note Trustee does not exert sufficient control over the charged assets for the security to be said to "fix" over those assets. If the charges take effect as floating charges instead of fixed charges, then the claims of the Note Trustee will be subject to claims which are given priority over a floating charge by law, including, amongst other things, prior charges, certain subsequent charges, the expenses of any winding up or administration and the claims of preferential creditors. Consequently, there may be less money available to pay Noteholders what is owed to them under the Secured Notes.

E. Mortgagee in possession liability

There is a risk that the Security Trustee may be deemed to be a mortgagee in possession if it physically enters into possession of a Charged Property or performs an act of control or influence which may amount to possession, such as submitting a demand direct to tenants requiring them to pay rents to the Security Trustee. In such circumstances the Security Trustee may incur further costs and expenses which will be recoverable by it from the enforcement proceeds prior to any payment being made to the Issuer, thereby reducing the amounts available to the Issuer to pay amounts owing under the Secured Notes.

F. Moratorium and housing administration

The Security Trustee must notify the Regulator of its intention to enforce its security and cannot enforce its security during the resulting moratorium without the consent of the Regulator. This may adversely affect the Security Trustee's ability to enforce the security over the Charged Properties.

The Security Trustee's ability to enforce the security over the Charged Properties may also be adversely affected for so long as any housing administration order is in place in respect of the Issuer or a Charging Group Member or could result in a housing administrator disposing of Charged Property belonging to the Issuer or a Charging Group Member at a time when proceeds are not sufficient to discharge the Issuer's obligations under the Secured Notes.

Risks Relating to the Unsecured Notes

Unencumbered Assets Test. The Unencumbered Assets Test calculates the number of unencumbered assets based on the value of total assets less the secured debt of the Issuer.

All secured debt facilities and secured standalone derivatives of the Issuer contain an asset cover covenant, requiring the Issuer to charge real property assets with an aggregate value in excess of the principal amount of the secured debt or hedging liabilities (such excess being the **Asset Cover Haircut**). The Asset Cover Haircut is typically 105-110 per cent. EUV-SH and 115-125 per cent. MV-ST.

A calculation of the unencumbered assets on the basis of the value of total assets less the aggregate of (a) secured debt plus (b) the Asset Cover Haircut would produce a lower figure.

As the Unencumbered Assets Test takes no account of the Asset Cover Haircut (i.e. the additional security that the Issuer must charge in excess of the principal amount of the secured debt facilities and standalone derivatives) it will artificially inflate the unencumbered assets figure which holders of Unsecured Notes may have access to in an enforcement scenario. Consequently, there may be less money available to pay Noteholders in such circumstances as may be implied by the Unencumbered Assets Test.

Risks related to the market generally

A. *Potential limited liquidity*

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

B. *The value of Fixed Rate Notes may be adversely affected by movements in market interest rates*

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

C. *Exchange rate risks and exchange controls*

The Issuer does not have any control over factors that generally affect exchange rate risks, such as economic, financial and political events, and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been volatile and volatility between such currencies or with other currencies may be expected in the future.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency equivalent value of the principal payable on the Notes and (c) the Investor's Currency equivalent market value of the Notes. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Series of Notes would not be available at maturity of such Series of Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

D. Credit ratings may not reflect all risks

The on-going creditworthiness of the Issuer depends on many factors, including the link to national government, industry, competitive, financial and operational performance, economic factors, the level of drawn debt, the ability to access new debt and the strength of the Issuer's management and governance structure. Actual deterioration or a perceived deterioration in any of these factors or a combination of these factors may result in a downgrade in the Issuer's perceived creditworthiness as indicated by the Issuer's issued credit ratings that could, in turn, cause the trading price of the Notes to decline and may result in a loss of all or part of an investment in the Notes.

As with any rated entity, the rating of the Issuer may be susceptible to further adjustments (whether upward or downward) and, in particular, any adjustments which may be made as a result of a rating agency's methodology as applied to the Issuer or any other member of the Peabody Group.

As at the date of these Programme Admission Particulars, each of Fitch, Moody's and S&P is established in the UK and is registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the **UK CRA Regulation**). None of Fitch, Moody's and S&P is established in the European Union nor have they applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). However, the ratings issued by Fitch, Moody's and S&P have been endorsed by Fitch Ratings Ireland Limited, Moody's Deutschland GmbH and S&P Global Ratings Europe Limited, respectively, in accordance with the CRA Regulation. As at the date of these Programme Admission Particulars each of Fitch Ratings Ireland Limited, Moody's Deutschland GmbH and S&P Global Ratings Europe Limited is established in the European Union and registered under the CRA Regulation. As such, each of Fitch Ratings Ireland Limited, Moody's Deutschland GmbH and S&P Global Ratings Europe Limited is included in the list of credit rating agencies published by the ESMA on its website in accordance with the CRA Regulation.

In general, UK and European regulated investors are restricted under the UK CRA Regulation and CRA Regulation, respectively, from using credit ratings for regulatory purposes, unless such ratings are issued by (or endorsed by) a credit rating agency established, as applicable, in the UK or EU and registered under the UK CRA Regulation or the CRA Regulation (and such registration has not been withdrawn or suspended). If the status of Fitch, Fitch Ratings Ireland Limited, Moody's, Moody's Deutschland GmbH, S&P and/or S&P Global Ratings Europe Limited changes, UK and European regulated investors, as applicable, may no longer be able to use the relevant rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in UK and European regulated investors, as applicable, selling Notes held by them which may have an impact on the value of the Notes in the secondary market.

Form of the Notes

Each Tranche of Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Pricing Supplement, a permanent global note (a **Permanent Global Note** and, together with a Temporary Global Note, each a **Global Note**) which, in either case, will:

- (a) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Pricing Supplement, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and
- (b) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Pricing Supplement will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any time during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will be The Bank of New York Mellon, London Branch (unless, at the time of issue of a Tranche of Notes, such Notes would satisfy the Eurosystem eligibility criteria and Euroclear or Clearstream, Luxembourg agrees to act as Common Safekeeper, in which case the Common Safekeeper will be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg).

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date which is 40 days after a Temporary Global Note is issued (the **Exchange Date**), interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for:

- (a) interests in a Permanent Global Note of the same Series; or
- (b) definitive Notes of the same Series with, where applicable, principal receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement),

in each case against certification of beneficial ownership as described above unless such certification has already been given.

The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the

Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for definitive Notes should not be expressed to be applicable in the applicable Pricing Supplement if the Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency).

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, principal receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that:

- (a) an Event of Default (as defined in the Conditions) has occurred and is continuing;
- (b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Note Trustee is available; or
- (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered if the Notes represented by the Permanent Global Note were in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Note Trustee.

The Issuer will promptly give notice to Noteholders in accordance with Condition 16 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Note Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (c) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Notes (other than Temporary Global Notes), principal receipts and interest coupons relating to such Notes where TEFRA D is specified in the applicable Pricing Supplement:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, principal receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Notes, principal receipts or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

General

Pursuant to the Agency Agreement (as defined under "*Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

The Issuer may agree with any Dealer and the Note Trustee that Notes may be issued in a form not contemplated by the Conditions of the Notes, in which event a new Programme Admission Particulars or a supplement to these Programme Admission Particulars will be made available which will describe the effect of the agreement reached in relation to such Notes.

Conditions of the Notes

The following are the Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Conditions. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Pricing Supplement" for a description of the content of the Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Peabody Trust (the **Issuer**) and constituted by an Amended and Restated Note Trust Deed dated 14 February 2025 (as modified and/or supplemented and/or restated from time to time, the **Note Trust Deed**) made between the Issuer and M&G Trustee Company Limited (the **Note Trustee**, which expression shall include any successor as Note Trustee).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement dated 16 February 2024 (as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) between the Issuer, the Note Trustee, The Bank of New York Mellon, London Branch as issuing and principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents) and The Bank of New York Mellon, London Branch as agent bank (the **Agent Bank**, which expression shall include any duly appointed successor agent bank).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on this Note which supplement these Conditions (the **Conditions**). References to the **applicable Pricing Supplement** are, unless otherwise stated, to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Where Instalment Redemption is specified as applicable in the applicable Pricing Supplement, definitive Notes will have receipts (**Receipts**) attached. Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Note Trustee acts for the benefit of the Noteholders (which expression shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the **Receiptholders**) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Note Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The applicable Pricing Supplement shall specify whether the Issuer's obligations in respect of a Series of Notes will be secured in accordance with the provisions of Condition 4 (*Security*) (such Notes, **Secured Notes**) or not so secured (such Notes, **Unsecured Notes**).

Copies of the Note Trust Deed, the Agency Agreement and, in respect of Secured Notes, the Account Agreement and the Security Documents are available for inspection during normal business hours at the specified office of each of the Paying Agents. If the Notes are to be admitted to trading on the London Stock Exchange's International Securities Market, the applicable Pricing Supplement will be published on the website of the London Stock Exchange through a regulatory information service or published in any other manner permitted by the International Securities Market Rulebook effective as of 1 January 2021 (as may be modified and/or supplemented and/or restated from time to time). The Noteholders, the Receipholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Note Trust Deed, the Agency Agreement, the Account Agreement and the Security Documents and the applicable Pricing Supplement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Agency Agreement, the Account Agreement and the Security Documents.

Words and expressions defined in the Note Trust Deed, the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Note Trust Deed and the Agency Agreement, the Note Trust Deed will prevail and, in the event of inconsistency between the Note Trust Deed or the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1 Definitions

Account Agreement means the Account Agreement dated 16 February 2024 between the Issuer, the Account Bank and the Note Trustee, as amended and/or supplemented and/or restated from time to time.

Account Bank means The Bank of New York Mellon, London Branch as account bank pursuant to the Account Agreement or any successor account bank appointed thereunder.

Additional Properties has the meaning given to it in Condition 6.1 (*Addition of New Charged Properties*).

Appointee means any attorney, manager, agent, delegate, nominee, custodian, receiver or other person appointed by the Note Trustee under, or pursuant to, these Conditions or the Note Trust Deed.

Apportionment Certificate means, in relation to each Series of Secured Notes, a certificate addressed to the Representative and signed by the Issuer and each Charging Group Member and countersigned by the Security Trustee and the Representative which sets out the number of Units (in the case of NAB Beneficiaries) or the Charged Properties (where Specific Apportionment Basis applies) which are allocated in favour of the Series Secured Parties in relation to all monies, liabilities and obligations whatsoever (actual or contingent) payable,

owing, due or incurred by the Issuer to the Series Secured Parties pursuant to the Note Trust Deed, the Notes, the Receipts, the Coupons and the other Programme Documents, and which is substantially in the form set out in Schedule 3 (*Form of Apportionment Certificate*) to the Security Trust Deed.

Asset Cover Test means the financial covenant set out in Condition 5.1(c) (*Asset Cover Covenant*).

Authorised Signatory means, in respect of the Issuer, any Charging Group Member or any other entity, a board member, a director, the secretary or any senior executive officer of the Issuer, such Charging Group Member or such other entity, as the case may be, or as authorised by the Issuer, such Charging Group Member or such other entity pursuant to an incumbency or similar certificate.

Beneficiaries means, collectively, the beneficiaries under the Security Trust Deed.

Certificate of Title has the meaning given to it in the Security Trust Deed.

Charged Cash means, in respect of each Series of Secured Notes, at any time, the aggregate of all amounts standing to the credit of the Series Charged Account in respect of such Series at such time.

Charged Properties means, at any time, the property legally mortgaged and any other freehold or leasehold property charged by way of first fixed charge pursuant to a Security Agreement and which comprises the Residual Properties (where the Numerical Apportionment Basis applies) or the Specific Designated Security (where the Specific Apportionment Basis applies).

Charging Group Member means any Eligible Group Member which has acceded to the Security Trust Deed and created security in favour of the Security Trustee for the benefit of the relevant Series Secured Parties in respect of one or more Series of Secured Notes pursuant to, and in accordance with, the Security Documents, subject to such Eligible Group Member ceasing to be a Charging Group Member in accordance with the Note Trust Deed and the Security Trust Deed.

Compliance Certificate means a certificate, signed by two Authorised Signatories of the Issuer, substantially in the form set out in Schedule 5 (*Form of Compliance Certificate*) to the Note Trust Deed setting out, *inter alia*:

- (a) in respect of a Series of Secured Notes, calculations in respect of the Asset Cover Test; and
- (b) in respect of a Series of Unsecured Notes, calculations in respect of the Unencumbered Assets Test.

continuing means, in respect of an Event of Default, that such Event of Default is continuing unremedied and unwaived to the satisfaction of the Note Trustee.

Designated Security has the meaning given to it in the Security Trust Deed.

Desk Top Valuation means, in relation to the Charged Properties, a valuation of those properties conducted in accordance with the same methodology as a Full Valuation addressed to, *inter alios*, the Note Trustee provided by a Valuer on a "desk-top" basis, and **Desk Top Valuation Basis** shall be construed accordingly.

Eligible Group Member means any member of the Peabody Group (other than the Issuer) which is a Registered Provider of Social Housing.

euro means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

EUV-SH means a valuation made on the basis of existing use value for social housing ("EUV-SH") as defined by the RICS at UK VPGA 7 of the RICS Valuation – Global Standards 2017 UK National Supplement (or, if a subsequent edition of the RICS Valuation Standards has been published at the relevant time, the relevant valuation standard of the then most recently published edition of the RICS Valuation Standards) (effectively assuming that the properties will continue to be let as social housing and that any vacant Units will be re-let to tenants on normal social housing terms) or, if the RICS Valuation Standards are no longer published at such time, on a basis agreed between the Issuer, the Note Trustee and a Valuer and (for so long as security is allocated to the Series Secured Parties on a Numerical Apportionment Basis) the Representatives of each other NAB Beneficiary, and **EUV-SH Charged Properties** shall be construed accordingly.

Event of Default means:

- (a) in respect of a Series of Secured Notes, a Secured Note Event of Default; and
- (b) in respect of a Series of Unsecured Notes, an Unsecured Note Event of Default.

Expense Apportioned Part means, for so long as the Secured Notes of more than one Series are outstanding, the amount of the fees, costs, expenses and other liabilities of the Issuer which are not referable to a specific Series of Secured Notes and which shall instead be apportioned between each Series of Secured Notes outstanding *pro rata* to the principal amount outstanding of each such Series.

Financial Year means each 12 month period ending on 31 March.

Fixtures means, in relation to any Charged Property, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time thereon owned by the Issuer or the relevant Charging Group Member, as the case may be.

Full Valuation means, in relation to the Charged Properties, any Additional Properties or any New Substitute Properties, a valuation of those properties addressed to, *inter alios*, the Note Trustee provided by a Valuer containing such information as is relevant to the portfolio of the Charged Properties, the Additional Properties or the New Substitute Properties, as the case may be, and showing the value of the properties on the basis of EUV-SH and/or MV-ST (to the extent applicable) or, where agreed between the Note Trustee, the Issuer and (for so long as security is allocated to the Series Secured Parties on a Numerical Apportionment Basis) the Representatives of each other NAB Beneficiary, a letter from the relevant Valuer confirming that there have been no material changes in respect of a previous Full Valuation given by such Valuer in respect of such properties, and **Full Valuation Basis** shall be construed accordingly.

holding company means, in respect of any entity, a person in respect of which such entity is its Subsidiary as defined in section 271 of the Housing and Regeneration Act or a person which has direct and indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar rights of ownership of such entity and control for this purpose means the powers to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

Housing and Regeneration Act means the Housing and Regeneration Act 2008 (as amended from time to time).

Insurances means all contracts and policies of insurance of whatever nature which are from time to time taken out by or with the authority and on behalf of the Issuer or the relevant Charging Group Member, as the case may be, in relation to the Charged Properties or any of them.

Letting Documents, in relation to a Unit or Charged Property, has the meaning given to that term in the Security Agreement under which such Unit or Charged Property is charged.

Minimum Value means, in respect of each Series of Secured Notes:

$$\left(\frac{A}{105} + \frac{B}{115} \right) \times 100$$

where:

A = the Value of the residential EUV-SH Charged Properties in respect of such Series determined on the basis of EUV-SH and

B = the Value of the residential MV-ST Charged Properties in respect of such Series, determined on the basis of MV-ST.

For the avoidance of doubt, the Charged Properties shall be treated as EUV-SH Charged Properties for the purpose of determining the Minimum Value unless and until a Value, determined on the basis of MV-ST, is given by a Valuer in respect of such Charged Properties and the Valuer has confirmed that it has reviewed a Certificate of Title in respect of such Charged Property certifying that it may be disposed of by the Issuer or the relevant Charging Group Member, as applicable, on an unfettered basis (meaning subject only to any existing tenancies disclosed in the Certificate of Title but not subject to any security interest, option or other encumbrance or to any restriction preventing or restricting its sale to, or use by, any person for residential use).

MV-ST means a valuation made on the basis of the current Market Value as defined by the RICS at VPS4 of the RICS Valuation – Global Standards 2017 UK National Supplement (or, if a subsequent edition of the RICS Valuation Standards has been published at the relevant time, the relevant valuation standard of the then most recently published edition of the RICS Valuation Standards) (effectively, in these circumstances, based on the fact that the properties are subject to existing tenancies but are not restricted to use as social housing let at sub-market rents, and that any Units that become vacant may be sold with vacant possession) or, if the RICS Valuation Standards are no longer published at such time, on a basis agreed between the Issuer, the Note Trustee and a Valuer and (for so long as security is allocated to the Series Secured Parties on a Numerical Apportionment Basis) the Representatives of each other NAB Beneficiary.

MV-ST Charged Properties means the Charged Properties accepted as such in accordance with these Conditions.

NAB Beneficiaries means the Beneficiaries who have been allocated Charged Properties on a Numerical Apportionment Basis (and **NAB Beneficiary** shall be construed accordingly).

New Property Approval Certificate means a certificate, signed by two Authorised Signatories of the Issuer, substantially in the form set out in Schedule 6 (*Form of New Property Approval Certificate*) to the Note Trust Deed.

New Substitute Properties has the meaning given to it in Condition 6.2 (*Substitution of Charged Properties*).

Numerical Apportionment Basis has the meaning given to it in the Security Trust Deed.

Obligor means the Issuer and each Charging Group Member.

Peabody Group means, together, the Issuer, its Subsidiaries, any holding company of the Issuer and any Subsidiaries of any such holding company.

Permitted Reorganisation means any amalgamation, merger, consolidation or transfer of engagements of the whole of the Issuer's or (in respect of Secured Notes) any Charging Group Member's property (including, for the avoidance of doubt, any statutory procedure as provided for under the Co-operative and Community Benefit Societies Act 2014 (or otherwise)) made between the Issuer or such Charging Group Member, as the case may be, (**Party A**) and any other entity (**Party B**), provided that:

- (a) any new amalgamated entity to be created as a result thereof will be a Registered Provider of Social Housing at the time such Permitted Reorganisation becomes effective;
- (b) following any such amalgamation, merger, consolidation or transfer of engagements in respect of which the property of Party A (including, for the avoidance of doubt, any liabilities) shall become vested in such Party B or new amalgamated entity, Party B or such new amalgamated entity, as the case may be, will thereafter be responsible for all the liabilities of Party A pursuant to the Co-operative and Community Benefit Societies Act 2014 (or otherwise); and
- (c) a certificate executed by two Authorised Signatories of Party A or Party B confirming the above is provided to the Note Trustee.

Potential Event of Default means any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination, the forming of any opinion or any combination thereof) constitute a Secured Note Event of Default or an Unsecured Note Event of Default (as the case may be), and **Secured Note Potential Event of Default** and **Unsecured Note Potential Event of Default** shall be construed accordingly.

Programme Documents means the Note Trust Deed, the Agency Agreement and (in respect of Secured Notes) the Account Agreement and the Security Documents.

Programme Party means any person who is party to a Programme Document.

Property means all estates or interests of an Obligor in any freehold or leasehold property wheresoever situate now or in future belonging to it and all buildings, fixtures, fittings (other than tenants fixtures and fittings) and fixed plant and machinery from time to time thereon (and **Properties** shall be construed accordingly).

Property Release/Reallocation Certificate means a certificate, signed by two Authorised Signatories of the Issuer, substantially in the form set out in Schedule 8 (*Form of Property Release/Reallocation Certificate*) to the Note Trust Deed.

Receiver means any receiver, manager, receiver and manager or administrative receiver appointed by the Note Trustee under the Note Trust Deed or under the Note Trustee's statutory power relating thereto in respect of the Issuer.

Registered Provider of Social Housing means a person listed in the register of providers of social housing established under Chapter 3 of Part 2 of the Housing and Regeneration Act or any replacement or successor legislation thereto or a person having a status which, in the opinion of the Issuer and the Note Trustee, is substantially equivalent under any replacement or successor legislation.

Regulator means the Regulator of Social Housing established pursuant to the Legislative Reform (Regulator of Social Housing) (England) Order 2018 and any successor or successors for the time being or any similar future authority or authorities carrying on substantially the same regulatory and/or supervisory functions.

Relevant Date means, in respect of any payment, the date on which such payment first becomes due, but, if the full amount of the money payable has not been received by the Note Trustee or the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 16 (*Notices*).

Relevant Trustee Expenses has the meaning given to it in the Security Trust Deed.

Representative means, in respect of each Series of Secured Notes, the Note Trustee in its capacity as Representative for the relevant Series Secured Parties.

Residual Properties has the meaning given to it in the Security Trust Deed.

RICS means the Royal Institution of Chartered Surveyors.

Right to Buy means the right of a tenant of a property:

- (a) to buy that property from the Issuer or a Charging Group Member under section 180 of the Housing and Regeneration Act or under Part V of the Housing Act 1985 (or any similar right replacing those rights) or under any contract conferring such a right and including, without limitation, such rights preserved notwithstanding any previous transfers of that property to the Issuer from any local authority;
- (b) to acquire an interest in that property from the Issuer or a Charging Group Member by means of a shared-ownership lease where the terms of any such lease comply with the regulatory requirements of the Regulator or have been approved by the Issuer or the relevant Charging Group Member, as the case may be; or
- (c) to buy or acquire an interest in that property from the Issuer or a Charging Group Member under any voluntary scheme approved by the Issuer or the relevant Charging Group Member, as the case may be.

Rolling Valuation means a valuation prepared in accordance with Condition 5.1(d)(i) (*Valuations*).

Rules means the rules of the Issuer, as amended from time to time.

Secured Note Event of Default has the meaning given to it in Condition 12.1(a) (*Secured Note Events of Default*).

Security Agreement means, in the case of Secured Notes, each security agreement entered into or to be entered into between an Obligor and the Security Trustee under which such Obligor provides security over, *inter alia*, certain Properties in favour of the Security Trustee for the benefit of, *inter alios*, the Series Secured Parties and substantially in the form set out in Schedule 4 (*Form of Security Agreement*) to the Security Trust Deed.

Security Assets means all assets, rights and property mortgaged, charged or assigned or the subject to any security created pursuant to any Security Agreement.

Security Documents means the Security Trust Deed and each Security Agreement.

Security Trust Deed means the Security Trust Deed originally dated 31 October 2017 and amended and restated on 16 February 2024 between the Issuer and the Security Trustee, as further amended and/or supplemented and/or restated from time to time.

Security Trustee means M&G Trustee Company Limited, as security trustee under the Security Trust Deed for, *inter alios*, the Series Secured Parties in respect of each Series of Secured Notes or any successor security trustee appointed thereunder.

Series Charged Account means, in relation to each Series of Secured Notes, an account of the Issuer established in respect of such Series in accordance with the Account Agreement.

Series Charged Property has the meaning given to it in Condition 4.1(e) (*Series Security*).

Series Property Security has the meaning given to it in Condition 4.1(b) (*Series Security*).

Series Secured Parties means, in relation to each Series of Secured Notes, each of the Note Trustee (for itself and on behalf of the Noteholders of such Series), any Receiver or any other appointee of the Note Trustee, the Paying Agents, the Agent Bank, the Account Bank and the Noteholders in relation to such Series.

Series Security has the meaning given to it in Condition 4.1(e) (*Series Security*).

Series Security Percentage means, in respect of each Series of Secured Notes:

- (a) where the Charged Properties securing the obligations of the Issuer in respect of such Series of Secured Notes are apportioned on the Numerical Apportionment Basis, the number of Units allocated to Series Secured Parties in relation to such Series of Secured Notes under the Numerical Apportionment Basis from time to time divided by the total number of Units comprising the Residual Properties from time to time, multiplied by 100 (and expressed as a percentage); and
- (b) where the Charged Properties securing the obligations of the Issuer under such Series of Secured Notes are apportioned on the Specific Apportionment Basis, 100 per cent.

Shared Ownership Lease means a shared ownership lease as defined in section 106 of the Housing Associations Act 1985, where the terms of any such lease:

- (a) are imposed by statute;

- (b) comply with the requirements of Homes England, the Greater London Authority, the Regulatory Framework; or
- (c) have been approved by:
 - (i) in respect of any Residual Property, all Representatives (as defined in the Security Trust Deed) of each NAB Beneficiary;
 - (ii) otherwise, the Representative of the relevant Specific Beneficiary,including, in particular, any mortgagee protection provisions proposed to be inserted in any such lease;

Shared Ownership Property means any property acquired by the Issuer or any Charging Group Member then being occupied pursuant to a Shared Ownership Lease where the Issuer or such Charging Group Member holds, or is intending to hold upon disposal on shared ownership terms by the grant of a Shared Ownership Lease, less than 100 per cent. of the beneficial (or heritable) interest in that property and the purchaser of the balance of that beneficial (or heritable) interest has the right to acquire a further portion of the Issuer or such Charging Group Member's retained beneficial (or heritable) interest;

Shared Ownership Sale means the disposal of the whole of, or any interest in, a unit of residential accommodation by the Issuer or any Charging Group Member (or of the retained interest of the Issuer or any Charging Group Member in any unit of residential accommodation) which, immediately before the disposal, was comprised in a Shared Ownership Property.

Social HomeBuy has the meaning given to that term in the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2006.

Specific Apportionment Basis has the meaning given to it in the Security Trust Deed.

Specific Beneficiary has the meaning given to it in the Security Trust Deed.

Specific Designated Security has the meaning given to it in the Security Trust Deed.

Statutory Disposal means a Shared Ownership Sale, the exercise of a Right to Buy or a Social HomeBuy disposal.

Statutory Disposal Certificate means a certificate, signed by two Authorised Signatories of the Issuer, substantially in the form set out in Schedule 9 (*Form of Statutory Disposal Certificate*) to the Note Trust Deed.

Subsidiary has the meaning given to it in section 271 of the Housing and Regeneration Act and, in relation to the Issuer, means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar rights of ownership and **control** for this purpose means the powers to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

Substitute Properties has the meaning given to it in Condition 6.2 (*Substitution of Charged Properties*).

Substitute Property Certificate means a certificate, signed by two Authorised Signatories of the Issuer, substantially in the form set out in Schedule 7 (*Form of Substitute Property Certificate*) to the Note Trust Deed.

UK Government Gilt means Sterling denominated gilts or stock issued by or on behalf of His Majesty's Treasury.

Unencumbered Assets Test means the financial covenant set out in Condition 5.2(b) (*Unencumbered Assets Covenant*).

Unit means, at any time, a Charged Property or part thereof in relation to which there is or, when let, there would be, a separate rental contract entered into with an Obligor and **Units** means all such Charged Properties or parts thereof.

Unsecured Note Event of Default has the meaning given to it in Condition 12.2(a) (*Unsecured Note Events of Default*).

USD or **U.S. dollars** means United States dollars.

Valuation means a Rolling Valuation, a Desk Top Valuation or a Full Valuation, as the case may be.

Value means, at any time and in relation to the Charged Properties, the value of those properties as shown in the then latest Valuation on the basis of EUV-SH or, as the case may be, MV-ST (provided that, if any Charged Property or part thereof is sold pursuant to a Right to Buy, the Value of the relevant Charged Property shall, for the purposes of this definition and with effect from the date of the relevant sale or release, be zero (if the entire relevant Charged Property has been sold) or (if only part of the Issuer's or the relevant Charging Group Member's interest in the relevant Charged Property has been sold) shall be the proportion of the value of the Charged Property which has not been sold pursuant to the relevant Right to Buy).

Valuer means Savills Advisory Services Limited or such other reputable firm of surveyors which is regulated by the RICS as may be appointed by the Issuer or the Security Trustee from time to time.

2 Form, denomination and title

- (a) The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Pricing Supplement, provided that the minimum denomination shall be €100,000 (or equivalent). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.
- (b) This Note may be a Fixed Rate Note or a Floating Rate Note, or a combination of both, depending upon the Interest Basis shown in the applicable Pricing Supplement.
- (c) Definitive Notes are issued with Coupons and (if Instalment Redemption is specified as applicable in the applicable Pricing Supplement) Receipts attached.
- (d) This Note may be a Secured Note or an Unsecured Note, as specified in the applicable Pricing Supplement.

- (e) Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The Issuer, the Note Trustee and any Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in Condition 2(f).
- (f) For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Note Trustee and the Paying Agents as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such principal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Note Trustee and any Paying Agent as the holder of such principal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.
- (g) In determining whether a particular person is entitled to a particular principal amount of Notes as aforesaid, the Note Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.
- (h) Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Pricing Supplement.

3 Status of the Notes

- (a) The Secured Notes and any relative Receipts and Coupons are direct, unconditional and unsubordinated obligations of the Issuer, secured in the manner set out in Condition 4 (*Security*), and rank *pari passu* without any preference or priority among themselves.
- (b) The Unsecured Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

4 Security

This Condition 4 only applies to Secured Notes.

4.1 Series Security

- (a) The Issuer's obligations in respect of each Series of Secured Notes are secured (subject as provided in the Conditions, the Note Trust Deed and the Security Documents), pursuant to each Security Agreement, in favour of the Security Trustee for the benefit of itself and the Noteholders and the other Series Secured Parties as follows:
- (i) by way of a first legal mortgage over the Charged Properties together with all buildings and Fixtures thereon, the proceeds of sale of all or any part thereof and (so far as the same are capable of being mortgaged) the benefit of any covenants for title given or entered into by any predecessor in title of the Issuer or any Charging Group Member and any moneys paid or payable in respect of such covenants;
 - (ii) by way of first fixed charge over:
 - (A) all fixed plant and machinery now or in the future owned by the Issuer or any Charging Group Member and its interest in any fixed plant or machinery in its possession, in each case which form part of the Charged Properties;
 - (B) all benefits in respect of the Insurances and all claims and returns of premiums in respect of the Charged Properties;
 - (C) the benefit of all present and future licences, consents and authorisations (statutory or otherwise) held in connection with the Issuer's or any Charging Group Member's business so far as it relates to the Security Assets or the use of any of the Security Assets specified in paragraph (i) and subparagraph (A) above and the right to recover and receive all compensation which may at any time become payable to it in respect thereof; and
 - (D) if and in so far as the legal mortgage set forth in paragraph (i) above or the assignments referred to in paragraph (iii) shall for any reason be ineffective as legal mortgages or assignments, the assets referred to in those paragraphs; and
 - (iii) by an assignment by way of security of the Issuer's and the Charging Group Members' rights, title and interest arising under:
 - (A) the personal agreements and covenants by the tenants, lessees, licensees or other parties under the Letting Documents and by all guarantors in respect thereof and all security held by the Issuer or any Charging Group Member in respect of the obligations of the tenants, lessees, licensees or other parties under the Letting Documents (including, without limiting the generality of the foregoing, all moneys due and owing to the Issuer or any Charging Group Member or which may become due and owing to the Issuer or any Charging Group Member at any time in the future in connection therewith); and

- (B) all agreements, now or from time to time entered into or to be entered into for the sale, letting or other disposal or realisation of, or in connection with the management, ownership, refurbishment, development, repair, improvement or servicing of, the whole or any part of the Security Assets (including, without limiting the generality of the foregoing, all moneys due and owing to the Issuer or any Charging Group Member or which may become due and owing to the Issuer or any Charging Group Member at any time in the future in connection therewith),

provided always that, unless and until an Event of Default has occurred and is outstanding (but subject to the terms of the Finance Documents (as defined in the Security Trust Deed)), the Issuer and each Charging Group Member shall be entitled to exercise all its rights and claims under or in connection with the agreements and covenants referred to in paragraphs (A) and (B)) above, and provided further that the Security Trustee shall not give any notice of assignment contained in this paragraph (iii) to any person unless and until a Potential Event of Default has occurred and is outstanding.

- (b) The security created pursuant to the Security Documents referred to in Condition 4.1(a), and/or any deed or document supplemental thereto, which has been allocated for the benefit of the Series Secured Parties, is referred to herein as the **Series Property Security**.
- (c) The security created pursuant to the Security Agreements will be apportioned to the Series Secured Parties on:
 - (i) a Numerical Apportionment Basis; or
 - (ii) a Specific Apportionment Basis,

in each case, as specified in the applicable Pricing Supplement and in accordance with and subject to the terms of the Security Trust Deed.

Where Numerical Apportionment Basis is specified as applicable in the applicable Pricing Supplement, a specific number of units in respect of the Charged Properties will be apportioned to the Series Secured Parties in respect of such Series as agreed between the Issuer, the Charging Group Members (if any) and the Representative. The Initial Charged Properties in respect of each Series shall be specified in the applicable Pricing Supplement. The basis of apportionment may only be changed to Specific Apportionment Basis in the limited circumstances, and in accordance with the procedures, specified in the Security Trust Deed. In particular, the basis of the Series Secured Parties' apportionment may only be changed upon the request of the Note Trustee upon the security under the Security Documents in respect of the Charged Properties becoming enforceable and having been enforced.

Where Specific Apportionment Basis is specified as applicable in the applicable Pricing Supplement, specific individual Charged Properties shall be apportioned to the Series Secured Parties in respect of such Series as agreed between the Issuer, the Charging Group Members (if any) and the Representative. The initial list of Charged Properties in respect of each Series shall be specified in the applicable Pricing Supplement.

- (d) The Issuer's obligations in respect of each Series of Secured Notes are also secured (subject as provided in the Conditions and the Note Trust Deed) pursuant to the Note Trust Deed in favour of the Note Trustee for the benefit of itself and the Series Secured Parties as follows:
- (i) by a first fixed charge over all moneys from time to time standing to the credit of the Series Charged Account in relation to such Series and all debts represented thereby;
 - (ii) by an assignment by way of security of the Issuer's rights, title and interest arising under the Agency Agreement and the Account Agreement, in each case to the extent they relate to such Series; and
 - (iii) by a first fixed charge over all rights of the Issuer in respect of sums held from time to time by the Paying Agents for the payment of principal or interest in respect of such Series,

provided always that, unless and until a Secured Note Event of Default has occurred and is continuing (but subject to the terms of the Programme Documents), the Issuer shall be entitled to exercise all its rights and claims under or in connection with the agreements referred to in paragraph (ii) above.

- (e) The property charged and assigned pursuant to both the Security Documents and the Note Trust Deed referred to above, together with any other property or assets held by and/or assigned to the Security Trustee (and allocated for the benefit of the Series Secured Parties) or the Note Trustee for the benefit of the Series Secured Parties, and/or any deed or document supplemental thereto, is referred to herein as the **Series Charged Property** and the security created thereby (including, for the avoidance of doubt, the Series Property Security) is referred to herein as the **Series Security**.
- (f) No Series of Secured Notes will have access to the Series Security securing another Series of Secured Notes except to the extent set out in Condition 4.2(d) (*Post-enforcement*).

4.2 Post-enforcement

Following the enforcement of the Series Property Security, the net proceeds of enforcement of the Series Property Security shall be applied in the following order of priority:

- (a) first, in or towards payment of all Relevant Trustee Expenses;
- (b) secondly:
 - (i) where the Numerical Apportionment Basis applies in relation to the relevant Series, by allocating the balance among the NAB Beneficiaries by reference to their NAB Security Percentages (as defined in the Security Trust Deed), with the amount thereby allocated to the Note Trustee, in its capacity as Representative in respect of the relevant Series, to be applied as set out below; or
 - (ii) where the Specific Apportionment Basis applies in relation to the relevant Series, in or towards payment to the Note Trustee, in its capacity as Representative in respect of the relevant Series, to be applied as set out below;

- (c) thirdly, to the extent not already covered, in payment of all outstanding Security Trustee expenses;
- (d) fourthly, by allocating the balance among the other remaining Beneficiaries whose Relevant Liabilities (as defined in the Security Trust Deed) have not been fully discharged pro rata to their unpaid liabilities; and
- (e) fifthly, in payment of any surplus to the relevant Obligor.

Following the enforcement of the Series Security in respect of a Series, all monies standing to the credit of the relevant Series Charged Account and the net proceeds of enforcement of the Series Security (in respect of the Series Charged Property, following application as set out above) shall be applied in the following order of priority:

- (a) first, in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by the Note Trustee, any Appointee or any receiver in preparing and executing the trusts under the Note Trust Deed (including the costs of realising the Security and the Note Trustee's, any such Appointee's and any such receiver's remuneration), in each case, insofar as they relate to the relevant Series or, to the extent not referable to a specific Series, the Expense Apportioned Part thereof;
- (b) secondly, on a *pro rata* and *pari passu* basis, in payment of all amounts owing to the Paying Agents and the Agent Bank under the Agency Agreement and the Account Bank under the Account Agreement insofar as they relate to the relevant Series or, to the extent not referable to a specific Series, the Expense Apportioned Part thereof;
- (c) thirdly, in payment, on a *pro rata* and *pari passu* basis, to the Noteholders of such Series of any interest due and payable in respect of the Notes;
- (d) fourthly, in payment, on a *pro rata* and *pari passu* basis, to the Noteholders of such Series of any principal and premium due and payable in respect of the Notes; and
- (e) fifthly, in payment of the surplus (if any) to the Issuer.

5 Covenants

5.1 Covenants in respect of Secured Notes

This Condition 5.1 applies to Secured Notes only.

(a) General Covenant

For so long as any of the Notes remains outstanding (as defined in the Note Trust Deed), the Issuer covenants to comply with, and to procure that each Charging Group Member complies with, its various undertakings set out in the Note Trust Deed and the Security Documents including, but not limited to, undertakings as to the maintenance of the Charged Properties.

(b) Negative Pledge and Disposals

The Issuer covenants not to create or permit to subsist, and to procure that each Charging Group Member will not create or permit to subsist, in each case for so long as any of the Notes remains outstanding, save as expressly permitted by the Note Trust

Deed and/or the Security Documents, over any of the Series Charged Property, any mortgage or charge or any other security interest ranking in priority to, or *pari passu* with, the Series Security, excluding, for this purpose any security interest created by or pursuant to the Note Trust Deed or by operation of law.

The Issuer also covenants, and each Charging Group Member will covenant in the Note Trust Deed, that it shall not, save as expressly permitted by the Note Trust Deed and/or the Security Documents, sell, transfer, grant or lease or otherwise dispose of all or any part of, or any interest in, the Series Charged Property without the prior written consent of the Note Trustee or the Security Trustee, as applicable, or as permitted under the Conditions, the Note Trust Deed and/or the Security Documents.

(c) **Asset Cover Covenant**

(i) The Issuer covenants, for so long as any of the Notes remains outstanding, that it shall at all times ensure that the sum of:

(A) the Minimum Value of the Charged Properties in respect of the relevant Series of Secured Notes multiplied by the Series Security Percentage; and

(B) the Charged Cash in respect of such Series of Secured Notes,

will not be less than the aggregate principal amount of the Notes of such Series that remain outstanding.

(ii) A Compliance Certificate confirming compliance with the Asset Cover Test, and setting out the relevant calculations, may, in the absence of manifest error, be relied on by the Note Trustee and, if so relied on, shall be conclusive and binding on the Issuer, the Noteholders, the Receiptholders and the Couponholders.

(d) **Valuations**

(i) The Issuer covenants, for so long as any of the Notes remains outstanding, that it shall deliver a Rolling Valuation to the Note Trustee and the Security Trustee in the period between 31 March and the date falling 60 days after 31 March in each year whereby the Valuer values:

(A) not less than 20 per cent. of the Charged Properties on a Full Valuation Basis; and

(B) the remaining Charged Properties on a Desk Top Valuation Basis.

For the purposes of this Condition 5.1(d)(i):

1) the Charged Properties to be valued on a Full Valuation Basis in any year must not include any Charged Properties which have been valued on a Full Valuation Basis in the preceding two years; and

2) in any five year period, 100 per cent. of the Charged Properties must be valued on a Full Valuation Basis taking into account any additions

and withdrawals of Charged Properties in accordance with the Conditions.

- (ii) Notwithstanding Condition 5.1(d)(i), the Issuer may elect, by notice to the Note Trustee and (for so long as security is allocated to the relevant Series Secured Parties on a Numerical Apportionment Basis) to the other NAB Beneficiaries, to provide Valuations as follows:
 - (A) it shall deliver a Full Valuation to the Note Trustee and the Security Trustee at least once in every period of five calendar years. The first Full Valuation must be delivered in the period between the next 31 March following the relevant election made in accordance with this Condition 5.1(d)(ii) and the date following 60 days thereafter, and subsequent Full Valuations must be delivered in the period between 31 March and the date falling 60 days after 31 March in each fifth year after the previous Full Valuation delivered in accordance with this Condition 5.1(d)(ii) (or within the same period in any prior calendar year); and
 - (B) it shall deliver to the Note Trustee and the Security Trustee a Desk Top Valuation in the period between 31 March and the date falling 60 days thereafter in each year (beginning in the year following the year in which a Full Valuation is first provided in accordance with Condition 5.1(d)(ii)(A)) other than a year in respect of which a Full Valuation is required to be delivered pursuant to Condition 5.1(d)(ii)(A).

For the avoidance of doubt, where such an election has been made and Valuations are provided in accordance with this Condition 5.1(d)(ii), the Issuer shall not be required to deliver a Rolling Valuation in accordance with Condition 5.1(d)(i).

- (iii) Each Valuation shall set out in reasonable detail the Value of the Charged Properties as at a date no more than 3 months prior to the date of delivery of the Valuation.
- (iv) The Issuer shall provide, and shall procure that each Charging Group Member provides, to the relevant Valuers (and, in the case of the Charging Group Members, the Issuer) all reasonable assistance to enable them to carry out a Valuation of the Charged Properties and permit them such access to the Charged Properties and the records and accounts of the Issuer and such Charging Group Member, as applicable, as they reasonably require.

(e) **Information Covenant**

For so long as any of the Notes remains outstanding, the Issuer shall:

- (i) send to the Note Trustee not later than 180 days after the end of each Financial Year:
 - (A) a copy of its own and its consolidated audited financial statements for such Financial Year;

(B) a copy of the audited financial statements of each Charging Group Member for such Financial Year (both its own and, where such Charging Group Member is not a Subsidiary of the Issuer, if applicable, on a consolidated basis); and

(C) a Compliance Certificate,

and, upon request by any Noteholder to the Issuer:

1) make copies of such documents available to the Noteholders at the Issuer's registered office during normal business hours; or

2) provide copies of such documents by email to a Noteholder requesting a copy, subject to such Noteholder producing evidence satisfactory to the Issuer as to its holding of Notes and identity; and

(ii) at the request of Noteholders holding not less than 33 per cent. in principal amount of the Notes for the time being outstanding, convene a meeting of the Noteholders (including by way of conference call) to discuss the financial position of the Issuer and each Charging Group Member, provided, however, that the Issuer shall not be required to convene any such meeting pursuant to this Condition 5.1(e)(ii) more than once in any calendar year. Upon the request of Noteholders to convene any such meeting, as aforesaid, the Issuer shall notify all Noteholders of the date (which such date shall be no more than 21 days following such request), time and place of the meeting in accordance with Condition 16 (*Notices*). The Issuer shall act in good faith in addressing any questions regarding the financial position of it and of each Charging Group Member raised at any such meeting, provided, however, that the Issuer shall not be obliged to disclose any information which it, in its absolute discretion, considers to be of a confidential nature. For the avoidance of doubt, the provisions of this Condition 5.1(e)(ii) are in addition to the meetings provisions set out in Condition 18.1 (*Meetings of Noteholders*).

5.2 Covenants in respect of Unsecured Notes

This Condition 5.2 applies to Unsecured Notes only.

(a) General Covenant

For so long as any of the Notes remains outstanding, the Issuer covenants to comply with its various undertakings set out in the Note Trust Deed.

(b) Unencumbered Assets Covenant

(i) The Issuer covenants, for so long as any of the Notes remains outstanding, that it shall ensure that the Unencumbered Assets of the Issuer shall not be less than 125 per cent. of the Unsecured Financial Indebtedness of the Issuer in each financial year.

(ii) For the purposes of this Condition 5.2(b):

Unencumbered Assets of the Issuer means, in respect of each financial year, the consolidated value of:

- (A) the housing properties;
 - (B) the value of investment properties;
 - (C) the amount of cash and cash equivalents;
- less,
- (D) the principal amount of secured loans and secured debt securities due within one year;
 - (E) the principal amount of secured loans and secured debt securities due after more than one year; and
 - (F) the amount of unamortised grant liability,

in each case of the Issuer, so that no amount shall be added (or deducted) more than once and, in each case, as reflected in the statement of financial position (and related notes) from the published consolidated audited financial statements of the Issuer for such financial year; and

Unsecured Financial Indebtedness of the Issuer means, in respect of each financial year, the consolidated value of the principal amount of unsecured loans and unsecured debt securities of the Issuer as reflected in the statement of financial position (and related notes) from the published consolidated audited financial statements of the Issuer for such financial year, provided that no amount shall be added (or deducted) more than once.

- (iii) A Compliance Certificate confirming compliance with the Unencumbered Assets Test, and setting out the relevant calculations, may, in the absence of manifest error, be relied on by the Note Trustee and, if so relied on, shall be conclusive and binding on the Issuer, the Noteholders, the Receiptholders and the Couponholders.

(c) **Information Covenant**

For so long as any of the Notes remains outstanding, the Issuer shall:

- (i) send to the Note Trustee not later than 180 days after the end of each Financial Year:
 - (A) a copy of its own and its consolidated audited financial statements for such Financial Year; and
 - (B) a Compliance Certificate,

and, upon request by any Noteholder to the Issuer:

- 1) make copies of such documents available to the Noteholders at the Issuer's registered office during normal business hours; or
- 2) provide copies of such documents by email to a Noteholder requesting a copy, subject to such Noteholder producing evidence satisfactory to the Issuer as to its holding of Notes and identity; and

- (ii) at the request of Noteholders holding not less than 33 per cent. in principal amount of the Notes for the time being outstanding, convene a meeting of the Noteholders (including by way of conference call) to discuss the financial position of the Issuer, provided, however, that the Issuer shall not be required to convene any such meeting pursuant to this Condition 5.2(c)(ii) more than once in any calendar year. Upon the request of Noteholders to convene any such meeting, as aforesaid, the Issuer shall notify all Noteholders of the date (which such date shall be no more than 21 days following such request), time and place of the meeting in accordance with Condition 16 (*Notices*). The Issuer shall act in good faith in addressing any questions regarding its financial position raised at any such meeting, provided, however, that the Issuer shall not be obliged to disclose any information which it, in its absolute discretion, considers to be of a confidential nature. For the avoidance of doubt, the provisions of this Condition 5.2(c)(ii) are in addition to the meetings provisions set out in Condition 18.1 (*Meetings of Noteholders*).

6 **Charged properties and Charged Cash**

This Condition 6 applies to Secured Notes only.

6.1 **Addition of New Charged Properties**

The Issuer may, in respect of each Series of Secured Notes:

- (a) charge, and procure that any Charging Group Member charges, additional properties pursuant to the Security Documents; and/or
- (b) allocate, and procure that any Charging Group Member allocates,

such additional properties as Charged Properties (the **Additional Properties**) for the benefit of the NAB Beneficiaries (where the Numerical Apportionment Basis applies) or the Series Secured Parties (where the Specific Apportionment Basis applies) (and the Note Trustee, in its capacity as Representative, shall consent (without requiring the consent or sanction of the Noteholders or any other Series Secured Party) to such charging and/or allocation and countersign an amended Apportionment Certificate to reflect the same) subject to:

- (i) the delivery by the Issuer or the relevant Charging Group Member to the Security Trustee of the condition precedent documents specified in Schedule 2 to the Security Trust Deed in a form satisfactory to the Security Trustee (acting reasonably) in respect of the charging of such Additional Properties; and
- (ii) the delivery by the Issuer to the Note Trustee of:
 - (A) a completed New Property Approval Certificate certifying that, *inter alia*, the Additional Properties are residential properties of a type and nature that are usually owned by Registered Providers of Social Housing; and
 - (B) a Full Valuation in relation to the Additional Properties prepared by the Valuer as at a valuation date no earlier than 3 months prior to the date on which the Additional Properties are to be/were charged.

Notwithstanding the foregoing, the requirements of Condition 6.1(b)(ii)(A) and (B) shall not apply to the extent that the Numerical Apportionment Basis is applicable at the relevant time and the

allocation occurs solely as a result of them ceasing to be allocated to any Specific Beneficiary on a Specific Apportionment Basis.

6.2 Substitution of Charged Properties

- (a) This Condition 6.2 applies in the event that the Specific Apportionment Basis is specified as applicable in the applicable Pricing Supplement or Specific Apportionment is otherwise applicable at the relevant time.
- (b) The Issuer or any Charging Group Member may substitute any one or more of the Charged Properties (the **Substitute Properties**) with other properties (the **New Substitute Properties**) (and the Note Trustee, in its capacity as Representative, shall consent (without requiring the consent or sanction of the Noteholders or any other Series Secured Party) to such substitution and countersign an amended Apportionment Certificate to reflect the same) subject to:
 - (i) the delivery by the Issuer or the relevant Charging Group Member to the Security Trustee of the condition precedent documents specified in Schedule 2 to the Security Trust Deed in a form satisfactory to the Security Trustee in respect of the charging of such New Substitute Properties; and
 - (ii) the delivery by the Issuer to the Note Trustee of:
 - (A) a completed Substitute Property Certificate certifying, *inter alia*, that (x) the New Substitute Properties are residential properties of a type and nature that are usually owned by Registered Providers of Social Housing, (y) the Issuer is (as at the date of the Substitute Property Certificate) in compliance with the Asset Cover Test and that, immediately following the substitution, the Issuer will be in compliance with the Asset Cover Test and (z) no Secured Note Event of Default or Secured Note Potential Event of Default has occurred and is continuing; and
 - (B) a Full Valuation in relation to the New Substitute Properties prepared by the Valuer as at a valuation date no earlier than 3 months prior to the date on which the New Substitute Properties are to be/were charged.

6.3 Release and/or Reallocation of Charged Properties

- (a) The Issuer or any Charging Group Member may withdraw or reallocate any one or more of the Charged Properties from the Series Property Security (and the Note Trustee, in its capacity as Representative, shall consent (without requiring the consent or sanction of the Noteholders or any other Series Secured Party) to such withdrawal or reallocation and countersign an amended Apportionment Certificate to reflect the same), provided that the Issuer delivers to the Note Trustee a completed Property Release/Reallocation Certificate, certifying that:
 - (i) the Issuer is (as at the date of the Property Release/Reallocation Certificate) in compliance with the Asset Cover Test and that, immediately following such release, the Issuer will be in compliance with the Asset Cover Test; and

- (ii) no Secured Note Event of Default or Secured Note Potential Event of Default has occurred and is continuing.
- (b) The above requirement for a Property Release/Reallocation Certificate shall not apply to the extent that the Numerical Apportionment Basis is applicable at the relevant time and the reallocation and/or release would not require an adjustment to the Series Secured Parties' Designated Security.

6.4 **Statutory Disposals**

- (a) The Issuer or any Charging Group Member shall have the right to withdraw a Charged Property from the Series Property Security pursuant to any Statutory Disposal without the need for the consent of the Security Trustee or the Note Trustee (in its capacity as Representative), provided however, that the Issuer and, in circumstances where a Charging Group Member is withdrawing one or more Series Charged Properties from the Series Property Security pursuant to a Statutory Disposal, the relevant Charging Group Member shall deliver to the Note Trustee, as soon as reasonably practicable after the Issuer or the relevant Charging Group Member has received notice of such Statutory Disposal, a completed Statutory Disposal Certificate, certifying that the relevant withdrawal relates to a Statutory Disposal.
- (b) The above requirement for a Statutory Disposal Certificate shall not be required to the extent that the Numerical Apportionment Basis is applicable at the relevant time and the Statutory Disposal would not require an adjustment to the Series Secured Parties' Designated Security.
- (c) Without prejudice to the aforementioned right to withdraw a Charged Property from the Series Property Security pursuant to any Statutory Disposal, the Issuer covenants that, if following such withdrawal the Issuer will no longer be in compliance with the Asset Cover Test, as soon as practicable thereafter (and, in any event, prior to the expiry of the applicable grace period in Condition 12.1(a)(iii) (*Secured Note Events of Default*), it shall (or shall procure that a Charging Group Member shall) charge and/or allocate additional properties as Series Charged Properties pursuant to Condition 6.1 (*Addition of New Charged Properties*) and/or it shall deposit money into the Series Charged Account relating to the relevant Series pursuant to Condition 6.6 (*Charged Cash*) in an aggregate amount sufficient to ensure that the Issuer will be in compliance with the Asset Cover Test.

6.5 **Apportionment**

Without prejudice to the other provisions of this Condition 6, the Note Trustee shall agree (and shall be deemed to have confirmed to the Security Trustee under the Security Trust Deed its agreement) to any adjustment of the Series Secured Parties' Designated Security provided that the Issuer would continue to be in compliance with the Asset Cover Test immediately after such adjustment.

6.6 **Charged Cash**

The Issuer may, at any time, deposit money into the Series Charged Account in respect of a Series of Secured Notes to ensure compliance with the Asset Cover Test relating to that Series. The Issuer may only withdraw Charged Cash from such Series Charged Account if:

- (a) it is, at the relevant time, in compliance with the Asset Cover Test and no Secured Note Event of Default or Secured Note Potential Event of Default has occurred and is continuing; and
- (b) either:
 - (i) such Charged Cash is to be applied by the Issuer in the acquisition of a Property which is to be charged pursuant to the Security Documents and allocated for the benefit of the Series Secured Parties and, immediately following the acquisition, charging and allocation of such property, the Issuer will be in compliance with the Asset Cover Test; or
 - (ii) such Charged Cash is to be used for any other purpose permitted by its Rules and, immediately following the withdrawal, the Issuer will be in compliance with the Asset Cover Test.

For these purposes, the Note Trustee may call for and shall be at liberty to accept a certificate signed by any two Authorised Signatories of the Issuer (including, for the avoidance of doubt, a Compliance Certificate), as sufficient evidence that (a) the Issuer is, at the relevant time, in compliance with the Asset Cover Test and that no Secured Note Event of Default or Secured Note Potential Event of Default has occurred and is continuing and/or (b) the requirements of (i) or (ii) above, as the case may be, are met.

7 Interest

The applicable Pricing Supplement will indicate whether the Notes are Fixed Rate Notes and/or Floating Rate Notes.

7.1 Interest on Fixed Rate Notes

This Condition 7.1 applies to Fixed Rate Notes only. The applicable Pricing Supplement contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 7.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Pricing Supplement will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding principal amount of the Fixed Rate Notes represented by such Global Note; or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, to the Calculation Amount in the case of Fixed Rate Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In these Conditions:

Day Count Fraction means, in respect of the calculation of an amount of interest, in accordance with this Condition 7.1:

- (a) if "Actual/Actual (ICMA)" is specified in the applicable Pricing Supplement:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

- (b) if "30/360" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

7.2 Interest on Floating Rate Notes

This Condition 7.2 (other than any defined terms which are also used in the context of Fixed Rate Notes) applies to Floating Rate Notes only. The applicable Pricing Supplement contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 7.2 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Pricing Supplement will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates (if applicable) and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Pricing Supplement will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Pricing Supplement will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment

Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 7.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date:
 - 1) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (2) below shall apply mutatis mutandis; or
 - 2) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event:
 - a) such Interest Payment Date shall be brought forward to the immediately preceding Business Day; and
 - b) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than T2) specified in the applicable Pricing Supplement;
- (ii) if T2 is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (or any successor thereto or replacement thereof (**T2**)) is open; and
- (iii) either:
 - (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle

payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency; or

(B) in relation to any sum payable in euro, a day on which T2 is open.

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Pricing Supplement.

(i) **ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent Bank (or other agent, if the Agent Bank is unable to make such determination) under an interest rate swap transaction if the Agent Bank (or such other agent) were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating (x) if "2006 ISDA Definitions" is specified in the applicable Pricing Supplement, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (**ISDA**) and as amended and updated as at the Issue Date of the first Tranche of the Notes; or (y) if "2021 ISDA Definitions" is specified in the applicable Pricing Supplement, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions as published by ISDA as at the Issue Date of the first Tranche of the Notes (together, the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (C) the relevant Reset Date is the day specified in the applicable Pricing Supplement.

For the purposes of this subparagraph (i), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

(ii) **Screen Rate Determination for Floating Rate Notes**

- (A) Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Pricing Supplement as being Compounded Daily SONIA Formula, the

Rate of Interest for an Interest Period will, subject to Condition 7.2(c) (*Benchmark Replacement*) and as provided below, be the Compounded Daily SONIA Formula Rate with respect to such Interest Period plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

Compounded Daily SONIA Formula Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment in Sterling (with the Sterling Overnight Index Average as the reference rate for the calculation of interest) as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SONIA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

d is the number of calendar days in:

- (a) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Interest Period; or
- (b) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Observation Period;

d₀ is the number of London Banking Days in:

- (a) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Interest Period; or
- (b) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Observation Period;

i is a series of whole numbers from one to **d₀**, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

- (a) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Interest Period; or
- (b) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Observation Period;

London Banking Day means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

n_i , means, for any London Banking Day "i", the number of calendar days from (and including) such London Banking Day "i" up to (but excluding) the following London Banking Day;

Observation Period means, in respect of an Interest Period, the period from (and including) the date falling " p " London Banking Days prior to the first day of the relevant Interest Period to (but excluding) the date falling " p " London Banking Days prior to:

- (a) the Interest Payment Date for such Interest Period or
- (b) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

p means:

- (a) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the number of London Banking Days included in the "Lag Lookback Period (p)" in the applicable Pricing Supplement (which, unless otherwise agreed with the Agent Bank, or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, shall be no less than five London Banking Days); or
- (b) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the number of London Banking Days included in the "Observation Shift Period" in the applicable Pricing Supplement (which, unless otherwise agreed with the Agent Bank, or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, shall be no less than five London Banking Days);

SONIA reference rate means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

SONIA_i means, in respect of any London Banking Day "i":

- (a) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the SONIA reference rate in respect of the London Banking Day falling " p " London Banking Days prior to the relevant London Banking Day "i"; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the SONIA reference rate in respect of the relevant London Banking Day "I".

(B) Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Pricing Supplement as being SONIA Index Determination, the Rate of Interest for an Interest Period will, subject to Condition 7.2(c) (*Benchmark Replacement*) and as provided below, be the SONIA Compounded Index Rate with respect to such Interest Period plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any).

SONIA Compounded Index Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the Pricing Supplement) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\left(\frac{\text{SONIA Compounded Index (End)}}{\text{SONIA Compounded Index (Start)}} - 1 \right) \times \frac{365}{d}$$

where:

d is the number of calendar days from (and including) the day in relation to which "SONIA Compounded Index_{Start}" is determined to (but excluding) the day in relation to which "SONIA Compounded Index_{End}" is determined (being the number of calendar days in the applicable reference period);

London Banking Day has the meaning set out in Condition 7.2(b)(ii)(A) above;

Relevant Number means 5 (five) or such higher number (or if agreed with the Agent Bank (or, if applicable/required, such other party responsible for the calculation of the Rate of Interest), such lower number) as is specified in the applicable Pricing Supplement;

SONIA Compounded Index_{End} means the SONIA Compounded Index value relating to the London Banking Day falling the Relevant Number of London Banking Days prior to

- (a) the Interest Payment Date for the relevant Interest Period; or
- (b) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

SONIA Compounded Index_{Start} means the SONIA Compounded Index value relating to the London Banking Day falling the Relevant Number of London Banking Days prior to the first day of the relevant Interest Period; and

SONIA Compounded Index means, with respect to any London Banking Day, the value of the SONIA Compounded Index that is provided by the administrator of the SONIA reference rate to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) in respect of such London Banking Day

If the relevant SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service at the Relevant Time specified in the applicable Pricing Supplement on the relevant Interest Determination Date, the SONIA Compounded Index Rate for the applicable Interest Period for which the SONIA Compounded Index is not available shall be the Compounded Daily SONIA Formula Rate determined in accordance with Condition 7.2(b)(ii)(A) above as if the Calculation Method specified in the applicable Pricing Supplement were Compounded Daily SONIA Formula (and not SONIA Index Determination), and for these purposes:

- (a) the "Observation Method" shall be deemed to be "Observation Shift"; and
- (b) the "Observation Shift Period" shall be deemed to be equal to the Relevant Number of London Banking Days,

as if those alternative elections had been made in the applicable Pricing Supplement.

- (C) For the purposes of Condition 7.2(b)(ii)(A) above, and subject to Condition 7.2(c) below, if, in respect of any London Banking Day in the relevant Observation Period or the relevant Interest Period, as applicable, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) determines that the applicable SONIA reference rate has not been made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement, as applicable) shall determine the SONIA reference rate in respect of such London Banking Day as being:

1)

- a) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at 5.00 p.m. (or, if earlier, close of business) on such London Banking Day; plus

- b) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days in respect of which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and the lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
- 2) if the Bank Rate under 1) a) above is not available at the relevant time, either:
- a) the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day in respect of which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors); or
 - b) if this is more recent, the latest rate determined under 1) a) above,

and in each case **SONIA reference rate** shall be interpreted accordingly.

- (D) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be:
- 1) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or
 - 2) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (and applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period).
- (E) If the relevant Series of Notes becomes due and payable in accordance with Condition 12, the final Rate of Interest shall be calculated for the

period from (and including) the previous Interest Payment Date to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 7.3 and the Note Trust Deed.

(c) **Benchmark Replacement**

This Condition 7.2(c) applies only where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined.

(i) **Independent Adviser**

If the Issuer determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine, following consultation with the Issuer and no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**), a Successor Rate, failing which an Alternative Rate (in accordance with Condition 7.2(c)(ii) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread (in accordance with Condition 7.2(c)(iii) (*Adjustment Spread*)) and any Benchmark Amendments (in accordance with Condition 7.2(c)(iv) (*Benchmark Amendments*)).

An Independent Adviser appointed pursuant to this Condition 7.2(c) shall act in good faith and in a commercially reasonable manner following consultation with the Issuer. In the absence of wilful default, bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Noteholders, the Note Trustee, the Paying Agents or the Agent Bank for any determination it makes pursuant to this Condition 7.2(c). No Independent Adviser appointed in connection with the Notes (acting in such capacity), shall have any relationship of agency or trust with the Noteholders.

If:

- (A) the Issuer is unable to appoint an Independent Adviser; or
- (B) the Independent Adviser fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 7.2(c)(i) prior to the relevant IA Determination Cut-off Date,

the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the immediately preceding Interest Period, the Margin, Maximum Rate of

Interest or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin, Maximum Rate of Interest or Minimum Rate of Interest relating to that immediately preceding Interest Period. For the avoidance of doubt, this sub-paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 7.2(c).

(ii) **Successor Rate or Alternative Rate**

If the Independent Adviser, following consultation with the Issuer and acting in good faith and in a commercially reasonable manner, determines that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 7.2(c)(iii) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the further operation of this Condition 7.2(c)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 7.2(c)(iii) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 7.2(c)).

(iii) **Adjustment Spread**

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

Following any such determination by the Independent Adviser, following consultation with the Issuer, of the Adjustment Spread, the Issuer shall give notice thereof in accordance with Condition 7.2(c)(v) (*Notices*). The Principal Paying Agent or the Agent Bank, as applicable, shall apply such Adjustment Spread to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or any component part(s) thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(iv) **Benchmark Amendments**

If any Successor Rate or Alternative Rate and Adjustment Spread is determined in accordance with this Condition 7.2(c) and the Independent Adviser, following consultation with the Issuer and acting in good faith and in a commercially reasonable manner, determines:

- (A) that amendments to the Conditions, the Note Trust Deed or the Agency Agreement are necessary to ensure the proper operation of such

Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**); and

(B) the terms of the Benchmark Amendments,

then the Issuer shall, following consultation with the Independent Adviser and subject to the Issuer giving notice thereof in accordance with Condition 7.2(c)(v) (*Notices*), without any requirement for the consent or approval of the Noteholders, the Receiptholders, the Couponholders or any other Series Secured Party, vary the Conditions, the Note Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice, provided that neither the Principal Paying Agent nor the Agent Bank shall be bound by or be obliged to give effect to any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendment, if in the opinion of the Principal Paying Agent or the Agent Bank the same would not be operable or would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or the Agency Agreement and/or any documents to which it is a party in any way.

At the request of the Issuer, but subject to receipt by the Note Trustee of a certificate signed by two Authorised Signatories of the Issuer pursuant to Condition 7.2(c)(v), the Note Trustee shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Noteholders, the Receiptholders or the Couponholders (or, in the case of Secured Notes, any other Series Secured Party), be obliged to use its best endeavours to implement any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Note Trust Deed) and the Note Trustee shall not be liable to any party for any consequences thereof (irrespective of whether such Benchmark Amendment(s) relate(s) to a Basic Terms Modification (as defined in the Note Trust Deed)), provided that the Note Trustee shall not be obliged so to implement, if in the opinion of the Note Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or the Note Trust Deed and/or any documents to which it is a party (including, for the avoidance of doubt, any supplemental note trust deed) in any way.

In connection with any such modifications in accordance with this Condition 7.2(c)(iv), the Issuer and the Independent Adviser shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) **Notices**

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 7.2(c) will be notified promptly by the Issuer to the Note Trustee, the Paying Agents, the Agent Bank (if applicable) and, in accordance with Condition 16 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Note Trustee of the same, the Issuer shall deliver to the Note Trustee a certificate signed by two Authorised Signatories of the Issuer:

- (A) confirming (I) that a Benchmark Event has occurred, (II) the Successor Rate or, as the case may be, the Alternative Rate, (III) any Adjustment Spread and (IV) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7.2(c); and
- (B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Note Trustee shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the ability of the Note Trustee to rely on such certificate as aforesaid) be binding on the Issuer, the Note Trustee, the Principal Paying Agent, the Agent Bank and the Noteholders.

(vi) **Survival of Original Reference Rate**

Without prejudice to the obligations of the Issuer or the Independent Adviser under Conditions 7.2(c)(i), (ii), (iii), (iv) and 7.2(c)(iv), the Original Reference Rate and the fallback provisions provided for in Condition 7.2(b) and the Agency Agreement will continue to apply unless and until a Benchmark Event has occurred and the Note Trustee has been notified of the Successor Rate or the Alternative Rate (as the case may be), the Adjustment Spread and any Benchmark Amendments, in accordance with Condition 7.2(c)(v).

(vii) **Definitions**

As used in this Condition 7.2(c):

Adjustment Spread means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser, following consultation with the Issuer and acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

- (B) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser, following consultation with the Issuer and acting in good faith and in a commercially reasonable manner determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (C) (if the Independent Adviser, in consultation with the Issuer, determines that no such industry standard is recognised or acknowledged), the Independent Adviser, in its discretion, following consultation with the Issuer and acting in good faith and in a commercially reasonable manner, determines to be appropriate;

Alternative Rate means an alternative benchmark or screen rate which the Independent Adviser, following consultation with the Issuer and acting in good faith and in a commercially reasonable manner, determines in accordance with Condition 7.2(c)(ii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes;

Benchmark Event means the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

- (A) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (i); or
- (B) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that (i) the Original Reference Rate has been permanently or indefinitely discontinued or (ii) the Original Reference Rate is no longer representative of an underlying market;
- (C) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling 6 months prior to the date specified in (i); or
- (D) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will, on or before a specified date, be prohibited from being used either generally, or in respect of the Notes and (ii) the date falling 6 months prior to the date specified in (i); or

- (E) it has or will prior to the next Interest Determination Date become unlawful for the Agent Bank or the Issuer to determine any Rate of Interest and/or calculate any payments due to be made to any Noteholders using the Original Reference Rate;

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own expense under Condition 7.2(c)(i) (*Independent Adviser*) and notified in writing to the Note Trustee;

Original Reference Rate means the benchmark or screen rate (as applicable) specified in the applicable Pricing Supplement for the purposes of determining the relevant Rate of Interest (or any component part(s) thereof) in respect of the Notes or (if applicable) any other successor or alternative rate (or any component part(s) thereof) determined and applicable to the Notes pursuant to the earlier operation of this Condition 7.2(c); and

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

Successor Rate means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(d) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 7.2(b) (*Rate of Interest*) is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 7.2(b) (*Rate of Interest*) is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(e) **Determination of Rate of Interest and calculation of Interest Amounts**

The Agent Bank will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent Bank will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding principal amount of the Notes represented by such Global Note; or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 7.2:

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

Y1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D1 is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

Y1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D1 is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included

in the Interest Period, unless such number would be 31, in which case D2 will be 30;

- (vii) if "30E/360 (ISDA)" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

Y1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D1 is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(f) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Agent Bank by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent Bank shall determine such rate at such time and by reference to such sources as the Issuer shall determine appropriate for such purposes.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(g) **Notification of Rate of Interest and Interest Amounts**

The Agent Bank will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Note Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 16 (*Notices*) as soon as possible after their determination but in no event later than

(other than where Screen Rate Determination is specified in the applicable Pricing Supplement) the fourth London Business Day thereafter or (where Screen Rate Determination is specified in the applicable Pricing Supplement) the second London Banking Day (as defined in Condition 7.2(b)(ii)(A)) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 16 (*Notices*). For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(h) **Inability or failure of Agent Bank to make determinations or calculations**

The Agent Bank shall not be obliged to make any determination or calculation required by the Conditions if it is not legally permitted to do so. If for any reason at any relevant time the Agent Bank is unable, or fails, to determine the Rate of Interest or to calculate any Interest Amount in accordance with Condition 7.2(b)(i) (*ISDA Determination for Floating Rate Notes*) or Condition 7.2(b)(ii) (*Screen Rate Determination for Floating Rate Notes*), as the case may be, the Issuer shall be obliged to appoint an alternative agent approved by the Note Trustee to make such determination or calculation or a successor Agent Bank in accordance with Condition 7.2(j) (*Agent Bank*).

(i) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7 (*Interest*) by the Agent Bank shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agents, the Agent Bank, the Note Trustee and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Note Trustee, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent Bank in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(j) **Agent Bank**

The Issuer shall procure that, so long as any of the Notes remains outstanding, there is at all times an Agent Bank for the purposes of the Notes and the Issuer may, subject to the prior written approval of the Note Trustee, terminate the appointment of the Agent Bank. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Agent Bank or failing duly to determine the Rate of Interest and the Interest Amount for any Interest Period, the Issuer shall, subject to the prior written approval of the Note Trustee, appoint the London office of another major bank engaged in the London interbank market to act in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed.

7.3 **Accrual of interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) as provided in the Note Trust Deed.

8 Payments

8.1 **Method of payment**

- (a) Subject as provided below:
 - (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency; and
 - (ii) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.
- (b) Payments will be subject in all cases to:
 - (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*); and
 - (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 10 (*Taxation*)) any law implementing an intergovernmental approach thereto.

8.2 **Presentation of definitive Notes, Receipts and Coupons**

- (a) Subject as follows in respect of Instalment Redemption, payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 8.1 (*Method of payment*) only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes.
- (b) Where Instalment Redemption is specified as applicable in the applicable Pricing Supplement, payment of instalments of principal on an Instalment Date (other than the Instalment Date falling on the Maturity Date) in respect of definitive Notes will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)). Each Receipt must be presented for payment together with the Note to

which it appertains. Any Receipt presented without the Note to which it appertains does not constitute valid obligations of the Issuer.

- (c) Payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).
- (d) Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 11 (*Prescription*) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.
- (e) Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.
- (f) Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose principal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the principal amount of such Note.
- (g) If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

8.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

8.4 General provisions applicable to payments

- (a) The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the obligations of the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular principal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg as the case may be, for its share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.
- (b) Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:
 - (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
 - (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
 - (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

8.5 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 11 (*Prescription*)) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):
 - (i) in the case of Notes in definitive form only, in the relevant place of presentation; and
 - (ii) in each Additional Financial Centre (other than T2) specified in the applicable Pricing Supplement;
- (b) if T2 is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which the T2 is open; and
- (c) either:

- (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency; or
- (ii) in relation to any sum payable in euro, a day on which T2 is open.

8.6 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 10 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Note Trust Deed;
- (b) the Final Redemption Amount of the Notes (or, in the case of Notes redeemable in instalments, the Instalment Amounts); and
- (c) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 10 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Note Trust Deed.

9 Redemption and purchase

9.1 Redemption at maturity or in instalments

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer:

- (a) where Final Redemption is specified in the applicable Pricing Supplement, at its Final Redemption Amount in the relevant Specified Currency on the Maturity Date, all as specified in the applicable Pricing Supplement; or
- (b) where Instalment Redemption is specified as applicable in the applicable Pricing Supplement, in part on each Instalment Date in the Instalment Amount in the relevant Specified Currency, all as specified in the applicable Pricing Supplement.

9.2 Redemption for tax reasons

- (a) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Note Trustee and the Principal Paying Agent and, in accordance with Condition 16 (*Notices*), the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Note Trustee immediately before the giving of such notice that:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 10 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 10 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

- (b) Prior to the publication of any notice of redemption pursuant to this Condition 9.2, the Issuer shall deliver to the Note Trustee:
 - (i) a certificate signed by two Authorised Signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
 - (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

The Note Trustee shall be entitled to accept without further enquiry such certificate and legal opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

- (c) Notes redeemed pursuant to this Condition 9.2 will be redeemed at their principal amount outstanding with interest accrued to (but excluding) the date of redemption.

9.3 **Redemption at the option of the Issuer (Issuer Call)**

- (a) If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), having given:
 - (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 16 (*Notices*); and
 - (ii) notice to the Note Trustee and the Principal Paying Agent not less than 15 days before the giving of the notice referred to in (i),

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all of the Notes of any Series or, subject as provided in Condition 9.7 (*Provisions relating to Partial Redemption*), some only (provided, however, that in respect of a redemption in part, such redemption shall be in respect of not less than

£5,000,000 (or its equivalent in other currencies) in aggregate principal amount of Notes of the relevant Series).

- (b) Redemption of Notes pursuant to this Condition 9.3 shall be made at the Optional Redemption Amount(s) specified in the applicable Pricing Supplement, together with any interest accrued up to (but excluding) the date of redemption.

9.4 **Maturity Par Call Option**

If Maturity Par Call Option is specified as being applicable in the applicable Pricing Supplement, the Issuer may at any time from the Call Option Date specified in the applicable Pricing Supplement (which shall be no earlier than 90 days before the Maturity Date) to the Maturity Date, having given:

- (a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 16 (*Notices*); and
- (b) notice to the Note Trustee and the Principal Paying Agent not less than 15 days before the giving of the notice referred to in (a),

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all the Notes or, subject as provided in Condition 9.7 (*Provisions relating to Partial Redemption*), some only at their principal amount outstanding, together with any interest accrued up to (but excluding) the date of redemption.

9.5 **Residual Call Option**

- (a) If Residual Call Option is specified as being applicable in the applicable Pricing Supplement and, at any time, the aggregate outstanding principal amount of the Notes of any Series is 20 per cent. or less of the aggregate principal amount of the Notes of such Series issued, the Issuer may, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), having given:
 - (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 16 (*Notices*); and
 - (ii) notice to the Note Trustee and the Principal Paying Agent not less than 15 days before the giving of the notice referred to in (i),

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes of such Series in whole, but not in part, provided that, if the Issuer has exercised the Issuer Call option as specified in Condition 9.3 (*Redemption at the option of the Issuer (Issuer Call)*) in respect of part only of a relevant Series of Notes, the provisions of this Condition 9.5 shall not apply to the same Series of Notes for a period of 12 months from the applicable date of redemption of the Notes of such Series.

- (b) Redemption of Notes pursuant to this Condition 9.5 shall be made at the Residual Call Amount specified in the applicable Pricing Supplement, together with any interest accrued up to (but excluding) the date of redemption.
- (c) Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Note Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth

a statement of facts showing that the condition precedent to the right of the Issuer so to redeem has occurred. The Note Trustee shall be entitled to accept without further enquiry such certificate as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

9.6 **Optional Redemption Amount and Residual Call Amount**

- (a) The Optional Redemption Amount and the Residual Call Amount for the purpose of Conditions 9.3 (*Redemption at the option of the Issuer (Issuer Call)*) and 9.5 (*Residual Call Option*), respectively, will be:
- (i) if Par Amount is specified in the applicable Pricing Supplement, the principal amount of the Notes;
 - (ii) if Modified Spens Amount is specified in the applicable Pricing Supplement, the amount determined as set out below: or
 - (iii) if Make-Whole Amount or Other Amount is specified in the applicable Pricing Supplement, the amount determined as set out in the applicable Pricing Supplement.
- (b) If Modified Spens Amount is specified in the applicable Pricing Supplement, the Optional Redemption Amount or the Residual Call Amount, as applicable, shall be the amount equal to the higher of the following:
- (i) par; and
 - (ii) (the price (expressed as a percentage) (as reported in writing to the Issuer and the Note Trustee by a financial adviser nominated by the Issuer and whose identity is approved by the Note Trustee (the **Nominated Financial Adviser**)) (and rounded to three decimal places (0.0005 being rounded upwards)) at which the Gross Redemption Yield on the Notes (if the Notes were to remain outstanding until their original maturity) on the Determination Date would be equal to the sum of (i) the Gross Redemption Yield at 3:00 pm (London time) on the Determination Date of the Benchmark Gilt and (ii) the Spens Margin.
- (c) For the purposes of this Condition 9.6:

Benchmark Gilt means the UK Government Gilt specified as such in the applicable Pricing Supplement or such other conventional (i.e. not index-linked) UK Government Gilt as the Issuer (with the advice of the Nominated Financial Adviser) may determine to be the most appropriate conventional UK Government Gilt;

Determination Date means 2 Business Days prior to the dispatch of the notice referred to in Condition 9.3(a) or Condition 9.5(a), as applicable;

Gross Redemption Yield means a yield calculated by the Nominated Financial Adviser on the basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields" page 5, Section One: Price/Yield Formulae (Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date) (published on 8 June 1998 and updated

on 15 January 2002 and 16 March 2005) (as amended or supplemented from time to time); and

Spens Margin means the margin specified as such in the applicable Pricing Supplement.

9.7 Provisions relating to Partial Redemption

- (a) In the case of a partial redemption of Notes, Notes to be redeemed (the **Redeemed Notes**) will:
 - (i) in the case of Redeemed Notes represented by definitive Notes, be drawn individually by lot, not more than 30 days prior to the date fixed for redemption; and
 - (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).
- (b) In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 16 (*Notices*) not less than 15 days prior to the date fixed for redemption. Such notice will also specify the date fixed for redemption, the early redemption amount and the aggregate principal amount of the Redeemed Notes, the serial numbers of the Notes previously called for redemption and not presented for payment and the aggregate principal amount of the Notes which will be outstanding after the partial redemption.

9.8 Redemption at the option of the Noteholders (Investor Put)

- (a) If Investor Put is specified as being applicable in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 16 (*Notices*) not less than less than 30 nor more than 60 days' notice, the Issuer will, upon the expiry of such notice, redeem such Note on the (next following) Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.
- (b) To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.
- (c) If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on the

holder's instruction by Euroclear, Clearstream, Luxembourg or any common depository or common safekeeper, as the case may be, for it to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

9.9 **Calculations**

Each calculation, by or on behalf of the Issuer, for the purposes of this Condition 9 shall, in the absence of manifest error, be final and binding on all persons.

9.10 **Purchases**

The Issuer or any other member of the Peabody Group may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes purchased by the Issuer or any other member of the Peabody Group may be held, reissued, resold or, at the option of the Issuer or such member of the Peabody Group, surrendered to any Paying Agent for cancellation.

9.11 **Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 9.10 (*Purchases*) (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

10 **Taxation**

- (a) All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:
- (i) presented for payment in the Tax Jurisdiction; or
 - (ii) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
 - (iii) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 8.5 (*Payment Day*)).

- (b) As used herein **Tax Jurisdiction** means the UK or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which payments made by the Issuer of principal and interest on the Notes become generally subject.

11 Prescription

- (a) The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.
- (b) There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 8.2 (*Presentation of definitive Notes, Receipts and Coupons*) or any Talon which would be void pursuant to Condition 8.2 (*Presentation of definitive Notes, Receipts and Coupons*).

12 Events of Default and Enforcement

12.1 Secured Note Events of Default and Enforcement in respect of Secured Notes

This Condition 12.1 applies to Secured Notes only.

(a) Secured Note Events of Default

The Note Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being secured and/or indemnified and/or prefunded to its satisfaction), (but, in the case of the happening of any of the events described in (ii), (iv) and (xi) below, only if the Note Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders) give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its principal amount, together with accrued interest as provided in the Note Trust Deed, and the Series Security shall become enforceable, if any of the following events (each a **Secured Note Event of Default**) shall occur:

- (i) default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 7 days in the case of principal or 14 days in the case of interest; or
- (ii) the Issuer or any Charging Group Member fails to perform or observe any of its other obligations under the Conditions (other than in respect of Condition 5.1(c) (*Asset Cover Covenant*)), the Note Trust Deed or the Security Documents or if any representation given by the Issuer or any Charging Group Member to the Note Trustee in the Note Trust Deed or the Security Trustee in the Security Documents is found to be untrue or incorrect as at the time it was given and (except in any case where, in the opinion of the Note Trustee, the failure or inaccuracy is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure or inaccuracy continues for the period of 30 days following the service by the Note Trustee on the Issuer of notice in writing requiring the same to be remedied; or

(iii) the Issuer fails to perform or observe its obligations under Condition 5.1(c) (*Asset Cover Covenant*) and (except in any case where, in the opinion of the Note Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 60 days following the service by the Note Trustee on the Issuer of notice in writing requiring the same to be remedied; or

(iv)

(A) any other present or future indebtedness of the Issuer or any Charging Group Member for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described); or

(B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period; or

(C) the Issuer or any Charging Group Member fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in (A), (B) or (C) have occurred equals or exceeds £10,000,000 or its equivalent in other currencies (as reasonably determined by the Note Trustee); or

(v) any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any Charging Group Member save for the purposes of a reorganisation on terms previously approved in writing by the Note Trustee or by an Extraordinary Resolution or for the purposes of a Permitted Reorganisation; or

(vi) the Issuer or any Charging Group Member ceases or threatens to cease to carry on the whole or, in the opinion of the Note Trustee, a substantial part of its business, save for the purposes of a reorganisation on terms previously approved in writing by the Note Trustee or by an Extraordinary Resolution or for the purposes of a Permitted Reorganisation; or

(vii) the Issuer or any Charging Group Member stops or threatens to stop payment of, or is unable to, or admits its inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(viii)

(A) proceedings are initiated against the Issuer or any Charging Group Member under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator, housing administrator or other similar official, or an administrative or other receiver, manager,

administrator, housing administrator or other similar official is appointed, in relation to the Issuer or any Charging Group Member or, as the case may be, in relation to all or substantially all of the undertaking or assets of the Issuer or any Charging Group Member or an encumbrancer takes possession of all or substantially all of the undertaking or assets of the Issuer or any Charging Group Member, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against all or substantially all of the undertaking or assets of the Issuer or any Charging Group Member; and

- (B) in any such case (other than the appointment of an administrator (if applicable)) is not discharged within 14 days, save for the purposes of a reorganisation on terms previously approved in writing by the Note Trustee or by an Extraordinary Resolution or for the purposes of a Permitted Reorganisation; or
- (ix) the Issuer or any Charging Group Member (or any of their respective board members or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium); or
- (x) the Issuer or any Charging Group Member (or any of their respective board members or shareholders) makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors) save for the purposes of a reorganisation on terms previously approved in writing by the Note Trustee or by an Extraordinary Resolution or for the purposes of a Permitted Reorganisation; or
- (xi) it is or becomes unlawful for the Issuer or any Charging Group Member to perform or comply with any of its obligations under or in respect of the Notes, the Note Trust Deed or the Security Documents.

(b) **Enforcement in respect of Secured Notes**

- (i) The Note Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps or action (including lodging an appeal in any proceedings) against or in relation to the Issuer or any Charging Group Member as it may think fit to enforce the provisions of the Note Trust Deed, the Notes, the Receipts, the Coupons and/or any of the other Programme Documents or otherwise or (in its capacity as Representative) to direct the Security Trustee to take such proceedings and/or other steps or action (including lodging an appeal in any proceedings) against or in relation to the Issuer or any Charging Group Member as it may think fit to enforce the provisions of the Security Trust Deed, but it shall not be bound to take any such proceedings or any other steps or action in relation to the Note Trust Deed, the Notes, the Receipts, the Coupons or any of the other Programme Documents or otherwise or to direct the Security Trustee, as aforesaid, unless:

- (A) it has been so directed by an Extraordinary Resolution of the holders of the Notes or so requested in writing by the holders of at least 25 per cent. in principal amount of the Notes then outstanding; and
 - (B) it has been secured and/or indemnified and/or prefunded to its satisfaction.
- (ii) The Note Trustee may refrain from taking any action, step or proceeding in any jurisdiction if the taking of such action, step or proceeding in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. The Note Trustee may also refrain from taking such action, step or proceeding if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.
- (iii) No Noteholder, Receiptholder, Couponholder or any other Series Secured Party (other than the Note Trustee) shall be entitled:
- (A) to take any steps or action against the Issuer or any Charging Group Member to enforce the performance of any of the provisions of the Note Trust Deed, the Notes, the Receipts, the Coupons or any of the other Programme Documents;
 - (B) to take any steps or action against the Issuer or any Charging Group Member (or direct the Security Trustee to take any steps or action against the Issuer or any Charging Group Member) to enforce the performance of the provisions of the Security Trust Deed; or
 - (C) to take any other action (including lodging an appeal in any proceedings) in respect of or concerning the Issuer or any Charging Group Member,

in each case unless the Note Trustee, having become bound so to take any such steps, actions or proceedings, is unable or fails so to do within 60 days and the inability or failure shall be continuing.

12.2 Unsecured Note Events of Default and Enforcement in respect of Unsecured Notes

This Condition 12.2 applies to Unsecured Notes only.

(a) Unsecured Note Events of Default

The Note Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being secured and/or indemnified and/or prefunded to its satisfaction), (but, in the case of the happening of any of the events described in (ii) (except in the case of a breach of the Unencumbered Assets Test) and (x) below, only if the Note Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders) give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its principal amount, together

with accrued interest as provided in the Note Trust Deed, if any of the following events (each an **Unsecured Note Event of Default**) shall occur:

- (i) default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 7 days in the case of principal or 14 days in the case of interest; or
- (ii) the Issuer fails to perform or observe any of its other obligations under the Conditions or the Note Trust Deed or if any representation given by the Issuer to the Note Trustee in the Note Trust Deed is found to be untrue or incorrect as at the time it was given and (except in any case where, in the opinion of the Note Trustee, the failure or inaccuracy is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure or inaccuracy continues for the period of 30 days following the service by the Note Trustee on the Issuer of notice in writing requiring the same to be remedied; or
- (iii)
 - (A) any other present or future indebtedness of the Issuer for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described); or
 - (B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period; or
 - (C) the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in (A), (B) or (C) have occurred equals or exceeds £10,000,000 or its equivalent in other currencies (as reasonably determined by the Note Trustee); or
- (iv) any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer save for the purposes of a reorganisation on terms previously approved in writing by the Note Trustee or by an Extraordinary Resolution or for the purposes of a Permitted Reorganisation; or
- (v) the Issuer ceases or threatens to cease to carry on the whole or, in the opinion of the Note Trustee, a substantial part of its business, save for the purposes of a reorganisation on terms previously approved in writing by the Note Trustee or by an Extraordinary Resolution or for the purposes of a Permitted Reorganisation; or
- (vi) the Issuer stops or threatens to stop payment of, or is unable to, or admits its inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(vii)

- (A) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator, housing administrator or other similar official, or an administrative or other receiver, manager, administrator, housing administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to all or substantially all of the undertaking or assets of the Issuer or an encumbrancer takes possession of all or substantially all of the undertaking or assets of the Issuer, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against all or substantially all of the undertaking or assets of the Issuer; and
- (B) in any such case (other than the appointment of an administrator (if applicable)) is not discharged within 14 days, save for the purposes of a reorganisation on terms previously approved in writing by the Note Trustee or by an Extraordinary Resolution or for the purposes of a Permitted Reorganisation; or

(viii) the Issuer (or any of its board members or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium); or

(ix) the Issuer (or any of its board members or shareholders) makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors) save for the purposes of a reorganisation on terms previously approved in writing by the Note Trustee or by an Extraordinary Resolution or for the purposes of a Permitted Reorganisation; or

(x) it is or becomes unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Note Trust Deed.

(b) **Enforcement in respect of Unsecured Notes**

(i) The Note Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps or action (including lodging an appeal in any proceedings) against or in relation to the Issuer as it may think fit to enforce the provisions of the Note Trust Deed, the Notes, the Receipts, the Coupons and/or any of the other Programme Documents or otherwise, but it shall not be bound to take any such proceedings or any other steps or action in relation to the Note Trust Deed, the Notes, the Receipts, the Coupons or any of the other Programme Documents, as aforesaid, unless:

- (A) it has been so directed by an Extraordinary Resolution of the holders of the Notes or so requested in writing by the holders of at least 25 per cent. in principal amount of the Notes then outstanding; and
 - (B) it has been secured and/or indemnified and/or prefunded to its satisfaction.
- (ii) The Note Trustee may refrain from taking any action, step or proceeding in any jurisdiction if the taking of such action, step or proceeding in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. The Note Trustee may also refrain from taking such action, step or proceeding if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.
 - (iii) No Noteholder, Receiptholder or Couponholder shall be entitled:
 - (A) to take any steps or action against the Issuer to enforce the performance of any of the provisions of the Note Trust Deed, the Notes, the Receipts, the Coupons or any of the other Programme Documents; or
 - (B) to take any other action (including lodging an appeal in any proceedings) in respect of or concerning the Issuer,

in each case unless the Note Trustee, having become bound so to take any such steps, actions or proceedings, is unable or fails so to do within 60 days and the inability or failure shall be continuing.

13 Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14 Paying Agents

- (a) The initial Paying Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Pricing Supplement.
- (b) The Issuer is entitled, with the prior written approval of the Note Trustee, to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:
 - (i) there will at all times be a Principal Paying Agent;

- (ii) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (iii) if at any time:
 - (A) any withholding or deduction of any amount for or on account of any taxes or duties upon the Notes, Receipts or Coupons is required upon the Notes, Receipts or Coupons being presented for payment in a Tax Jurisdiction; and
 - (B) such withholding or deduction would not be required were the Notes, Receipts or Coupons to be presented for payment outside such Tax Jurisdiction,

there will at such times be a Paying Agent in a jurisdiction within Europe, other than such Tax Jurisdiction.

- (c) In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 8.4 (*General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 16 (*Notices*).
- (d) In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Note Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholder, Receiptholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

15 Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 11 (*Prescription*).

16 Notices

- (a) All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication

as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Note Trustee shall approve.

- (b) Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.
- (c) Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

17 Substitution

- (a) The Note Trust Deed contains provisions permitting the Note Trustee to, subject to any required amendment of the Note Trust Deed, without the consent of the Noteholders, Receiptholders or the Couponholders or, in respect of a Series of Secured Notes, any Series Secured Party, to agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Receipts, the Coupons and the Note Trust Deed of another company, registered society or other entity subject to:
 - (i) the Note Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; and
 - (ii) certain other conditions set out in the Note Trust Deed being complied with.
- (b) For the avoidance of doubt, these provisions do not apply to a Permitted Reorganisation, in respect of which the consent of the Note Trustee shall not be required.
- (c) Any such substitution shall be binding on all Noteholders, Receiptholders and Couponholders and shall be notified to the Noteholders in accordance with Condition 16 (*Notices*) as soon as practicable thereafter.

18 Meetings of Noteholders, Modification, Waiver and Authorisation

18.1 Meetings of Noteholders

- (a) The Note Trust Deed contains provisions for convening meetings of the Noteholders (including by way of conference call) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Note Trust Deed. Such a meeting may be convened by the Issuer or the Note Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being remaining outstanding (other than in respect of a meeting requested by Noteholders to discuss the financial position of the Issuer and, in respect of the Secured Notes, the Charging Group Members, which shall be requested in accordance with, and shall be subject to, (in the case of Secured Notes) Condition 5.1(e)(ii) (*Information Covenant*) or (in the case of Unsecured Notes) Condition 5.2(c)(ii) (*Information Covenant*)).
- (b) The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing in aggregate more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, except that at any meeting the business of which includes any matter defined in the Note Trust Deed as a Basic Terms Modification, including, *inter alia*, modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons or amending the Asset Cover Test or the Unencumbered Assets Test, the quorum shall be one or more persons holding or representing in aggregate not less than 75 per cent. in principal amount of the Notes for the time being outstanding, or at any such adjourned meeting one or more persons holding or representing in aggregate not less than 25 per cent. in principal amount of the Notes for the time being outstanding.
- (c) In addition, the Note Trust Deed provides that:
- (i) a resolution passed at a meeting duly convened and held in accordance with the Note Trust Deed by a majority consisting of not less than 75 per cent. of the votes cast on such resolution;
 - (ii) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes for the time being outstanding; or
 - (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Note Trustee) by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes for the time being outstanding,

shall, in each case, be effective as an Extraordinary Resolution of the Noteholders.

- (d) An Extraordinary Resolution passed by the Noteholders shall be binding on all the Noteholders, whether or not (in the case of Extraordinary Resolutions passed at any meeting) they are present at any meeting and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

18.2 **Modification, Waiver, Authorisation and Determination**

- (a) The Note Trustee may agree, without the consent of the Noteholders, Receiptholders, Couponholders or, in respect of a Series of Secured Notes, any Series Secured Party, to any modification (except as stated in the Note Trust Deed) of, or to the waiver or authorisation of any breach or proposed breach of, any of the Conditions or any of the provisions of the Note Trust Deed or any other Programme Document, or determine, without any such consent as aforesaid, that any Potential Event of Default or Event of Default shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Note Trustee, proven. For the avoidance of doubt, no modification shall be made to Condition 4.2 (*Post-enforcement*) without the consent of each Series Secured Party.
- (b) In addition, the Note Trustee shall (subject to the provisions of Condition 7.2(c) (*Benchmark Replacement*)) be obliged to use its best endeavours to implement any modifications to the Note Trust Deed, the Agency Agreement and the Conditions as may be required in order to give effect to Condition 7.2(c) (*Benchmark Replacement*) in connection with effecting any Benchmark Amendments without the requirement for the consent or sanction of the Noteholders, Receiptholders Couponholders or, in respect of a Series of Secured Notes, any Series Secured Party. Any such modification shall be binding on the Noteholders, Receiptholders and the Couponholders of that Series and, unless the Note Trustee agrees otherwise, shall be notified to the Noteholders of that Series as soon as practicable thereafter.

18.3 **Note Trustee to have regard to interests of Noteholders as a class**

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Note Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Note Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, (in the case of Secured Notes) any Charging Group Member, the Note Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 10 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 10 (*Taxation*) pursuant to the Note Trust Deed.

18.4 Notification to the Noteholders

Any such modification, waiver, authorisation and/or determination shall be binding on the Noteholders, the Receiptholders, the Couponholders and, in the case of Secured Notes, the other Series Secured Parties and (unless the Note Trustee agrees otherwise) shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 16 (*Notices*).

19 Indemnification and protection of the Note Trustee and the Security Trustee and the Note Trustee and the Security Trustee contracting with the Issuer and the Charging Group Members

- (a) The Note Trust Deed and (in the case of Secured Notes) the Security Trust Deed contain provisions for the indemnification of the Note Trustee and the Security Trustee, respectively, and for their relief from responsibility and liability towards the Issuer, (in the case of Secured Notes) the Charging Group Members, the Noteholders, the Receiptholders, the Couponholders and (in the case of Secured Notes) the other Series Secured Parties, including:
- (i) provisions relieving them from taking action unless secured and/or indemnified and/or prefunded to their satisfaction; and
 - (ii) provisions limiting or excluding their liability in certain circumstances.
- (b) In respect of each Series of Secured Notes, the Note Trustee and the Security Trustee are each exempted from any liability in respect of any loss, diminution in value or theft of all or any part of the Series Charged Property, from any obligation to insure all or any part of the Series Charged Property (including, in either such case, any documents evidencing, constituting or representing the same or transferring any rights, benefits and/or obligations thereunder), or to procure the same to be insured.
- (c) The Note Trust Deed and (in the case of Secured Notes) the Security Trust Deed also contain provisions pursuant to which the Note Trustee and the Security Trustee, respectively, are entitled, *inter alia*:
- (i) to enter into or be interested in any contract or financial or other transaction or arrangement with the Issuer, any Subsidiary or any other Programme Party or any person or body corporate associated with the Issuer, any Subsidiary or any Programme Party;
 - (ii) to accept or hold the trusteeship of any other trust deed constituting or securing any other securities issued by or relating to the Issuer, any Subsidiary or any Programme Party or any such person or body corporate so associated or any other office of profit under the Issuer, any Subsidiary or any Programme Party or any such person or body corporate so associated; and
 - (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.
- (d) Neither the Note Trustee nor (in the case of Secured Notes) the Security Trustee shall be bound to take any step or action in connection with the Note Trust Deed or the Notes or the Security Trust Deed, as applicable, or obligations arising pursuant thereto or pursuant to the other Programme Documents, where it is not satisfied that it is

indemnified and/or secured and/or prefunded against all its liabilities and costs incurred in connection with such step or action and may demand, prior to taking any such step or action, that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so as to indemnify it.

- (e) The Note Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Note Trustee shall be entitled:
 - (i) to evaluate its risk in any given circumstance by considering the worst-case scenario; and
 - (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the indemnity or security.
- (f) In the case of Secured Notes, neither the Note Trustee nor the Security Trustee shall have any responsibility for the validity, sufficiency or enforceability of the Series Security. Neither the Note Trustee nor the Security Trustee shall be responsible for monitoring the compliance by any of the other Transaction Parties with their obligations under the Programme Documents.

20 Further issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further Notes having terms and conditions the same as the Notes (including, in the case of Secured Notes, secured on the same assets) or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue, and so that the same shall be consolidated and form a single Series with the outstanding Notes.

21 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

22 Governing law and submission to jurisdiction

22.1 Governing law

The Note Trust Deed, the Agency Agreement, the Account Agreement, the Security Documents, the Notes, the Receipts and the Coupons, and any non-contractual obligations or matters arising out of or in connection with them, shall be governed by, and construed in accordance with, English law.

22.2 Submission to jurisdiction

- (a) Subject to Condition 22.2(c), the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Note Trust Deed, the Notes, the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation,

performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Note Trust Deed, the Notes, the Receipts and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and the Note Trustee and any Noteholders, Receiptholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

- (b) For the purposes of this Condition 22.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Note Trustee, the Noteholders, the Receiptholders and the Couponholders may, in respect of any Dispute or Disputes, take:
 - (i) proceedings in any other court with jurisdiction; and
 - (ii) concurrent proceedings in any number of jurisdictions.

22.3 **Other documents**

The Issuer has in the Agency Agreement, the Account Agreement and the Security Documents submitted to the jurisdiction of the English courts.

Form of Pricing Supplement

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a **retail investor** means a person who is one (or both) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended or superseded, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the **PRIPs 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 PRIPs Regulation.

[MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the][each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s][s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s][s'] target market assessment) and determining appropriate distribution channels.]¹

[UK MIFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]²

[Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**) the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'capital markets products other than prescribed capital markets products' (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in MAS Notice

¹ To be included where the relevant Dealer/Managers (and any other relevant entities) are subject to MiFID II.

² To be included where the relevant Dealer/Managers (and any other relevant entities) are subject to the UK MIFIR Product Governance Rules.

SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]³

[Date]

PEABODY TRUST
Legal entity identifier (LEI): 213800RE21RPMCU87D71

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]

under the £1,000,000,000 Note Programme
Part A – Contractual Terms

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Programme Admission Particulars dated 14 February 2025 [and the supplement[s] to it dated [date] [and [date]] ([together,] the **Programme Admission Particulars**). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Programme Admission Particulars. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Programme Admission Particulars. The Programme Admission Particulars have been published via the regulatory news service maintained by the London Stock Exchange (www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

- 1. Issuer: Peabody Trust
- 2. (a) Series Number: [specify]
- (b) Tranche Number: [specify]
- (c) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with [specify] on [the Issue Date][the date that is 40 days after the Issue Date][exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [28] below, which is expected to occur on or about [specify]][Not Applicable].
- 3. Specified Currency: [specify]
- [NB no non-Sterling Secured Notes shall be issued until the necessary amendments to the Programme Admission Particulars and Programme Documents are made]*
- 4. Aggregate Principal Amount:
 - (a) Series: [specify]

³ Legend to be included for any offers made in Singapore where the Notes are "capital markets products other than prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Specified Investment Products (as defined in MAS Notice SFA 04:N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investments Products). Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

- (b) Tranche: [specify]
5. Issue Price [specify] per cent. of the Aggregate Principal Amount
[plus accrued interest from [specify]]
6. Specified Denomination(s): [specify]
7. Calculation Amount (in relation to calculation of interest in
respect of Notes in global form
see Conditions): [specify]
8. Trade Date: [specify]
9. Issue Date: [specify]
10. Interest Commencement Date: [specify][Issue Date]
11. Maturity Date: [specify][Interest Payment Date falling in or nearest to
[specify]]
12. Interest Basis: [Fixed Rate] [and] [Floating Rate]

(see paragraph [20][21] below)
13. Change of Interest Basis: [specify][Not Applicable]
14. Redemption Basis: [Redemption on the Maturity Date at the Final
Redemption Amount][Instalment Redemption]

(see paragraph [22][23] below)
15. Call/Put Options: [Issuer Call (see paragraph [24] below)]
[Maturity Par Call Option (see paragraph [25] below)]
[Residual Call Option (see paragraph [26] below)]
[Investor Put (see paragraph [27] below)]
[Not Applicable]
16. Security Basis: [Secured Notes][Unsecured Notes]
17. Date Board approval for
issuance of Notes obtained [specify]

Provisions relating to the Series Security for Secured Notes

18. Numerical Apportionment Basis: [Applicable][Not Applicable]

Initial Charged Properties: [specify number of units]
19. Specific Apportionment Basis: [Applicable][Not Applicable]

*(NB If applicable, supplement to the Programme
Admission Particulars to be prepared)*

Provisions relating to interest payable

20. Fixed Rate Note Provisions: [Applicable][Not Applicable]
- (a) Rate(s) of Interest: [*specify*] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [*specify*] in each year up to and including the Maturity Date[, subject to adjustment in accordance with the Business Day Convention set out in (g) below]
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [*specify*] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[*specify*] per Calculation Amount, payable on the Interest Payment Date falling [in][on] [*specify*].][Not Applicable]
- (e) Day Count Fraction: [Actual/Actual (ICMA)] [30/360]
- (f) Determination Date(s): [[*specify*] in each year] [Not Applicable]
- (g) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention]
21. Floating Rate Note Provisions: [Applicable][Not Applicable]
- (a) Specified Period(s)/Specified Interest Payment Dates: [*specify*] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below][, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [Not Applicable]
- (c) Additional Business Centre(s): [*specify*]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination][ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest: [*specify*][Not Applicable]

Amount (if not the Agent Bank):

(f) Screen Rate Determination: [Applicable][Not Applicable]

Interest Determination Date(s): [specify]

(NB To be not less than 5 London Banking Days prior to each Interest Payment Date in respect of interest determined pursuant to Condition 7.2(b)(ii))

Relevant Screen Page: [specify]

Relevant Time: [specify][Not Applicable]

(NB where Calculation Method is not SONIA Index Determination, Relevant Time will be Not Applicable)

Calculation Method: [Compounded Daily SONIA Formula]
[SONIA Index Determination]

Observation Method: [Lag]
[Observation Shift]
[Not Applicable]

Lag Lookback Period (p): [[5][specify] London Banking Days][Not Applicable]

Observation Shift Period: [[5][specify] London Banking Days][Not Applicable]

(N.B. When setting the Lag Lookback Period (p) or the Observation Shift Period, the practicalities of this period should be discussed with the Agent Bank or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement. It is anticipated that '(p)' will be no fewer than 5 London Banking Days unless otherwise agreed with the Agent Bank or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement, in relation to the relevant issuance)

Relevant Number: [[5][specify] London Banking Days][Not Applicable]

(NB not applicable unless Calculation Method is SONIA Index Determination)

(N.B. When setting the Relevant Number, the practicalities of this period should be discussed with the Agent Bank or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement. It is anticipated that the Relevant Number will be no fewer than 5 London

Banking Days unless otherwise agreed with the Agent Bank or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement, in relation to the relevant issuance)

(It is anticipated that Screen Rate Determination will be used on an issue by issue basis, unless otherwise agreed between the Issuer and the relevant Dealer or the relevant managers on the launch of a particular issue)

- (g) ISDA Determination: [Applicable][Not Applicable]
 ISDA Definitions [2006 ISDA Definitions][2021 ISDA Definitions]
 Floating Rate Option: [specify]
(If 2021 ISDA Definitions apply, ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions))
 Designated Maturity: [specify]
 Reset Date: [specify]
- (h) Linear Interpolation: [Not Applicable][Applicable – the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
- (i) Margin(s): [+][-] [specify] per cent. per annum
- (j) Minimum Rate of Interest: [specify] per cent. per annum
- (k) Maximum Rate of Interest: [specify] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]

Provisions relating to Redemption

22. Final Redemption Amount: [[100] per cent. of their principal amount][Not Applicable]
 23. Instalment Redemption: [Applicable][Not Applicable]

Instalment Dates

Instalment Amounts

[specify]

[specify]

[specify]

[specify]

24. Issuer Call: [Applicable][Not Applicable]
- (a) Optional Redemption Amount: [Par Amount][Modified Spens Amount][Make Whole Amount][Other Amount]
- [Specify method of calculation where Make Whole Amount or Other Amount is applicable,*
- Modified Spens Amount will only be applicable where the Specified Currency is Sterling]
- (b) Benchmark GI: [*specify*][Not Applicable]
- (c) Spens Margin: [[*specify*] per cent.][Not Applicable]
25. Maturity Par Call Option: [Applicable][Not Applicable]
- Call Option Date: [*specify*]
- [To be no earlier than 90 days before the Maturity Date]*
26. Residual Call Option: [Applicable][Not Applicable]
- (a) Residual Call Amount: [Par Amount][Modified Spens Amount][Make Whole Amount][Other Amount]
- [Specify method of calculation in where Make Whole Amount or Other Amount is applicable]*
- (b) Benchmark Gilt: [*specify*][Not Applicable]
- (c) Spens Margin: [[*specify*] per cent.][Not Applicable]
27. Investor Put: [Applicable][Not Applicable]
- (a) Optional Redemption Date(s): [*specify*][The date falling 180 days following the Issuer ceasing to be (and not in such period regained its status as) a Registered Provider of Social Housing]
- (b) Optional Redemption Amount: [*specify*] per Calculation Amount.

General provisions applicable to the Notes:

28. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event]

29. New Global Note: [Yes][No]
30. Additional Financial Centre(s): [Not Applicable][give details]
31. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payment are still to be made][Not Applicable]

[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.]

Signed on behalf of Peabody Trust:

By:
Duly authorised

[By
Duly authorised]

Part B – Other Information

1. Admission to Trading

(a) Admission to Trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange plc's International Securities Market [and Sustainable Bond Market] with effect from [specify].]

[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's International Securities Market [and Sustainable Bond Market] with effect from [specify].]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

(b) Estimate of total expenses related to admission to trading: [specify]

2. Ratings

[The Notes to be issued [have been][are expected to be] rated [[●] by Fitch Ratings Ltd.][,][and] [[●] by S&P Global Ratings UK Limited] [and] [[●] by [Moody's Investors Service Limited].]

[The Notes to be issued are not rated.]

3. Interests of natural and legal persons involved in the issue

[Save for the fees [of [insert relevant fee disclosure]] payable to the [Managers][Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers][Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business][To be amended as appropriate if there are other interests]

4. Yield (Fixed Rate Notes only)

[●]. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. Historic Interest Rates (Screen Rate Determination Floating Rate Notes only)

Details of historic SONIA rates can be obtained from The Bank of England.

6. Operational Information

(a) ISIN: [specify]

- (b) Common Code: [specify]
- (c) CFI: [[specify], as updated as set out on the website of the Association of National Number Agencies (ANNA)]
[As set out on the website of the Association of National Number Agencies (ANNA)] [Not Applicable]
- (If the CFI is not required, requested or available, it should be specified to be "Not Applicable")*
- (d) FISN: [[specify], as updated as set out on the website of the Association of National Number Agencies (ANNA)]
[As set out on the website of the Association of National Number Agencies (ANNA)] [Not Applicable]
- (If the FISN is not required, requested or available, it should be specified to be "Not Applicable")*
- (e) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [specify][Not Applicable]
- (f) Delivery: Delivery [against][free of] payment
- (g) Names and addresses of additional Paying Agent(s) (if any): [specify][Not Applicable]
- (h) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
- [No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such

recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

- (i) Use of proceeds: [See "*Use of Proceeds and Sustainable Finance Framework*" section in the Programme Admission Particulars][Give details if additional to the "*Use of Proceeds and Sustainable Finance Framework*" section in the Programme Admission Particulars]
- (j) Social, Green or Sustainable Bonds: [Yes – [Social][Green][Sustainable] Bonds][No]
- Reviewer(s): [Name of relevant rating agencies and name of third party assurance agent, if any, and details of compliance opinion(s) and availability][Not Applicable]
- Date of Second Party Opinion(s): [specify][Not Applicable]

7. Distribution

- (a) Method of distribution: [Syndicated][Non-Syndicated]
- (b) If syndicated, names of Managers: [Not Applicable][specify]
- (c) Date of [Subscription] Agreement: [Not Applicable][specify]
- (d) Stabilisation Manager(s) (if any): [Not Applicable][specify]
- (e) If non-syndicated, name of relevant Dealer: [Not Applicable][specify]
- (f) U.S. Selling Restrictions: Regulation S
Compliance Category 2
[TEFRA D][TEFRA C]
- (g) Singapore Sales to Institutional Investors and Accredited Investors only [Applicable][Not Applicable]

Use of Proceeds and Sustainable Finance Framework

Use of Proceeds

The net proceeds from each issue of Notes (each after deduction of expenses payable by the Issuer) shall be applied in furtherance of the Issuer's objects as permitted by its Rules including, without limitation, on-lending to other members of the Peabody Group and the repayment of any existing indebtedness of the Issuer.

If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

If the Notes are specified as "Social Bonds", "Green Bonds" or "Sustainable Bonds" in the applicable Pricing Supplement, the net proceeds from the issue of the Notes (each after deduction of expenses payable by the Issuer) will be used for social, green or sustainable purposes, as applicable, and, unless otherwise specified in the applicable Pricing Supplement, will be applied in accordance with the Sustainable Finance Framework as described below.

Sustainable Finance Framework

The Issuer has appointed DNV Business Assurance Services UK Limited (**DNV**) (an independent provider of environmental, social and governance research, ratings and analysis) to review the alignment of the Issuer's Sustainable Finance Framework with industry practice. DNV has evaluated the Issuer's Sustainable Finance Framework and has issued an independent opinion (the **Second Party Opinion**) confirming its alignment with the ICMA Social Bond Principles 2023, ICMA Sustainability Bond Guidelines 2021, ICMA Green Bond Principles 2021 including 2022 Appendix, LMA Green Loan Principles 2023 and LMA Social Loan Principles 2023. The Second Party Opinion dated 8 November 2024 is available for viewing at: <https://www.peabodygroup.org.uk/media/rabj14fu/peadody-trust-sustainable-finance-framework.pdf>.

The Issuer has adopted the Sustainability Reporting Standards for Social Housing.

The Sustainable Finance Framework contains five core components:

- (a) *Use of Proceeds*: the Issuer will allocate an amount equivalent to the net proceeds raised under the Sustainable Finance Framework to finance or refinance in whole or in part new or existing Eligible Projects (as defined in the Sustainable Finance Framework) in the following categories: green buildings, energy efficiency, renewable energy, clean transportation, terrestrial and aquatic biodiversity, affordable housing, access to essential services, employment generation and affordable basic infrastructure and services.

Dependent on the nature of the project, the investment in the Eligible Projects can be measured through asset value (refinancing existing assets), capital expenditure (Capex) or operating expenditure (Opex). For capital or operating expenditures, a look-back period of up to 24 months prior to the time of financing will be applied. The Issuer expects to allocate an amount equivalent to the net proceeds raised under the Sustainable Finance Framework to Eligible Projects within 24 months of financing.

- (b) *Process for Project Evaluation and Selection*: The Eligible Projects described in the Sustainable Finance Framework comply with the applicable environmental and social laws and regulations, as well the Issuer's internal policies and standards, which aim to manage and mitigate ethical, environmental and governance risks. The Issuer's internal policies and standards include bribery and corruption, conflicts of interest, data protection, fraud, and modern slavery among others, as well as a risk management framework and the code of conduct.

The Finance and Treasury Committee of the Issuer has overall accountability for the Sustainable Finance Framework and the Eligible Projects. The Finance and Treasury Committee is a cross divisional committee comprised of four non-executive members who have a wide range of backgrounds and experience to:

- exercise delegated authority in relation to certain finance and treasury activities;
- provide scrutiny and support concerning the Peabody Group's treasury management policy and treasury strategy; and
- monitor financial performance, viability, efficiency and stability of the Peabody Group.

If appropriate, the Finance and Treasury Committee will delegate to a sub-committee or senior staff with the necessary authority to oversee a project. As part of its role in overseeing the Sustainable Finance Framework, the Finance and Treasury Committee will:

- approve the addition of Eligible Projects/expenditures;
- oversee the Eligible Project portfolio, confirming its continued compliance with the Sustainable Finance Framework;
- review the content of the Sustainable Finance Framework at least on an annual basis and update it to reflect changes in market standards (such as relevant ICMA and LMA principles) and the Issuer's strategy;
- exclude projects or investments that no longer comply with the eligibility criteria or have been disposed of and replacing them on a best-efforts basis; and
- facilitate the allocation and impact report provision under the Sustainable Finance Framework.

The Finance and Treasury Committee is also responsible for wider sustainability matters, including:

- oversight of any social and environmental risks associated with Eligible Projects;
- continued alignment of project categories with appropriate national and international sustainability taxonomies and legislation, reviewing any impact on the Issuer's strategy; and
- development of mitigants to possible negative social and/or environmental impacts of Eligible Projects, where relevant.

- (c) *Management of Proceeds*: the Issuer is committed to tracking the receipt and use of proceeds raised under the Sustainable Finance Framework using internal reporting systems, for which the Finance and Treasury Committee takes primary responsibility. The Issuer's internal tracking system used to allocate proceeds will be assessed by an external auditor in line with ICMA guidance. The Issuer will maintain a register of Eligible Projects and the allocation of proceeds to those Eligible Projects. The Issuer's finance team will lead the distribution of funds and the reporting.

The Issuer expects funds to have been allocated within 24 months of raising finance under the Sustainable Finance Framework. Unallocated proceeds issued under the Sustainable Finance Framework will be held as cash deposits or in sterling denominated money market funds in line

with the Issuer's treasury management policy. The Issuer will endeavour to place in sustainable liquidity investments where possible and we continue to discuss potential ESG-aligned products with its banks. However, the Issuer may also use any unallocated funds for short-term repayment of other debt facilities before allocation to Eligible Projects.

- (d) *Reporting:* The Issuer will make and keep publicly available reporting on the allocation of net proceeds and wherever feasible report on the impact of the projects, within 12 months from the issuance of the Notes. Any material developments, such as modification of the Sustainable Finance Framework or portfolio allocation, will be reported in a timely manner.

Allocation reporting will include:

- the type of financing instruments used and respective outstanding amounts;
- the total amount of proceeds allocated to Eligible Projects, by category for small projects (with examples for context) or by project for large projects;
- the amount and/or percentage of new and existing projects (share of financing and refinancing) and financial line item (share Capex, Opex and asset value); and
- any further information on how unallocated proceeds have been held.

Impact reporting metrics will demonstrate the active contribution to social and environmental factors the Eligible Projects funded through finance issued under the Sustainable Finance Framework.

The impact reporting will include:

- impact metrics (KPIs), split by eligible projects category with indicative impact indicators such as affordable housing, access to essential services, employment generation, affordable basic infrastructure and services, green buildings, energy efficiency, renewable energy, clean transportation and terrestrial and aquatic biodiversity;
- detailed calculation and methodology and key assumptions used; and
- description of Eligible Projects or example case studies.

- (e) *External Review:* The Issuer has appointed DNV to confirm that the Sustainable Finance Framework aligns with each of the ICMA Social Bond Principles 2023, ICMA Sustainability Bond Guidelines 2021, ICMA Green Bond Principles 2021 including 2022 Appendix, LMA Green Loan Principles 2023 and LMA Social Loan Principles 2023.

External verification of the tracking of the proceeds will be provided by an appointed qualified external party, that will review and provide an opinion on all allocation reports. The review will be included in the Issuer's annual report.

No assurance or representation is given by the Issuer, the Arranger, the Dealers or any of their respective affiliates or any other person as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes. For the avoidance of doubt, any such opinion or certification is not, nor shall it be deemed to be, incorporated in and/or form part of these Programme Admission Particulars. Any such opinion or certification is not, nor should it be deemed to be, a recommendation by the Issuer, the Arranger, the Dealers or any of their respective affiliates or any other person to buy, sell or hold any such Notes. The Noteholders have no recourse against the Issuer, the

Arranger, any Dealer or any of their respective affiliates or the provider of any such opinion or certification for the contents of any such opinion or certification. Any such opinion or certification is only current as at the date that opinion was initially issued and the providers of such opinions and certifications are under no obligation to update them following their issue. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in any Notes. Currently, the providers of such opinions and certifications are not subject to any specific or regulatory or other regime or oversight.

No assurance is given by the Issuer, the Arranger, the Dealers or any of their respective affiliates or any other person that the use of the proceeds of issue of any Notes will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates. None of the Note Trustee, Issuer, the Arranger or the Dealers or any of their respective affiliates will have any responsibility for monitoring the application of any such proceeds.

The Issuer may amend or update the Sustainable Finance Framework in the future.

For the avoidance of doubt, the Sustainable Finance Framework, the Second Party Opinion and any further second party opinion(s) referred to in the applicable Pricing Supplement are not, nor shall they be deemed to be, incorporated in and/or form part of these Programme Admission Particulars.

Description of the Issuer and the Peabody Group

The Peabody Group

Background and objectives

More than 160 years after it was established, the Peabody Group is one of the oldest not-for-profit housing associations in the UK. It is responsible for more than 109,000 homes, with around 220,000 residents across London and the Home Counties. It also provides care and support services to around 26,300 customers.

The Peabody Group's purpose is to help people flourish. It is committed to delivering a responsive and easily accessible repairs service and investing in residents' homes so they are safe and well maintained. Its retrofit projects will make thousands of homes more energy efficient.

The Peabody Group takes a local approach so it can get closer to residents. It works with councils and communities to promote economic inclusion, tackle inequality and poverty, and prioritise wellbeing. Its rents were £721 million lower than the market in 2023-24, at an average of £137 per week in London and the South East. The Peabody Group therefore believes that this offers significant value for residents and communities. The Peabody Group is also committed to building much-needed affordable homes where it can.

The Peabody Group has four overarching priorities that reflect how it intends to fulfil its mission. These are as follows:

- To maintain and improve residents' homes so they are affordable, safe and as energy efficient as possible.
- To listen to residents and those living in communities to make sure it provides locally focused support and services.
- To work with partners to build new affordable homes where it can to help alleviate the housing crisis,
- To use research and evidence in partnership to support positive change.

Objectives

The objectives and priorities of the Peabody Group are set out in a rolling three-year Group Strategy that is reviewed annually and approved by the Issuer's Board. The Group Strategy incorporates the culture, IT, finances and governance required to deliver the strategy and a detailed delivery plan for the forthcoming year. It also incorporates the financial plan which is built around the following three objectives:

- To maintain an A grade investment proposition.
- To protect the Peabody Group's capital and social housing assets.
- To deliver more affordable homes.

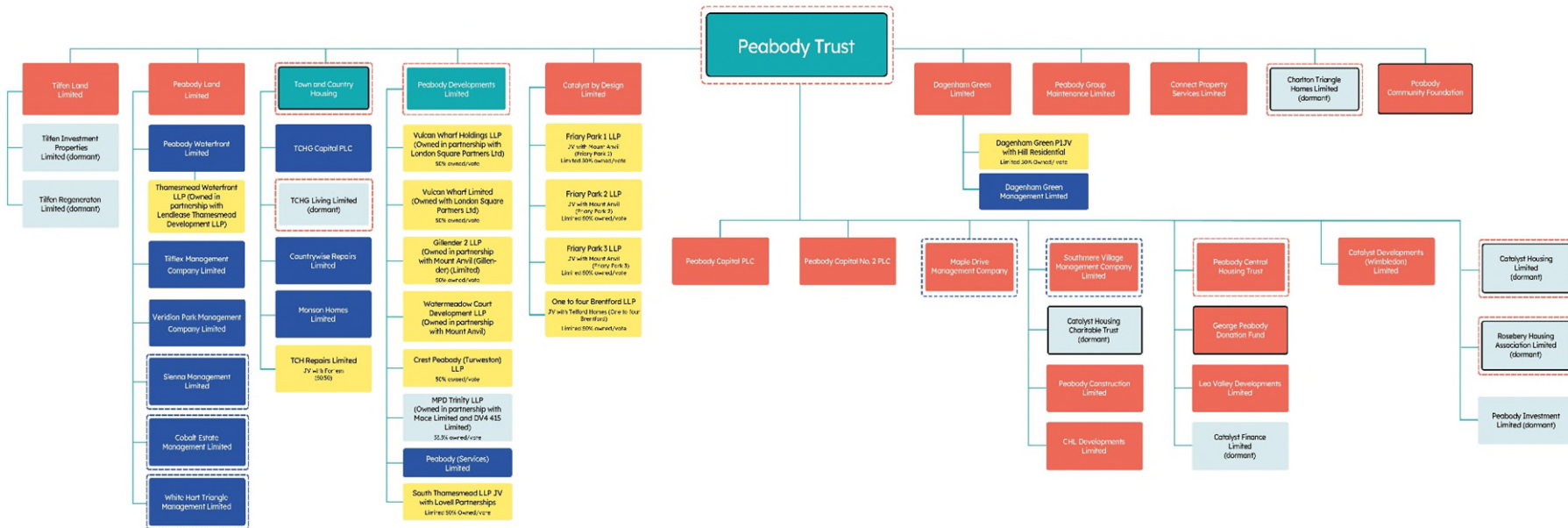
Group Structure



Group Structure Chart

Structure effective from 1 January 2025

- Registered Provider
- Peabody direct subsidiaries
- Charity (Registered or exempt)
- Community Benefit Society
- Active second tier subsidiary
- Joint Venture
- Dormant
- Management company - owned by Peabody



Thamesmead regeneration

The Peabody Group owns 65 per cent. of the land in Thamesmead, a town in South East London spanning the London Boroughs of Bexley and Greenwich and comprising 760 hectares. As at the date of these Programme Admission Particulars, the Peabody Group has completed 600 new homes in the town, and has another 4,200 in the pipeline.

This delivery sits alongside an extensive programme of investment by the Peabody Group into existing buildings (the Peabody Group currently owns around 5,600 homes in the area), including a substantial refurbishment, repairs and maintenance programme as well as improvements to the public realm. The Peabody Group's environmental services team of around 150 employees look after the town's parks and waterways, including 53,000 trees, five parks, five lakes and 7.5 kilometres of canals.

In total the view of the Peabody Group is that, over the next 30 years, Thamesmead offers the potential for an additional 20,000 new homes, the creation of many new jobs and a new leisure, cultural and commercial offer across the town. By 2050, Thamesmead could be home for up to 100,000 people.

In 2019-2020 Peabody Waterfront Limited, a subsidiary of the Issuer, formed a new 50/50 joint venture partnership with international property and infrastructure group, Lendlease. As part of the joint venture partnership, the Peabody Group plans to deliver an £8 billion development at Thamesmead Waterfront. This transformational scheme will include up to 15,000 homes, thousands of jobs, a rejuvenated and expanded town centre, and a major new park for London.

The Peabody Group will consider a variety of funding options to help deliver long-term transformational change in Thamesmead. It has a 'whole place' approach to the regeneration of Thamesmead and real and widespread change is already underway. The Peabody Group is building new homes, refurbishing existing homes and working with the community to create a better place to live for the 47,000 residents currently living there.

In addition, as part of the regeneration of South Thamesmead which will provide 2,800 new homes, the Peabody Group has completed the first phase of development of 534 new homes in Southmere, along with a new library (The NEST), a public square and commercial spaces. The new homes are 45 per cent. affordable housing (London Affordable Rent, shared ownership and shared equity) and have access to podium gardens and a children's playground. As at the date of these Programme Admission Particulars, the second phase of development of 329 homes adjacent to phase one is underway. All homes are close to Southmere Lake, where there has been substantial investment to improve the water quality and biodiversity with floating reed beds, a 23 metre high fountain, a free-fish channel and a new wildlife habitat. The new homes are centred around a new public square, Cygnet Square, which will have retail shop spaces, restaurants, cafes and community amenities for residents on their doorstep.

This regeneration scheme has an extensive green infrastructure framework, Living in the Landscape, which captures the Peabody Group's strategic approach to managing the extraordinary blue and green spaces in Thamesmead and guides its work to mitigate the impact of climate change, setting out how the Peabody Group intends to protect, maintain and enhance the natural environment for people and wildlife.

Dagenham Green

In partnership with the Mayor of London, the Peabody Group plans to deliver over 3,100 new homes on the former Dagenham Stamping Plant car works site in East London. The first phase is underway and will deliver 935 homes. Dagenham Green is a landscape-led scheme with a five-acre public urban park and a series of other parks and/or green spaces, including a Heritage Trail. There will also be 4,400 sqm

of non-residential space for new shops and other amenities for the new community. There are also plans to set aside five acres of land for a secondary school (delivered by others) and 1.5 acres for small and medium-sized enterprise workspaces.

Holloway Park

Holloway Park is the Peabody Group's redevelopment of the former Holloway Prison to deliver 985 new homes, 415 of these will be for social rent and a further 178 for shared ownership (a total of 60 per cent. affordable homes). The scheme will also provide a new public park, pedestrian connections, commercial spaces and a Women's Building. The first residents are expected to move in by the end of 2027.

Friary Park

This redevelopment of an old Catalyst estate is delivering more than 1,000 new homes. The partnership with Mount Anvil will provide hundreds of new social rented and sustainable homes (45 per cent. affordable) in a mixed-tenure scheme, with enhanced green and play spaces; two acres of public green space and 200 new trees. There will also be a new and improved community building and new commercial units. Each home is guaranteed to have its own private outdoor space.

Development

In 2024, the Peabody Group delivered 1,381 new homes of which 478 were shared ownership, 313 were for "London Affordable Rent", 322 for social rent, 91 for Affordable Rent, 16 for intermediate market rent and 161 for market sale.

The Peabody Group recognises the acute need for more affordable homes, particularly in London and the South East, and its ambition remains to work with partners to build more social housing where possible, with an emphasis on long-term commitment to place and stewardship. However, with the focus on building safety, damp and mould, sustainability requirements, and managing the impacts of significant cost inflation with limited increases in rent, the Peabody Group's overall development plan has been adjusted. The Peabody Group intends to continue directing appropriate resources to building safety spending, service delivery, planned improvement works and responsive repairs activity as an integral part of its asset management programme.

The Peabody Group's is planning to build more homes in Holloway, Dagenham, Friary Park and Thamesmead as mentioned above. This is not an exhaustive list of schemes, however, in the Peabody Group's opinion, they demonstrate the Peabody Group's approach to working flexibly with grant funding available and its strong relationships with the Mayor of London, the Greater London Authority and Homes England which have released funds to help deliver more social housing.

Sustainability

Over the course of its current development strategy the Peabody Group intends to focus its activities on creating great quality homes built to EPC B and above, with the majority of the pipeline being schemes of 200 homes or more. With planned further investment, including seeking to unlock value contained in existing estates through regeneration, the Peabody Group seeks to achieve net zero carbon in its rented homes by 2050, with its housing being on average at the EPC B level by this point to assist in delivering this aim. In addition to improving the energy efficiency of homes, in support of its ambition to achieve net carbon zero by 2050 the Peabody Group aims to:

- deliver at least 10 per cent. biodiversity net gain for all new developments submitted for planning after November 2023;

- explore better use of advancing technology to help meet Peabody Group’s sustainability goals, whilst ensuring initiatives provide value for money for residents and the organisation;
- furnish all new homes with modern technology for heating and cooling;
- make significant progress towards making all the vehicle fleet electric;
- boost colleague and resident engagement on environmental sustainability;
- have a robust measurement system in place to track progress and drive improvement; and
- report regularly to stakeholders on progress.

The Peabody Group homes as at 31 March 2024 have an average SAP rating of 73.71 which can be split into the following EPC bands:

EPC Ratings on Properties	Number	Percentage
EPC A	796	0.7
EPC B	17,791	21
EPC C	65 967	57
EPC D	20,958	20
EPC E and below	1,477	1.3

A small number of properties have yet to be assessed.

In April 2024, the Peabody Group published its Sustainability Action Plan 2023-26 – Making choices today for a better tomorrow. In it, the Peabody Group laid out clear, actionable guidelines of how it intends to work with colleagues, residents and partners to become a more sustainable organisation. Publication of the action plan followed the Peabody Group’s three-year Environmental Sustainability Strategy which it published in September 2023 setting out its specific aims as highlighted above. It also sets out some of the key things achieved to date including:

- refurbishing the Peabody Group’s main office to improve its environmental performance. This includes installing solar panels on the roof which generate around 12,000 kWh of electricity, saving 6,250 kg of CO2 a year;
- improving 266 homes by installing solar panels and batteries;
- using funding from the Social Housing Decarbonisation Fund (**SHDF**) to upgrade 66 homes in Islington, replacing inefficient boilers, installing internal and external insulation and making the homes more energy efficient;
- securing another £25 million from the SHDF Wave 2 to improve and upgrade the fabric to thousands more homes; and
- applying for SHDF Wave 3.

To deliver its ambition the Peabody Group intends to work in partnership with the UK Government, the Greater London Authority, other local authorities, selected private developers, the health sector and other locally based third sector organisations. The Peabody Group seeks to be proactively engaged, having regular consultations with its partners and responding to policy makers and legislators.

Certified Sustainable Housing Label

On 20 January 2025, the Peabody Group secured the RITTERWALD Certified Sustainable Housing Label (**CSHL**) for the fourth year, achieving Frontrunner status for all three categories (Environmental, Social and Governance).

During the process of issuing the CSHL, Ritterwald evaluated the Peabody's Group against a comprehensive catalogue of more than 40 individual core and enhanced environmental, social and governance criteria. Achieving Frontrunner status demonstrates the Peabody Group's commitment to performance with reference to other leading social and affordable housing providers in Europe. The sustainability rating agency, Ethifinance, reviewed the results to externally verify compliance with the CSHL methodology.

The Issuer

Incorporation and Status

The Issuer is a registered society within the meaning of the Co-operative and Community Benefit Societies Act 2014 (with registered number 7741); is registered with the Regulator under the Housing and Regeneration Act 2008, as amended by the Localism Act 2011; has exempt charitable status; and is affiliated to the National Housing Federation.

The Issuer was formed on 29 March 2018 as a result of the amalgamation of Peabody Trust 2018, Family Mosaic Housing and Gallions Housing Association Limited.

On 31 March 2022, the Issuer accepted a transfer of engagements, from its existing subsidiary, Peabody South East.

On 1 April 2022, Catalyst Housing Limited (**Catalyst**) and its subsidiary entities became subsidiary entities of the Issuer. On 3 April 2023 the Issuer accepted a transfer of engagements from Catalyst.

The Issuer's charitable objectives are to work within Greater London and its environs or with those who have a real and substantial connection with Greater London for the relief of poverty and providing services to those who are aged, disabled, chronically sick and those in hardship or distress. This area is defined as those counties or authorities in and around Greater London. The Issuer is one of the largest housing organisations in the country.

Upon Catalyst becoming a subsidiary of the Issuer in 2022, the size of the Peabody Group increased to around 104,000 homes. Since merging with Catalyst, the Issuer has seen an increase in the number of homes completed, recording 1,381 new homes in the financial year ending 31 March 2024.

Town & Country Housing (**TCH**), a Kent-based housing association, became a member of the Peabody Group on 9 May 2019. TCH joined the Peabody Group to deliver more affordable homes in the South East and retains its own executive team and board but with representation on each from the board of the Issuer.

On 4 April 2023, Rosebery Housing Association Limited, formerly a subsidiary of Catalyst, transferred its engagements to TCH to become a single organisation within the Peabody Group.

On 31 December 2024, Charlton Triangle Homes Limited, a subsidiary of the Issuer, transferred its engagements to the Issuer.

The registered address of the Issuer is Minster Court, 45 Westminster Bridge Road, London SE1 7JB. The telephone number of its registered address is 020 7021 4000.

Principal Activities of the Issuer

The Issuer has five key areas of activity, benefiting directly and indirectly both its residents and the wider London population:

- to provide rented homes for those who need them most;
- to provide supported housing and care services for those who need additional support;
- to provide low-cost home ownership, particularly shared ownership;
- to deliver community investment activities with the aim of tackling poverty, building engaged, active and aspirational communities and helping people improve their health and wellbeing; and
- to provide new homes for a range of tenures to meet housing need in London and the South East (some of which is delivered by the Issuer's subsidiaries).

The Issuer has a dedicated Community Foundation established to tackle poverty at its roots – poor education, low skills and lack of opportunity. Working on and around its estates in some of the most disadvantaged areas of London, the Issuer is well placed to reach the most excluded and to ensure that services are accessible by taking a local focus.

Board and Executive Team

The board members of the Issuer and their principal activities outside the Issuer, where these are significant with respect to the Issuer, are as follows:

Name	Other Principal Activities
Peter Baffoe	Trustee of the Southwark and Deptford Circuit Trustee of Maudsley Charity
Ann Bentley CBE	Chair of Challenge Board for Buckingham Palace Reservicing Programme
Martyn Burke	Board member of Town and Country Housing Non-executive director and Audit and Risk Committee Chair of Wiltshire Health & Care NHS LLP Non-executive director and Audit and Risk Committee Chair at the Office of the Public Guardian
Caroline Corby	Chair of The Professional Standards Authority for Health and Social Care Chair of the Parole Board for England and Wales Non-executive director of the Security Industry Authority Member of the management committee of the Public Chairs' Forum
Helen Edwards	Chair of Recovery Focus (charity specialising in mental health, substance misuse) which includes Richmond Fellowship Director of Social Finance Limited Director of South London and the Maudsley Foundation Trust
Helen Edwards	Chair of Recovery Focus (charity specialising in mental health, substance misuse) which includes Richmond Fellowship Director of Social Finance Limited Director of South London and the Maudsley Foundation Trust
David Hardy	Director of Penn Torr Limited Non-executive director and Chair of Audit and Risk Committee of LiveWest Housing Association
Terry Hartwell	Member of the Council, Finance Committee and Remuneration Committee of the University of Bradford

Name	Other Principal Activities
Ian McDermott	Board member of the Chartered Institute of Housing Board member of the National Housing Federation
Cary Wakefield	Director, Direct Fabrics Limited Chief Executive Officer, Ovarian Cancer Action
Graham Woolfman	Director of Woolfman's Limited Designated Member of Tempus Advisory and Management LLP Director of St Arthur Homes Limited - Independent Chair Director of World Chess plc
Matthew Martin	None
Eustace Xavier	Director of Finance – Property, New Business, Supply Chain & Logistics at Sainsbury's plc

Caroline Corby became the Chair of the Issuer with effect from 1 April 2024. There are no potential conflicts of interest between any duties to the Issuer of the directors of the Issuer and their private interests and/or duties.

The business address of each of the above board members are Minster Court, 45 Westminster Bridge Road, London SE1 7JB.

The executive team of the Issuer comprises:

- Ian McDermott as Chief Executive Officer;
- Phil Day as Chief Financial Officer (Phil joined in September 2024);
- Elly Hoult as Chief Operating Officer and Deputy Chief Executive;
- Stephen Burns as Executive Director Care, Supported Housing and Inclusion;
- Philip Jenkins as Executive Director Development;
- David Lavarack as Executive Director Corporate Services;
- Peter Evans as Executive Director Property Services and Assets;
- Sarah Cameron as General Counsel and Company Secretary; and
- John Lewis as Executive Director Sustainable Places

The secretary of the Issuer is Sarah Cameron whose business address is Minster Court, 45 Westminster Bridge Road, London SE1 7JB.

Corporate Governance

As at the date of these Programme Admission Particulars, the Issuer has 12 board members. Together they bring a broad range of expertise and experience, in fields ranging from customer service, finance and property, to the governance and management of housing associations. Up to two board members can be residents, which help to bring a customer's perspective to board meetings.

Board members (alongside executives and non-board non-executive committee members who provide additional expertise) also serve on one or more functional committees:

Audit and Risk Committee: Responsible for overseeing internal and external audit, monitoring and challenging the Group Risk Register and the proposed mitigations, undertaking deep dives on specific risk areas, overseeing the effectiveness of internal controls and reviewing the financial statements.

Resident Experience Committee: Responsible for providing assurance to the Issuer's Board on the performance, quality and value for money of all services provided to Peabody Group's current and future customers and compliance with the Consumer Standards.

Finance and Treasury Committee: Responsible for exercising oversight and scrutiny of the financial viability and performance of the Peabody Group and delegated authority in relation to certain finance and treasury activities. Its aim is ensuring that the Peabody Group adopts sound treasury management, borrowing, investment and risk management policies and strategies and maintains financial viability, including liquidity, at all times. The Finance and Treasury Committee of the Issuer has overall accountability for the Sustainable Finance Framework and the Eligible Projects. See "*Use of Proceeds and Sustainable Finance Framework – Sustainable Finance Framework*" for further detail.

Nominations and Remuneration Committee: Responsible for overseeing the Peabody Group's arrangements for remuneration, recruitment, retention, succession and governance arrangements with the aim of ensuring that they meet regulatory and good practice requirements.

Thamesmead Committee: Responsible for oversight and delivery of the Thamesmead Strategic and Delivery Plans.

The day-to-day management of the Issuer is delegated by the board members to the Chief Executive and the executive team.

The Issuer complies with the National Housing Federation's code of governance.

On 27 September 2023, the Regulator published its regulatory judgement for the Issuer and the Peabody Group which concluded that both the viability and governance standards were met and graded the Peabody Group "G1" for governance and "V2" for viability. The "G1" rating means that the Peabody Group meets the requirements on governance set out in the Governance and Financial Viability standard. The "V2" rating means that the Peabody Group meets the requirements on viability set out in the Governance and Financial Viability standard and has the financial capacity to deal with a reasonable range of adverse scenarios but needs to manage material risks to ensure continued compliance.

Corporate Rating

The Issuer has a credit rating of "A" from Fitch, "A-" from S&P and "A3" from Moody's.

Share Capital and Major Shareholders

As at the date of these Programme Admission Particulars, the entire issued share capital of the Issuer comprised 11 shares of £1 each, all of which are fully paid up. Each non-executive board member of the Issuer holds one share each. Each share carries voting rights but no rights to dividends, interest or bonus.

Recent Developments

There have been no recent events particular to the Issuer that are, to a material extent, relevant to the evaluation of the Issuer's solvency.

Insurance

The Issuer has entered into insurance policies underwritten by Protector Forsikring ASA 3136864 in respect of all its properties and other assets of an insurable nature against loss or damage by fire and

other risks normally insured against by all persons carrying on the same class of business as that carried on by it.

Alternative Performance Measures

The Issuer believes that certain financial measures that are not recognised by the Accounting Standards, but are derived from the information provided in the Issuer's consolidated financial statements, provide additional useful information regarding its ongoing operating and financial performance.

These measures are not recognised measures under the Accounting Standards, do not have standardised meanings prescribed by the Accounting Standards and should not be considered in isolation or construed to be alternatives to measures pursuant to the Accounting Standards including revenues, net income (loss) and comprehensive income (loss) for the period determined in accordance with the Accounting Standards. The Issuer's method of calculating these measures may differ from the method used by other entities, including other Registered Providers of Social Housing. Accordingly, certain of the financial performance measures presented in these Programme Admission Particulars may not be comparable to similarly titled measures used by other entities or in other jurisdictions, including other Registered Providers of Social Housing. Consequently, these measures should not be considered substitutes for the information contained in the Financial Statements incorporated by reference in the section headed "*Documents Incorporated by Reference*" below and should be read in conjunction therewith. More specifically the financial statements are produced for different audiences with differing requirements and definitions. As a result certain metrics are defined in different ways – in particular the "*Sector Scorecard*" has a particular set of definitions (see <http://www.sectorscorecard.com/about-the-sector-scorecard/about>) and prospective investors are invited to visit to the Sector Scorecard website for further clarity.

In particular, the Issuer uses the financial measures (as defined below) set out in the table below to evaluate the business performance of the Issuer. References in the table below to "Financial Statements" shall have the meaning given to it in the section headed "*Documents Incorporated by Reference*" below.

For the purposes of the tables below:

- **Statement of Financial Position** means the statement of financial position set out in the Financial Statements;
- **SOCI** means the statement of comprehensive income set out in the Financial Statements.
- all references to specific line items taken from the Financial Statements are to the line items in respect of the Issuer or the Peabody Group; and
- all references to **Notes** are to the relevant note in the Financial Statements.

Metric	Definition	Reconciliation	Additional Information
<i>Social housing lettings: turnover</i>	Social Housing Lettings divided by Turnover	Social Housing Lettings is taken from Note 3a in the Financial Statements. Turnover is taken from the Statement of Comprehensive Income in the Financial Statements.	The ratio of social housing to turnover represents the proportion of revenue the Peabody Group receives from social housing properties

Metric	Definition	Reconciliation	Additional Information
<i>Operating margin (overall)</i>	Operating Surplus divided by Turnover	Operating Surplus is taken from the Statement of Comprehensive Income in the Financial Statements. Turnover is taken from the Statement of Comprehensive Income in the Financial Statements.	Operating margin is a measure of profitability. This ratio indicates the efficiency of the Peabody Group's financial performance.
<i>Operating margin (social housing lettings)</i>	Operating Surplus (social housing lettings) divided by Turnover (social lettings)	Operating Surplus (social housing lettings) is taken from Note 3a in the Financial Statements. Turnover (social housing lettings) is taken from Note 3a in the Financial Statements.	Operating margin is a measure of profitability. This ratio indicates the efficiency of the Peabody Group's overall financial performance.
<i>EBITDA MRI interest cover</i>	EBITDA MRI interest cover = EBITDA divided by Interest Payable	EBITDA = Operating Surplus plus Depreciation less Capitalised Repairs. Operating Surplus is taken from the Statement of Comprehensive Income in the Financial Statements. Capitalised Repairs is taken from Note 14 in the Financial Statements (Additions to Housing Properties held for letting). Depreciation is taken from Note 8 in the Financial Statements (Depreciation of tangible fixed assets). Interest Payable is taken from the Statement of Comprehensive Income in the Financial Statements (Interest Payable and similar charges).	EBITDA MRI indicates the cash operating performance of the Peabody Group, representing earnings before interest, tax, depreciation and amortisation adding back major repair capitalised costs. EBITDA MRI interest cover is a risk indicator that measures the ability of the Peabody Group to cover its cash interest expenses from its cash operating performance.
<i>Net margin</i>	Surplus for the year divided by Turnover	Surplus for the year is taken from the Statement of Comprehensive Income in the Financial Statements. Turnover is taken from the Statement of Comprehensive Income in the Financial Statements.	Net margin is a measure of profitability after interest and taxes. This ratio indicates the efficiency of the Peabody Group's overall financial performance.
<i>Rent collected</i>	Rent collected as % of rent due – Rent collected from current and former tenants as a percentage of rent due. The calculation includes rent and service charges due year to date, rent loss due to empty properties (void) and rent collected year to date.	As disclosed in the Value for Money section of the Annual Report and Accounts.	Line-item detail not available in statutory accounts due to the disaggregate nature of the data used in the calculation.

Metric	Definition	Reconciliation	Additional Information
<i>Gearing</i>	Cash and Cash Equivalents less Loans divided by Total Non-Current Assets	<p>Cash and Cash Equivalents is taken from the Statement of Financial Position in the Financial Statements.</p> <p>Loans is taken from Note 28 in the Financial Statements.</p> <p>Total Non-Current Assets is taken from the Statement of Financial Position in the Financial Statements.</p>	This is a measure of financial indebtedness.

Description of the Social Housing Sector in England

Regulation and the Regulatory Framework

The Housing and Regeneration Act 2008, as amended by the Localism Act 2011, the Housing and Planning Act 2016 (the **HPA 2016**) and the Social Housing (Regulation) Act 2023 (the **SHRA 2023**), (the **HRA 2008**) makes provision for the regulation of social housing provision in England.

Pursuant to the HRA 2008, the Regulator of Social Housing (the **Regulator**) provides economic regulation for Registered Providers of Social Housing in order to ensure that they are financially viable, efficient and well governed, and consumer regulation to ensure that the social housing sector is able to deliver quality homes and services for current and future tenants. It regulates at the landlord level to drive improvement in how landlords operate.

The Regulator is an independent regulator and statutory non-departmental public body, established under the HRA 2008. It is sponsored by the Ministry of Housing Communities and Local Government (**MHCLG**) with responsibility for the regulation of Registered Providers of Social Housing. The Regulator's statutory objectives and powers of enforcement are set out in the HRA 2008. The Regulator sets statutory economic and consumer standards that apply to Registered Providers of Social Housing (the **Standards**). The Standards, together with associated codes of practice and regulatory guidance, together constitute the regulatory framework for social housing in England (the **Regulatory Framework**).

Some elements of the Standards are subject to direction by the Secretary of State for Housing, Communities and Local Government.

Registered Providers of Social Housing are expected to comply with the Standards and to establish arrangements to ensure that they are accountable to their tenants, the Regulator and relevant stakeholders. The Regulator's publication entitled "*Regulating the Standards*" outlines its operational approach to assessing Registered Providers of Social Housing's compliance with the Standards. This was last updated in February 2024 at the same time that the Regulator published the new Consumer Standards, consumer code of practice and related guidance.

The Regulator proactively regulates the Standards. These are:

- the Economic Standards:
 - the Governance and Financial Viability Standard;
 - the Value for Money Standard; and
 - the Rent Standard; and
- the Consumer Standards:
 - the Safety and Quality Standard;
 - the Transparency, Influence and Accountability Standard;
 - the Tenancy Standard; and
 - the Neighbourhood and Community Standard.

Further Standards (or additional provisions within the existing Standards) are expected to be published on professionalism (including requirements for specific qualifications in housing management for senior housing managers and senior housing executives) and access to information following appropriate consultation by MHCLG and the Regulator.

The Regulator has issued three codes of practice: one code to amplify the Governance and Financial Viability Standard, another to support the Value for Money Standard and a third to amplify the consumer standards. The current Rent Standard refers to the policy statement on rents for social housing published by MHCLG's predecessor department (See "*Social Housing Rents*" below).

In respect of the consumer standards, the Regulator's role had previously been reactive in response to referrals or other information received. However, the SHRA 2023 changed the position so that the Regulator's role is proactive and puts the consumer standards on an equal footing with the economic standards as well as updating the Regulator's statutory objectives (to include "safe" and "energy efficient") and its regulatory and enforcement powers.

A review of the Decent Homes Standard was also undertaken in 2022. It is anticipated that the main outcome will be an update to the Decent Homes Standard and that there will inevitably be cost implications for Registered Providers of Social Housing arising from the additional regulation that is proposed. It is not clear, as at the date of these Programme Admission Particulars, whether any such costs will be material.

The SHRA 2023 also includes provision for 'Awaab's law' which is a provision that will require Registered Providers of Social Housing to comply with certain investigation, notification and rectification obligations in relation to hazards in tenants' homes. MHCLG's predecessor department consulted upon the scope of this law, the actions required and the time periods that would be applied when this law is brought fully into force. The consultation proposal would include all of the hazards identified as such within the Housing Health and Safety Rating System where the risk to the health and safety of the tenant would be significant. There will inevitably be cost implications for Registered Providers of Social Housing arising from compliance with the obligations that are proposed. It is not clear, as at the date of these Programme Admission Particulars, whether the proposals will be amended by the UK Government or whether any such costs will be material.

Housing Grant

Grant funding is allocated by central government in periodic affordable homes programmes to support the capital costs of developing affordable housing for rent or sale. Allocation of funding under these programmes is administered by Homes England and the Greater London Authority within London, an executive non-departmental public body, sponsored by MHCLG .

Historically, grant funding has been a critical part of the funding mix for Registered Providers of Social Housing, sustaining their ability to provide housing to rent at below market level rents. Grant funding for Registered Providers of Social Housing has, in recent years, undergone significant and material change. Under the 2011–2015 Affordable Homes Programme, the level of capital grant made available to fund new affordable homes was reduced to £4.5 billion compared to £8.4 billion under the previous review period. To compensate for this reduction, Registered Providers of Social Housing were subsequently (and still are) able to charge "affordable rents" in some instances – see below.

The level of grant funding available has subsequently increased slightly with each new funding programme and, under the most recent Affordable Homes Programmes 2021-2026 (**AHP 2021-26**), launched in 2021, making available £11.4 billion of the UK Government grant to help fund the delivery of up to 130,000 new affordable homes across England, and 82,000 over the period in London. Around

half of the funding is for 'route into home ownership' comprising shared ownership and rent-to-buy tenures, with the other half for rent (including 10 per cent for supported housing).

Funding granted under the current AHP 2021-2026 may support a variety of tenures including social rent, affordable rent, shared ownership and rent to buy. It may not be used for regeneration, major repairs or the purchase of homes built under section 106 agreements. Not all of the available funding is allocated from the outset of a programme, and bidders may bid for the remaining funding for development opportunities as these arise during the programme, where they can be delivered within the programme timescales. Alongside funding for individual development schemes, Homes England operates a strategic partnership framework for allocation of funding on a tailored, longer term basis. Those appointed as Homes England's strategic partners under this framework are typically amongst the larger Registered Providers of Social Housing, although the bidding process is also open to local authorities and developers with a strong track record of delivering new affordable housing.

Social Housing Rents

Social Rent

Rent levels and rental increases within the social housing sector are strictly controlled in line with UK Government policy. Registered Providers are required to set social rents by reference to a statutory formula, known as Formula Rent, in accordance with the Rent Standard and associated guidance contained within the Regulatory Framework.

In February 2019, MHCLG's predecessor department published a new policy statement on rents for social housing which set out the UK Government policy to apply from April 2020 onwards (the **Policy Statement**). A contemporaneous "*Direction to the Regulator*" was issued which prompted the Regulator to publish a new Rent Standard and guidance thereon that took effect from 1 April 2020. Under this Standard and guidance, social and affordable housing rents may increase by the Consumer Price Index (CPI) plus 1 per cent. formula for at least five years from April 2020.

Considering the high inflationary environment, the UK Government adjusted this policy in order to protect social housing tenants from very large nominal-terms rent increases. For rent periods that began in the 12 months from 1 April 2023 to 31 March 2024, the CPI plus 1 percentage point limit on annual rent increases was capped at a maximum increase of 7 per cent. per annum (other than in relation to certain types of supported housing). The then UK Government confirmed that for the 12 months from 1 April 2024 to 31 March 2025 Registered Providers of Social Housing may revert to the CPI plus 1 per cent. formula for rent increases and it has since been confirmed that the same formula will also be applied for the 12 months from 1 April 2025 to 31 March 2026. Whilst shared-ownership rents are governed by their lease agreements, for the 12 months from 1 April 2023 to 31 March 2024 similar voluntary caps were also applied by most not-for-profit registered providers as a measure to support people through the cost-of-living crisis.

In the UK Government's 2024 autumn budget statement, a new consultation on social housing rent policy was announced which proposed that social housing providers should be permitted to increase rents by up to CPI plus 1 per cent. annually for the period between 1 April 2026 and 31 March 2031. It is expected that a new *Direction to the Regulator* will follow the consultation together with a revised Rent Standard.

Affordable Rent

Since 2011, where a Registered Provider of Social Housing has entered a housing supply delivery agreement with Homes England, that agreement may allow the Registered Provider of Social Housing

to charge 'affordable rent' if certain conditions apply. 'Affordable rent' means the maximum rent (inclusive of service charge) for a new tenant under a new tenancy may be up to 80 per cent. of market rent. This limit is set by the Rent Standard. Within the London area a London Affordable Rent is used, which is based on the Formula Rent without the reductions from the Welfare Reform and Work Act 2016 (the **WRWA 2016**).

Under the Rent Standard and related guidance, affordable housing rents may be increased annually by up to CPI plus 1 per cent. (although the 7 per cent. cap applied to affordable housing as it did social housing for the financial year 2023-24 as a measure to protect tenants against high inflation). The Regulator has issued guidance on how market rent should be calculated.

Affordable rents, can only be charged where either:

- a Registered Provider of Social Housing has a housing supply delivery agreement with Homes England or the Greater London Authority which permits the accommodation to be provided at an affordable rent; or
- where a Registered Provider of Social Housing is providing accommodation pursuant to an agreement between a local authority and the Secretary of State and that agreement permits the accommodation to be provided at an affordable rent, or
- where a local authority and the Secretary of State, Homes England or the Greater London Authority have otherwise agreed that certain accommodation can be provided at an affordable rent.

The grant agreement in respect of funding given under the AHP 2021-26 is a housing supply delivery agreement that enables a Registered Provider of Social Housing to charge an affordable rent.

Welfare Benefit Reform

Background

A substantial proportion of social housing tenants rely on one or more welfare benefits for at least part of their income according to research in 2014 by the Joseph Rowntree Foundation on the impact of welfare reform on social landlords and tenants. 90 per cent. of social housing tenants received some form of income support through the welfare benefit system. As a result, changes to the welfare benefit system can materially impact the ability of social housing tenants to meet their housing costs. There have been a range of reforms of the welfare benefit system in recent years including capping the overall amount of benefits households can receive, consolidating multiple benefits into a single payment (**Universal Credit**) and other reforms specific to housing such as the Occupation Size Criteria that have had and still have the potential to impact housing affordability for social housing tenants.

Universal Credit

There are three types of alternative payment arrangements available for claimants:

- (a) direct payment of the housing cost element to landlords (known as managed payments);
- (b) splitting of payments between members of a couple (in exceptional circumstances); and
- (c) more frequent payment of benefit where a claimant is in arrears with their rent for an amount equal to, or more than, two months of their rent or where a claimant has continually underpaid

their rent over a period of time, and they have accrued arrears of an amount equal to or more than one month's rent.

If the Department of Work and Pensions (the **DWP**) does not set up a managed payment, Registered Providers of Social Housing can request a managed payment and inform the DWP of other reasons why a managed payment might be needed. Landlords can request deductions from a claimant's Universal Credit to repay existing rent arrears, known as third party deductions. Deductions will be a minimum of 10 per cent. and a maximum of 20 per cent. of a claimant's Universal Credit standard allowance.

Household Benefit Cap

Under the Welfare Reform Act 2012 (as amended by the WRWA 2016) (the **WRA 2012**), the total household benefit cap (the combined income from a number of welfare benefits for those receiving housing benefit or Universal Credit and that are of working age) was introduced which limits the maximum amount in benefits a working-age household can receive. The cap was lowered in November 2016, with different rates introduced in London and throughout the rest of Great Britain. From April 2023, the cap amounts were increased due to high interest rates. The benefit cap amounts from April 2023 are:

The benefit cap amounts from April 2023 are:

	Family (couple with or without children, or single parent)			Single person		
	Per year	Per month	Per week	Per year	Per month	Per week
London	£25,323	£2,110.25	£486.98	£16,967	£1,413.92	£326.29
Elsewhere	£22,020	£1,835.00	£423.46	£14,753	£1,229.42	£283.71

Exemptions to the total household benefit cap can apply to those tenants who qualify for working tax credit; are above the qualifying age for pensions credit; obtain certain benefits for sickness and disability; or claim a war pension. The benefit cap will not apply in circumstances where a tenant or a tenant's partner is in receipt of, or is responsible for, a child or young person who is in receipt of benefits such as disability living allowance, personal independence payment or carer's allowance. Housing benefit will not be included when calculating total benefit income where tenants are housed in specified accommodation including supported housing.

Occupation Size Criteria

Under the WRA 2012, there is a size criterion for working age social housing tenants in receipt of housing benefit known as the "under-occupancy charge" or "bedroom tax". The arrangements allow each of certain defined categories of people (such defined categories being: (a) a couple, (b) an adult (over 16), (c) two children of the same sex under the age of 16, (d) two children under the age of 10 (whether or not of the same sex), (e) any other child, (f) those with a disability who are claiming specified benefits, and (g) a qualifying non-resident overnight carer) to be entitled to one bedroom. Exemptions are applied to qualifying supported housing tenants. Where a household has one extra bedroom, housing benefit is reduced by 14 per cent. of the rent charge. Where a household has two or more extra rooms, the reduction to housing benefit is 25 per cent.

Local Housing Allowance and Sheltered Rent

In 2015, the then Chancellor outlined plans to cap the amount of rent that housing benefit will cover in the social housing sector to the level of the relevant Local Housing Allowance (**LHA**) (the **LHA Cap**).

However, the UK Government announced in 2017, that the LHA Cap would not apply to tenants in the social rented sector, and therefore does not apply to the majority of Registered Providers of Social Housing.

Right to Buy

It was a manifesto commitment by the Conservative party for the 2015 and 2017 general elections to extend the right to buy (an entitlement afforded to secure loan authority tenants) to tenants of Registered Providers of Social Housing. The National Housing Federation (**NHF**) as the representative body of Registered Providers of Social Housing in response proposed a voluntary right to buy (**VRTB**) scheme for secure tenants of Registered Providers of Social Housing. The NHF proposal was premised on four key principles:

- (a) secure tenants have the right to purchase a home at right to buy discounts (maximum discount of £87,200 (£116,200 in London) increased annually in April in line with CPI) subject to government funding for the scheme;
- (b) Registered Providers of Social Housing will have the final decision about whether to sell an individual property;
- (c) Registered Providers of Social Housing will receive the full compensation to cover the value of the discount; and
- (d) nationally, for every home sold under the agreement a new affordable property would be built, thereby increasing the supply of new homes.

The former UK Government agreed to the proposals in October 2015, and the HPA 2016 made provision for grants to be paid to Registered Providers of Social Housing to cover the cost of selling housing assets at a discount. Such grants may be made on any terms and conditions the MHCLG considers appropriate. Five housing associations ran limited VRTB pilots for eligible tenants between 2015 and 2017, and a further regional pilot was launched in August 2018 to apply to all in the Midlands, resulting in the sale of nearly 2,000 homes from 44 Registered Providers of Social Housing. This pilot is now closed. A UK Government evaluation of the pilot published in February 2021 identified challenges in replacing the sold social housing stock on a one-for-one basis.

The former UK Government indicated that VRTB would be extended to housing association tenants. However, as at the date of these Programme Admission Particulars, the current UK Government has not confirmed whether this proposal will go ahead and there are currently no details for any proposed future arrangements.

Shared Ownership

Shared ownership income is generated on the initial sale of the property (known as the "first tranche") which is sold to the shared owner; on subsequent sales of further "tranches" or portions of the property to the shared owner (known as "staircasing"); and in the form of subsidised rent on the part of the property which the shared owner does not own until the property is fully owned by the shared owner.

Revised Shared Ownership scheme and Right to Shared Ownership

A number of significant changes were made to the shared ownership product upon the introduction of the Affordable Homes Programme 2021 – 2026 (the **Affordable Homes Programme**). Key changes in the revised scheme are that the initial equity share purchased was reduced from 25 per cent. to 10 per cent., that a housing association retains repair and maintenance responsibilities for the first 10 years

and shared ownership leaseholders can apply for a £500 contribution from their landlord each year for the cost of internal repairs for which the shared owner would otherwise be responsible. Shared owners can also purchase additional tranches of just 1 per cent. for each of the first 15 years rather than the previous per tranche minimum of 10 per cent. It remains possible to acquire the whole of a housing association's equity subject to certain exceptions as under the current scheme.

Rented units provided under the Affordable Homes Programme are subject to a right for the tenant to acquire the property on shared ownership terms reflecting the new shared ownership product.

These changes to the shared ownership product change the potential cash flow and risk profile of shared ownership from the housing association's perspective compared to the current scheme. It is not yet clear if the amount of grant available will compensate fully for this. The creation of a right to shared ownership means that units developed or acquired for rented affordable housing under the Affordable Homes Programme may convert over time into shared ownership.

In October 2023 MHCLG's predecessor department released new guidance changing the basis of the rent review in future shared ownership leases. This will affect new leases which are grant funded by either Homes England or GLA (and some s106+ arrangements). The change from an RPI basis to a CPI basis for rent reviews brings shared ownership rents more into line with general needs rents. This has raised some concerns within the sector about the potential impact on delivery capacity.

Building Safety Reforms

Building Safety Act 2022

The Building Safety Act 2022 (the **BSA**), which received royal assent on 28 April 2022, is intended to address the recommendations from an independent review of building regulations and fire safety following the Grenfell Tower fire in June 2017. It introduces fundamental reform of building safety requirements with the aim of ensuring that residents are safe in their homes. The implementation of the BSA will affect many aspects of the business of a Registered Provider of Social Housing and, in particular, the carrying out of building and design work and the construction, maintenance and management of existing high-rise residential buildings (known as "Higher-Risk Buildings", as further described below).

The BSA establishes a new national Building Safety Regulator (sitting within the Health and Safety Executive) with responsibility for the safety of all buildings in England, including residential buildings. The Regulator will be responsible for overseeing a new building control approval regime for Higher-Risk Buildings, defined as buildings that are at least 18 metres or 7 storeys from ground level (whichever is reached first) and containing two or more residential dwellings.

As from 6 April 2024, the Building Safety Regulator is the building control authority for all Higher-Risk Buildings, with oversight of the design, construction and maintenance of new and existing Higher-Risk Buildings. Local authority planning departments will continue to undertake building control authority responsibilities for non-Higher-Risk Buildings. The BSA and secondary legislation create new Dutyholder roles for those who commission and carry out most building work and design work undertaken pursuant to the Building Regulations 2010, regardless of the size of the building. These obligations came into force for relevant building work and design work undertaken after 1 October 2023, which may include works being undertaken via existing contractual arrangements.

Registered Providers of Social Housing who commission building work and design work will become Client Dutyholders and are required to plan, manage and monitor works to ensure compliance with the Building Regulations. Client Dutyholders must also appoint a Principal Contractor and a Principal Designer Dutyholders for any in-scope work, each having defined responsibilities to ensure the building

work and design work is carried out in accordance with the Building Regulations. These roles will be in addition to the current Principal Contractor and Principal Designer roles under the Construction (Design & Management) Regulations 2016). Additional obligations apply where the building work or design work is being carried out in respect of a Higher-Risk Building.

The BSA and secondary legislation also creates a new regulatory regime for Higher-Risk Buildings, which is now fully in force. Persons commissioning the construction of new Higher-Risk Buildings and/or undertaking major works to existing HRBs will be required to follow a new three-stage building control process (known as the Gateways regime), overseen by the Building Safety Regulator as the building control authority for those buildings. Each Gateway must be applied for at the relevant stage of the project, and it will be an offence to proceed with the work unless approval has been granted by the Regulator. Gateways 1 and 2 must be approved prior to the commencement of the construction phase, and Gateway 3 applications for new-build projects must be approved as a pre-condition to the building being occupied.

The BSA also creates a new Dutyholder role of "Accountable Persons" who will be responsible for the safety of each Higher-Risk Building during the entire occupation phase of the building. The Accountable Person will normally be the person or organisation with a legal interest in the common parts of the building or a relevant repairing obligation in respect of the building. For multi-tenure buildings with more than one Accountable Person, a Principal Accountable Person, being the person or organisation with a legal interest in the exterior of the building, must be designated.

Accountable Persons and Principal Accountable Persons have extensive responsibilities in respect of the building(s) under their control, including registering the building with the Building Safety Regulator, assessing and managing "building safety risk" within the building, pro-actively engaging with residents, holding and updating key information about the building (known as "Golden Thread Information") and regularly demonstrating to the Regulator that safety risks in the building are being managed. Accountable Persons are not able to contract out their liability for their obligations, though they are able to appoint third parties to assist with specific duties.

The BSA also imports a new building safety service charge regime providing for landlords to recharge limited standard building safety costs to leaseholders. The BSA imports implied terms into lease agreements covered by the Landlord and Tenant Act 1985, requiring tenants to cooperate with landlords undertaking building safety inspections and works, and requiring that tenants comply with and do not undermine fire and structural safety systems for the buildings in which they live.

The BSA requires landlords and associated persons to undertake and pay for remediation works to resolve defects in "relevant buildings" (containing at least two dwellings being at least 11 metres high or having at least five storeys). Leaseholders are now only required to contribute towards remediation costs for relevant buildings in limited circumstances, with financial caps on the value of leaseholders' contributions. Any additional costs to complete remediation works unable to be recovered from leaseholders must be funded by the landlord.

Breaches of the new building safety regime will constitute offences, which could result in fines and/or imprisonment for serious breaches. Individuals within organisations with Dutyholder and Accountable Person responsibilities may also be held liable for breaches where the breach occurred as a result of that person's consent or connivance.

The BSA also extends the scope of claims under the Defective Premises Act 1972 (the **DPA**), allowing persons with a legal interest in a residential property to claim for defects in buildings or building works that make the building unfit for human habitation. Limitation periods for claims under the DPA allow retrospective claims for defects of up to 15 years and prospective claims of up to 15 years.

Fire Safety Order and Fire Safety Act 2021

The Regulatory Reform (Fire Safety) Order 2005 (the **Fire Safety Order**) contains the majority of existing fire safety legislation applicable in England and Wales. Pursuant to recommendations made by Sir Martin Moore-Bick in his Phase 1 report following the Grenfell Tower Inquiry, the Fire Safety Act 2021, which came into force on 16 May 2022, amends the Fire Safety Order, clarifying its ambit to include the risks posed by the external façade (and external wall system) of buildings as well as individual entrance doors to flats.

The Fire Safety Act 2021:

- amends the Fire Safety Order to require all Responsible Persons (i.e. the relevant dutyholder(s) under the legislation) to assess, manage and reduce the fire risks posed by the structure and external walls of any building with two+ residential premises for which they are responsible (including cladding, balconies, doors and windows) and also individual doors opening onto common parts of the building;
- applies to all multi-occupancy residential buildings (and is not subject to or dependent on the height of the building); and
- allows the fire and rescue service to enforce against non-compliance in relation to external walls and the individual doors opening onto the common parts of the premises.

Responsible Persons are legally required to keep records and share certain information with residents and local fire and rescue services on design and materials of existing high-rise residential buildings in England.

Registered Providers of Social Housing are the statutory "Responsible Persons" in respect of all buildings that they either own, occupy or manage.

Grenfell Tower Inquiry Phase 2 Report

The Grenfell Tower Inquiry published its final Report for Phase 2 on 4 September 2024, concluding the 7 year-long public inquiry into the causes of the Grenfell Tower fire and the deaths of 72 residents. The Report levels criticism at all parties related to the project and generally critical of the leadership and bodies with supervision function in the construction industry, specifically criticizing:

- central UK Government departments for failing to address fire safety concerns within the construction industry and an unclear and ambiguous building regulatory regime;
- construction industry advisory bodies for not exercising sufficient independence and failing to prevent the use of unsafe building materials in high-risk building projects;
- manufacturers and suppliers of cladding and insulation materials used in the refurbishment of Grenfell Tower, for misleading customers about the safety of their products;
- the local authority landlord and tenant management organisation responsible for Grenfell Tower, for prioritising cost savings over safety concerns in the procurement of the design and construction team; for failing to manage and mitigate fire safety risks in the design and construction of the project; and for failing to provide adequate support for residents following the fire;

- the lead contractor, the cladding sub-contractor, the architect, the fire safety engineer and other key players in the project, for failing to understand their legal and contractual obligations and ensure adequate fire safety in the project's design and construction; and
- the local authority building control officer for failing to identify and mitigate fire safety risks in the project design and construction.

The Inquiry made a number of recommendations for reform of the regulatory environment, including amendments to the Building Regulations and the new building control (Gateways) regime for Higher-Risk Buildings, broadening the scope of Higher-Risk Buildings; the establishment of a construction regulator; the requirement for registration of contractors permitted to work on high-risk buildings; increased resources and regulation of fire risk assessors; and the potential removal of local authority building control and its replacement with a centralised authority. The UK Government is expected to respond on the recommendations in the months following the date of these Programme Admission Particulars.

"Net Zero" – Targets and the Impact on the Social Housing Sector

The Climate Change Act 2008 committed the UK (by law) to an 80 per cent. reduction of greenhouse gas emissions by 2050, compared to 1990 levels. In 2019, the UK Government revised (and upgraded) the UK's commitment to reducing greenhouse gas emissions to a 100 per cent. reduction by 2050 through the Climate Change Act 2008 (2050 Target Amendment) Order 2019. The Act also established the Committee on Climate Change (**CCC**) to ensure that emissions targets are evidence-based and independently assessed.

The Climate Change Act 2008 requires the UK Government to set legally-binding "carbon budgets" to act as formal milestones towards the 2050 target. A carbon budget is essentially a cap on the amount of greenhouse gases to be emitted in the UK over a five-year period. Carbon budgets must be set at least 12 years in advance of when they will be in place, in order to allow policy-makers, businesses and individuals sufficient time to prepare. The budgets are designed to reflect a cost-effective way of achieving the UK's long-term climate change objectives and once a carbon budget has been agreed/set, the Climate Change Act enshrines it in law and places a binding obligation on the UK Government to put policies in place to ensure the budgeted cap on greenhouse gas emissions is met (i.e. not exceeded). Thereby, the UK is committed to a:

- 52 per cent. reduction of greenhouse gas emissions (on 1990 levels) between 2023-2027;
- 58 per cent. reduction of greenhouse gas emissions (on 1990 levels) between 2028-2032;
- 78 per cent. reduction of greenhouse gas emissions (on 1990 levels) between 2033-2037; and
- the carbon budgets between 2037 and 2050 are not yet in place but the net zero target requires at least a 100 per cent reduction of greenhouse gas emissions (on 1990 levels) by 2050.

Among the UK Government's strategies to meet these targets, those that will impact the social housing sector include the following:

- The current UK Government's manifesto pledged an extra £6.6 billion as part of its Warm Homes Plan to retrofit homes and deliver domestic low carbon heat measures. The Warm Homes Plan intends to offer a mixture of grants and low interest loans to support investment in home insulation, energy upgrade measures and low carbon heating. The current UK Government has revoked the previous UK Government's policy requiring the phase out of gas boiler installations

by 2035 and is instead looking to use incentives to accelerate the phase out of gas boilers. Details of these incentives and details of the Warm Homes Plan are awaited but social landlords will likely still need to plan for the replacement of gas boilers with low carbon heating alternatives (such as heat pumps) or review whether the connection to a low carbon heat network is feasible.

- The Social Housing Decarbonisation Fund provides financial support for upgrading the social housing stock currently below Energy Performance Certificate (the **EPC**) Band C to that standard. The UK Government has proposed it will make £3.8 billion available over a ten year period from 2019. Following a demonstrator phase in October 2020, where £61 million was awarded, £179 million was allocated in February 2022 under Wave 1, £778 million was allocated in March 2023 under Wave 2.1, £80 million was allocated in April 2024 under Wave 2.2 and a further £1.2 billion is proposed to be allocated under the upcoming Wave 3.
- In August 2024, the UK Government announced that private rented homes would be required to meet a minimum EPC rating of C by 2030. In April 2024, the DLUHC announced that it would shortly be publishing consultations on the minimum energy efficiency standards for social housing.
- Reform of the Energy Performance of Buildings Regulations with a particular focus on improvements to the EPC regime, notably in the accuracy and reliability of EPCs and to ensure they better support UK Government policy particularly in respect of improving housing quality, lowering fuel bills and supporting Net Zero targets.
- From 2025, the upcoming Future Homes Standard will set performance requirements at a level which require new homes to have high fabric standards, use low carbon heating and be "zero-carbon ready". This standard will apply to any new build homes built by social housing landlords.
- The Energy Act 2023 includes powers to enable heat network zoning in England that would require buildings within zones to connect to heat networks within a specific timeframe. These measures are currently in consultation phase. This legislation should encourage the growth of low-carbon heat networks with requirements on surrounding buildings to connect, which is likely to include social housing blocks located with any such heat network zones. Future policies to drive more resource-efficient construction and use of existing low carbon materials, including phasing in mandatory whole-life reporting and, to follow, minimum standards for all buildings.

Climate Change Adaptation - The effects of climate change in the UK will have an impact on the built environment, for housing this could include overheating risk, indoor air quality risk, flood risk and water scarcity. In December 2021, a new legal requirement was introduced in the Building Regulations (Part O) to reduce the risk of overheating in residential buildings, although this does not address adaptation in the existing building stock. Landlords will also need to consider the need to retrofit existing properties to deal with climate related risks (for example, to prevent overheating in properties or to defend against flooding).

The UK Government's Net Zero strategy also highlights the UK Government's targets in relation to decarbonising transport. The UK Government had committed to end the sale of new diesel cars and vans by 2030 and was promoting the transition to Electric Vehicles (**EVs**). The UK Government has since announced, on 20 September 2023, that the timeframe for implementing this ban will be extended to 2035. The new UK Government has indicated that they would reinstate the original target of 2030, however this has not yet been confirmed. Although the UK Government timescales may be changing, EV manufacturing and ownership is increasing. To facilitate this transition, the roll out of EV charging infrastructure will need to keep pace with the uptake of EV vehicles. Following a 2019 consultation, changes to the Building Regulations are expected that will require EV chargepoints to be installed in new homes with parking spaces, buildings undergoing material change in use to become dwellings and

existing residential buildings undergoing major renovations. Landlords will also need to consider the impacts of retrofitting EV charging infrastructure into existing properties.

Moratorium and Housing Administration

In order to protect the interests of tenants and to preserve the housing stock of a Registered Provider of Social Housing within the social housing sector and within the regulatory regime, a 28 day moratorium on the disposal of land (including the enforcement of any security) by a non-profit Registered Provider of Social Housing will apply upon notice being given to the Regulator of certain steps being taken in relation to that provider such as presenting a winding up petition, the appointment of an administrator or the intention to enforce security over its property. Exceptions are made for specific types of lettings, and disposals pursuant to a right to buy or right to acquire. The Regulator may then seek to agree proposals about the future ownership and management of the provider's land with its secured creditors. The Note Trustee and the Security Trustee are each required to notify the Regulator of its intention to enforce the security created pursuant to the Note Trust Deed or the Security Trust Deed, as applicable, and cannot enforce its respective security during the resulting moratorium without the consent of the Regulator.

The Issuer is a registered society within the meaning of the Co-operative and Community Benefit Society Act 2014, and is therefore not subject to administration under the Insolvency Act 1986. However, the HPA 2016, the Insolvency of Registered Providers of Social Housing Regulations 2018 and the Housing Administration (England and Wales) Rules 2018 introduced a special administration regime called housing administration which was brought into force on 5 July 2018 and is available in addition to the moratorium regime. This provides for a court to appoint a qualified insolvency practitioner known as a "housing administrator" to manage the affairs, business and property of a Registered Provider of Social Housing, following an application from the Secretary of State or (with the permission of the Secretary of State) the Regulator.

An interim moratorium will run from the date of issue of an application for a housing administration order until the application is either dismissed or a housing administration order takes effect and, upon the making of a housing administration order, a Registered Provider of Social Housing shall become subject to a moratorium, for so long as such Registered Provider of Social Housing is subject to a housing administration order, that prevents secured creditors from enforcing their security without the consent of the housing administrator or the permission of a court.

Each housing administration order will last for 12 months (subject to certain exceptions), but may be extended. In certain circumstances a court may make an order enabling a housing administrator to dispose of property belonging to a Registered Provider of Social Housing which is subject to a fixed charge, albeit only on terms that the fixed charge holder receives the proceeds up to the value of the security and those proceeds are topped up to "market value" if the property is sold for less than this.

Documents Incorporated by Reference

These Programme Admission Particulars should be read and construed in conjunction with:

- (a) the Issuer's audited annual consolidated financial statements, which include the report of the board, strategic report, independent auditor's report and annual accounts, for the financial years ended 31 March 2024 and 31 March 2023 (together, the **Financial Statements**);
- (b) future audited annual financial statements of the Issuer;
- (c) future unaudited interim financial statements of the Issuer (if any); and
- (d) future inside information as required to be made public under Regulation (EU) No. 596/2016 on market abuse as it forms part of domestic law by virtue of the EUWA (as amended or superseded),

in the case of (b) to (d) (inclusive), as and when such future financial statements or inside information are published in accordance with the ISM Rulebook.

The Financial Statements and such future financial statements and inside information shall (in the case of future financial statements and inside information, upon publication) be incorporated in, and form part of, these Programme Admission Particulars, save that any statement contained in the Financial Statements shall be modified or superseded for the purposes of these Programme Admission Particulars to the extent that a statement contained herein modifies or superseded such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute part of these Programme Admission Particulars.

Any documents themselves incorporated by reference in the documents incorporated by reference in these Programme Admission Particulars shall not form part of these Programme Admission Particulars. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or otherwise covered elsewhere in these Programme Admission Particulars.

Copies of the Financial Statements and such future financial statements and inside information can be obtained from the registered office of the Issuer and from the specified office of the Principal Paying Agent for the time being in London. Documents will also be available for viewing on the Issuer's website at <https://www.peabodygroup.org.uk/investors/our-reports-and-statements/> and on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in these Programme Admission Particulars which is capable of affecting the assessment of any Notes, prepare a supplement to these Programme Admission Particulars or publish a new Programme Admission Particulars for use in connection with any subsequent issue of Notes.

Valuation Report

Numerical Apportionment Basis

Where the applicable Pricing Supplement states that a Series of Notes will be Secured Notes and that the Series Property Security is allocated on a Numerical Apportionment Basis, the Notes will be secured by, *inter alia*, an allocation of charged properties from a shared security pool (the **Residual Properties**). On an ongoing basis, the Security Trustee will apportion such number of units of the Residual Properties between all the NAB Beneficiaries (including the Series Secured Parties in respect of each Series of Secured Notes that has specified Numerical Apportionment Basis as being applicable) as is appropriate.

The following valuation report (the **Valuation Report**) therefore relates to the Residual Properties, an appropriate part of which will be apportioned to secure the Secured Notes of each Series, such part as is required to enable the Issuer to satisfy the Asset Cover Test in respect of such Series.

The Valuation Report was prepared by Savills Advisory Services Limited, Registered Chartered Surveyors of 33 Margaret Street, London W1G 0JD. The Valuation Report is included in these Programme Admission Particulars, in the form and context in which it is included, with the consent of the Valuer and the Valuer has authorised the contents of this section.

The Valuer does not have a material interest in the Issuer.

Summary of valuations

A summary of the values of the Residual Properties set out in the Valuation Report is set out below:

EUV-SH or, where appropriate, MV-ST*				Total
Units	EUV-SH is appropriate	Units	MV-ST is appropriate	
588	£60,389,797	4,050	£1,392,677,000	£1,453,066,797

* A further 517 Units have been attributed a nil value.

Initial Charged Properties

The applicable Pricing Supplement in respect of each Series of Secured Notes in respect of which Numerical Apportionment Basis has been specified to be applicable in the applicable Pricing Supplement, shall specify the number of units in respect of the Charged Properties to be initially apportioned to the Issuer in respect of such Series of Secured Notes as at the Issue Date of such Series of Secured Notes.

Specific Apportionment Basis

Where the applicable Pricing Supplement states that a Series of Notes will be Secured Notes and that the Series Property Security in respect of such Series of Secured Notes is allocated on a Specific Apportionment Basis, the relevant valuation report will be set out in a drawdown admission particulars, or (if permitted by the London Stock Exchange) a supplement to these Programme Admission Particulars, in respect of such Series of Secured Notes.



14 February 2025

Valuation of Housing Stock relating to the update of the £1,000,000,000 Note Programme (the “Programme”) of Peabody Trust (the “Issuer”).

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Appendix 1 - Schedule of Properties

Executive Summary

Portfolio Details	
Project Name	Peabody Trust –Note Programme Update
Issuer	Peabody Trust
Description	A portfolio of 5,810 properties spread across London and the South East
Background and Proposal	Note Programme Update
Number of Units with Value	5,293 properties, excluding 517 Nil Value properties.
Suitability as Loan Security	Overall, we consider that the Properties provide satisfactory security for a loan secured upon it, which reflects the nature of the Properties, our reported opinions of value and the risks involved.

Valuation Summary

MV-STT (4,050 units)

£1,392,677,000

EUV-SH (588 units)

£60,389,797

Shared Ownership (655 units)

£76,407,353

1.

Instructions and Terms of Reference

1.1 Client

Peabody Trust

1.2 Property

Revaluation of housing stock relating to the £1,000,000,000 note programme (the "Programme") of Peabody Trust (the "Issuer").

1.3 Issuer

Peabody Trust

1.4 Addressee Language

Peabody Trust
45 Westminster Bridge Road
London SE1 7JB

M&G Trustee Company Limited
10 Fenchurch Avenue
London EC3M 5AG

(the "Note Trustee" and the "Security Trustee")

ABN AMRO Bank N.V.
Bank of China Limited, London Branch
Barclays Bank PLC
BNP Paribas
HSBC Bank plc
Lloyds Bank Corporate Markets plc
MUFG Securities EMEA plc
NatWest Markets Plc
RBC Europe Limited
SMBC Bank International plc

and any further dealers appointed from time to time under the Programme Agreement in respect of the Programme (each a "Dealer")

1.5 Instructions and Basis of Valuation

In accordance with your instructions as confirmed in our letter to you dated 5 February 2025, we have inspected the properties and made such enquiries as are sufficient to provide you with our opinion(s) of value stated below.

The schedule of properties which are the subject of this valuation (the "Properties") with apportioned shares of value is attached at Appendix 1 and relates to 5,293 units with value plus 517 nil value units, 5,810 units in total.

You have instructed us to provide our opinions of value on the following bases:

- The Market Value ("MV") of the properties subject to the tenancies /and shared ownership leases ("Market Value")
- Existing Use Value for Social Housing ("EUV-SH") of the tenanted properties

Unencumbered Properties – MV-STT

In relation to Properties which may be disposed of by a mortgagee in possession on an unfettered basis (meaning subject to tenancies but otherwise vacant possession and not subject to any security interest option or other encumbrance or to any restriction preventing its sale to, or use by, any person for residential use):

The Market Value of such properties for loan security purposes firstly reflecting the fact or (where not the case) making an assumption as to the fact that the properties are subject to existing

tenancies that grant security of tenure to the occupational tenant. Our valuation will refer to this basis of value as "MV-STT" or "Market Value, Subject to Tenancies".

Encumbered Properties – EUV-SH

In relation to properties other than those specified above that have restrictions on title or in planning:

The Existing Use Value for Social Housing ("EUV-SH") of such properties for loan security purposes.

1.6 Definition of Bases of Value

In undertaking our valuations, we have adopted the definitions of Market Value and Market Rent as defined in the RICS Valuation – Global Standards ("the Red Book"), and as detailed in our General Conditions to this Report.

Existing Use Value for Social Housing is defined by the Royal Institution of Chartered Surveyors ("RICS") at UK VPGA 7 as:

"Existing use value for social housing (EUV-SH) is an opinion of the best price at which the sale of an interest in a property would have been completed unconditionally for a cash consideration on the valuation date, assuming:

- a willing seller*
- that prior to the valuation date there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest for the agreement of the price in terms and for the completion of the sale.*
- that the state of the market, level of values and other circumstances were on any earlier assumed date of exchange of contracts, the same as on the date of valuation.*
- that no account is taken of any additional bid by a prospective purchaser with a special interest*
- that both parties to the transaction had acted knowledgeably, prudently and without compulsion.*
- that the property will continue to be let by a body pursuant to delivery of a service for the existing use*
- that the vendor would only be able to dispose of the property to organisations intending to manage their housing stock in accordance with the regulatory body's requirements*
- that properties temporarily vacant pending re-letting should be valued, if there is a letting demand, on the basis that the prospective purchaser intends to re-let them, rather than with vacant possession and*
- that any subsequent sale would be subject to all the same assumptions above"*

Market Value is defined by the Royal Institution of Chartered Surveyors at VPS 4.4 as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

1.7 Additional Advice

Indicative Aggregate Vacant Possession Value

In accordance with your instructions, we have calculated the indicative aggregate Market Value of the housing stock, assuming vacant possession, as at the date of this Report.

Please note that this figure cannot be regarded as a valuation since in practice the housing stock, which is subject to tenancies, could not be sold to another Registered Provider ("RP") for this amount.

The figure is provided for illustrative purposes only and is given with on a non-reliance and without liability basis.

1.8 Background

We have been instructed to provide a full revaluation of the properties currently in the facility.

1.9 Conflicts of Interest

As previously advised, Savills Advisory Services Ltd does not have an involvement with the properties. However, Savills Treasury Services provides advice in respect of the EMTN issuance and Savills UK Limited has advised Peabody Trust in such matters as Surveying for parts of the portfolio.

We have agreed the details around an Information Barrier which will be operational for the duration of this assignment. Accordingly, we are reporting on an objective basis.

1.10 Date of Valuation

Our opinions of value are as at the date of this Report, the 14th February 2025). The importance of the valuation date must be stressed as property values can change over a relatively short period of time.

1.11 Purpose of Valuation

We understand that our revaluation is required for loan security purposes in connection with the Programme and proposed issue of Notes by the Issuer. The Properties have been charged pursuant to Security Agreements by the Issuer as security in favour of the Security Trustee and held by the Security Trustee on the basis of the Security Trust Deed for the benefit of itself and the Beneficiaries thereunder (which will include the holders of Notes issued under the Programme).

This Report is issued for the benefit of the addressees and for the inclusion in the Programme Admission Particulars (the "**Programme Admission Particulars**") for the Programme and the Notes to be issued by the Issuer and may only be used in connection with the transaction referred to in this Report and for the purposes of the Programme Admission Particulars.

We hereby give consent to the publication of this Report within the Programme Admission Particulars and accept responsibility for the information contained in this Report. Having taken all reasonable care to ensure such is the case, the information given in this Report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

1.12 Valuer Details and Inspection

The due diligence enquiries referred to below were undertaken by Catherine Wilson MRICS and Andy Garratt FRICS. The valuations have also been reviewed by Matthew Sale MRICS. Properties have been inspected between 01 December 2024 and 08 January 2025.

All those above with MRICS or FRICS qualifications are also RICS Registered Valuers. Furthermore, in accordance with VPS 3.7, we confirm that the aforementioned individuals have sufficient current local and national knowledge of the particular market and the skills and understanding to undertake the valuation competently.

1.13 RICS Compliance

This Report has been prepared in accordance with the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2025 together, where applicable, with the UK National Supplement effective 1 May 2024, together the "**Red Book**". We have also had specific regard to the requirements of VPGA 2 Valuation of interests for secured lending.

1.14 Verification

In completing this exercise, we have:

- a) agreed a full set of property schedule data with the Issuer.
- b) discussed details as to our approach and methodology; and
- c) completed our own review, research and analysis.

The above has enabled us to arrive at the valuation assumptions that have enabled us to carry out our valuations and final reported figures herein.

For the avoidance of doubt, we confirm that it would not be appropriate or possible to compare this valuation with any values appearing in the Issuer's annual accounts. This Report has been prepared in accordance with the RICS Red Book (as defined herein). The valuations are prepared on this basis so that we can determine the value recoverable if the charges over the Properties were enforced as at the Effective Date (as defined herein).

We understand that the values given in the accounts of the Issuer are prepared on an historic cost basis, which considers how much the Properties have cost and will continue to cost the Issuer. This is an entirely different basis of valuation from that used for loan security purposes. Moreover, the figure in the Issuer's latest published annual accounts represents a valuation based on the going concern of the whole stock, in contrast with the valuation for the Notes issued under the Programme which only represents the value to a funder in possession of a portion of the stock. As such different assumptions would be applied. Consequently, in addition to being impractical, any comparison would not be an accurate comparison.

Our valuations have been carried out on the basis of the General Assumptions and Standard Conditions set out in Section 6.

This Report contains many assumptions, some of a general and some of a specific nature. Our valuations are based upon certain information supplied to us by others. Some information we consider material may not have been provided to us. All of these matters are referred to in the relevant sections of this Report.

1.15 Extent of Due Diligence Enquiries and Information Sources

The extent of the due diligence enquiries we have undertaken and the sources of the information we have relied upon for the purpose of our valuation are stated in the relevant sections of this Report.

In summary, the Issuer has provided the following:

- Full address of the properties including postcodes, property types and number of bedrooms.
- Whether any of the properties are of non-traditional construction or a Modern Method of Construction (MMC).
- Whether there are multi storey or multi occupied residential buildings within the portfolio that have either ACM or Non-ACM external wall systems.
- Current Rent 52 Week basis (net of Service Charges).
- Tenancy Types and Letting Categories.
- Shared Ownership % Retained Equity
- EPC Rating where available.

1.16 Market Conditions

The recent political and economic developments in the UK have created a complex landscape. The initial optimism following the election of a Labour government has diminished following the announcement of tax rises and increased regulations is likely to dampen business sentiment and consumer spending. The election of Donald Trump as US President from January 2025 brings further geopolitical uncertainty.

The residential sales markets were considered to have stabilised at the end of 2023, with confidence returning to the UK's prime markets against a backdrop of continued falls in the underlying rate of inflation which fed into more competition in the mortgage markets and more stability in the housing markets, despite continued underlying economic uncertainty.

However, there has been a mixed reaction to some of the proposals detailed in the first Budget of the new government, particularly those which are likely to impact the residential property market. These include the following:

- Confirmation of the abolition of the non dom tax status from April 2025 and changes to the domicile rules to bring those resident for 10 out of the last 20 years into the IHT remit on their global assets could increase sales and reduce demand in prime central London properties.
- Significant changes to offshore trusts, excluded property and business property relief planned to take effect from April 2025 through to April 2027. These changes will bring more assets and property into the IHT regime.
- New FIG (Foreign income and Gains) regime which will bring clarification to a non-dom regime that had become very complicated, and there are significant benefits through the new four year regime. Those markets reliant on overseas buyers could be negatively impacted.
- Proposed taxing of pension pots from April 2027, and income tax to be levied on the beneficiaries of pensioners who live beyond 75, may result in downsizing by longstanding property owners.
- Additional 2% added to SDLT will curtail the buying power of BTL investors and second home owners.

Transaction levels have reduced in the UK prime markets, particularly in London. The Budget together with and now a higher-than-expected inflation rate, mean the financial markets have revised their predictions as to how quickly the base rate will be reduced which continues to impact on transaction levels.

Our Residential Research department's capital value indices across the Prime London markets have recorded nominal price changes through the first three quarters of 2024. Prior to the Budget we saw an increase in transactions and do not anticipate any significant price falls towards the year end. We continue to see a strong rental market. Our UK mainstream five-year house price forecast indicates overall growth of 23.4%, with an anticipated strong economic performance in 2026 and 2027 supporting buyer sentiment.

It is therefore important to recognise that our valuation has been prepared against the backdrop outlined above. Moreover, investor behaviour can change quickly during such periods of volatility. As such, the conclusions set out in this Report are only valid at the valuation date and we would recommend that the value of the property is kept under regular review. For the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined in the RICS Valuation – Global Standards.

All valuation advice has been carried out on the basis of the General Assumptions and Conditions set out in **Section 6**.

1.18 Signatories



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For and on behalf of Savills Advisory Services Limited, a subsidiary of Savills Plc.

Regulated by RICS
Registered in England No. 6215875
Registered Office: 33 Margaret Street, London, W1G 0JD

1.17 General Assumptions and Conditions

2.

The Property, Statutory and Legal Aspects

2.1 Location

The properties with value comprise of 5,293 properties across 43 Local Authorities, as detailed in the table below. From this, we have excluded 517 properties which are considered to be of Nil Value.

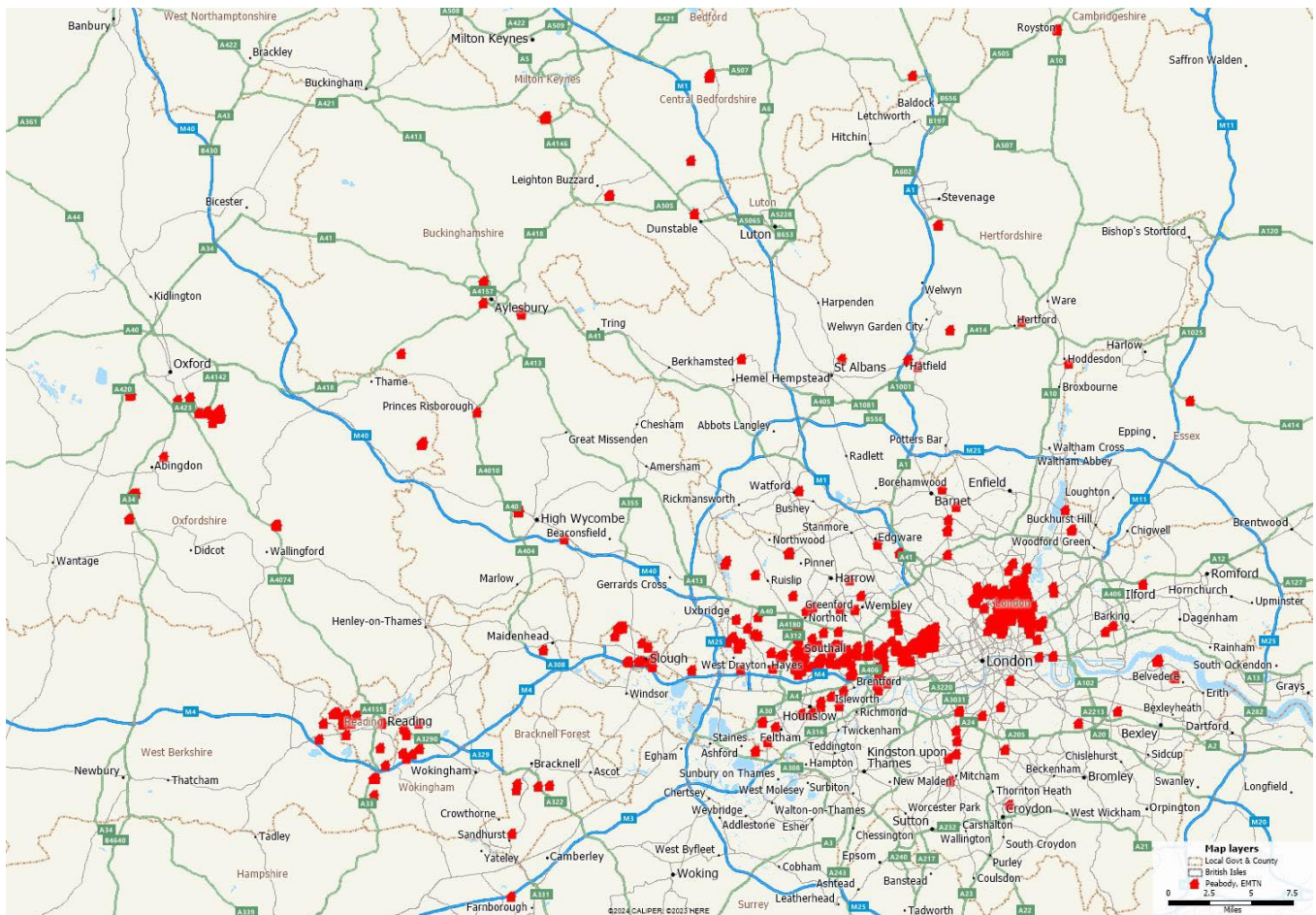
Location	Flats & Maisonettes	Houses & Bungalows	Total	% of Total
Barnet	122	18	140	3%
Bexley	66	22	88	2%
Bracknell Forest	0	2	2	0%
Brent	286	4	290	5%
Broxbourne	0	9	9	0%
Buckinghamshire	55	70	125	2%
Central Bedfordshire	28	69	97	2%
Croydon	0	1	1	0%
Ealing	620	167	787	15%
East Hertfordshire	3	0	3	0%
Epping Forest	20	0	20	0%
Greenwich	40	45	85	2%
Hackney	636	39	675	13%
Hammersmith and Fulham	41	24	65	1%
Haringey	41	15	56	1%
Harrow	57	35	92	2%
Hertsmere	26	0	26	0%
Hillingdon	64	30	94	2%
Hounslow	117	16	133	3%
Islington	1169	33	1202	23%
Kensington and Chelsea	307	10	317	6%
Lambeth	19	0	19	0%
Lewisham	5	2	7	0%
Merton	0	2	2	0%
Milton Keynes	25	22	47	1%
Newham	4	0	4	0%
North Hertfordshire	8	7	15	0%
Oxford	14	68	82	2%
Reading	92	75	167	3%
Redbridge	2	0	2	0%
Slough	10	40	50	1%
South Oxfordshire	38	95	133	3%
Southwark	0	18	18	0%
Spelthorne	18	24	42	1%
St Albans	26	0	26	0%
Stevenage	0	4	4	0%
Tower Hamlets	22	19	41	1%
Waltham Forest	24	59	83	2%
Wandsworth	12	1	13	0%

Welwyn Hatfield	32	47	79	1%
West Berkshire	0	1	1	0%
Westminster	88	7	95	2%
Wokingham	27	29	56	1%
	4,164	1,129	5,293	100%

The stock is a mixture of flats/maisonettes (79%), and houses (21%). The houses date from 1900 to the mid 2000's. There are some newer built houses in most of the areas across the portfolio spread. The flats date from the 1950's to the 2000's.

The properties are situated in predominantly residential areas, with pockets of commercial and local authority housing nearby. Locations vary, but most stock is within good proximity of reasonable transport links and amenities as are access routes to larger settlements where the full range of services and amenities can be found.

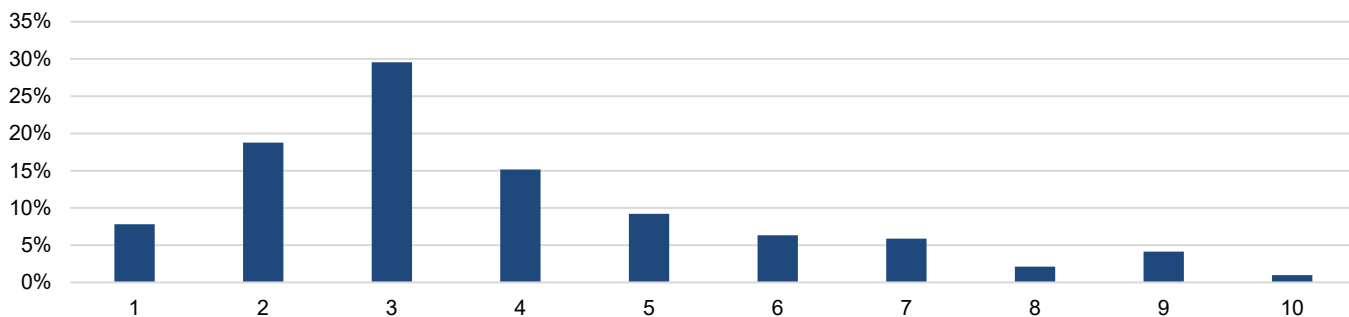
The spread of stock is shown in the map below:



The stock is located in good residential locations, some of very high value in London. However, a small proportion of the stock is situated in secondary, inner-city locations. Locations vary, but most stock is within good proximity of reasonable transport links and amenities.

The properties are believed to be mainly of modern/traditional construction, having brick/stone or rendered elevations, tiled/slanted roofs and double glazing within timber or UPVC casements. The portfolio is considered primary/secondary/lower secondary/tertiary grade residential investment. Please refer to Section 2.5 'Multi-Storey, Multi-Occupancy Buildings' where we make further comments around the high rise blocks.

Our knowledge of the stock highlighted some clusters of apparent social deprivation, and some in areas with no deprivation. Our analysis of this using multiple deprivation indices provided by the Department for Levelling Up, Housing and Communities (“DLUHC”) suggests that there are pockets of poverty and affluence within the stock. The Index of Multiple Deprivation (“IMD”) looks at seven domains of deprivation such as income, employment, education level, health and disability and crime, in our analysis we focus on the income domain.



2.2 Property Types

The properties can be summarised by type and tenancy type/tenure as follows:

Tenure Type	Flats & Maisonettes	Houses & Bungalows	Total	% of Total
General Needs - Social – Flat	2,996		2,995	57%
General Needs - Social – House	0	817	817	15%
General Needs - Social – Room	11		11	0%
General Needs -Affordable	374	101	475	9%
HOP	36		36	1%
Intermediate Rent	71	7	78	1%
Market Rented	30		30	1%
Shared Ownership	461	204	655	12%
Supported	196		196	4%
Total	4,164	1,129	5,293	100%

Please refer to **Appendix 1** for a full stock list with details of the rental income, tenures and property types.

2.3 Title

2.3.1 Report on Title

Our valuation reflects our opinion of value in aggregate of the freehold or long-leasehold interests (in each case) of the Properties owned by the Issuer and identified by the subject of this Report and scheduled at **Appendix 1**.

In respect of each Property which we have valued on the basis on MV-STT we confirm that we have reviewed the Certificates of Title and confirm that the relevant Property can be disposed of on an unfettered basis (i.e. subject only to existing tenancies disclosed in the Certificates of Title but not subject to any security interest, option or other encumbrance or to any restriction preventing or restricting its sale to or use by any person for residential use).

2.3.2 Tenancies

We have not been supplied with copies of the Issuer's standard tenancy agreements but assume all of these to be in a standard format. Under the assured tenancy agreement rent can be reviewed once a year to an open market level. The tenant has the usual rights of appeal to the local Rent Assessment Committee.

Under the secure tenancy agreement, rent is reviewed every 2 years with reference to the local Rent Officer.

2.3.3 Shared Ownership Leases

We have not been supplied with a copy of the standard shared ownership lease which we assume is granted for a term of 99-125 years. The leaseholder is responsible for all repairs. The leases allow staircasing by the leaseholders whereby they can purchase additional blocks of equity at market value.

The clauses of most importance to the valuer are the level of specified rent, which is set at the leases inception, and the rent review provisions. The rent review provisions in the shared ownership leases we assume provide for a variety of provisions, generally following accepted norms; older leases have an RPI plus 2%, RPI plus 1%. More modern leases will specify RPI or RPI plus 0.5%.

Full details of the rents payable, the equity held by the Issuer and rent review provisions are set out in **Appendix 1**.

2.4 Condition

2.4.1 General Condition

As instructed, we have not carried out a structural survey, nor have we tested any of the services. However, we would comment, without liability, that during the course of our inspection for valuation purposes, we observed that the Properties appear to be in reasonable condition throughout.

Apart from any matters specifically referred to in this Report, we have assumed that the Properties are free from structural faults or other defects and are in a good and lettable condition internally. This Report is prepared on this assumption.

2.4.2 Mould and Damp

In 2022 Registered Providers were required by the Regulator of Social Housing to submit evidence about the extent of damp and mould in tenants' homes, providing information and evidence about the process of identifying, reviewing, and responding to issues of mould and damp within their housing stock. Although the review wasn't compulsory the majority of RPs responded, and the regulator concluded that while the picture is incomplete, the estimate is that less than 0.2% of social homes have the most serious damp and mould problems, 1-2% have serious damp and mould problems.

We have made enquiries of the Issuer who has confirmed that there no properties within the portfolio where remedial action is required. The Issuer confirmed that as far as it is aware there are no issues that could be considered a risk to health and safety of their tenants.

2.5 Multi-Storey, Multi-Occupancy Buildings

Following the Grenfell Fire in June 2017 there has been an extensive review of building safety in multi-storey, multi-occupancy buildings. This has led to new legislation, including the Fire Safety Act which became law in June 2022, and a number of government and other professional publications and recommendations, including publications and advice from the RICS, which we have had regard to in forming our opinion of value.

In January 2022, the UK government set out plans to protect leaseholders and ensure those responsible are aware of their duties for remediating buildings with fire safety concerns in relation to the building remediation works crisis. The proposals included:

- opening up the next phase of the Building Safety Fund to drive forward the removal of dangerous cladding from high-rise residential buildings 18m+7 storeys or more;
- new protections for leaseholders living in their own flats with a commitment of no or limited bills (subject to individual lease qualification) for unsafe cladding and new statutory protections for leaseholders within the Act;
- the Consolidated Advice Note (CAN) in relation to building safety advice (including fire doors), aimed at building owners, was withdrawn with immediate effect (but remains available as a historical reference document); and
- BSI PAS 9980:2022 Fire risk appraisal of external wall construction and cladding of existing blocks of flats, code of practice was published (and came into force on 31 January 2022) to help fire risk assessors take a proportionate approach to the assessment of external walls and avoid wholesale cladding replacement where safe to do so.

The PAS 9980:2022 code of practice for external walls is for building surveyors and fire engineers who need to carry out mandatory external wall fire risk assessments on buildings as part of the Fire Safety Act 2021 amendments. The Fire Risk Appraisals of External Walls (FRAEW) must include an assessment of the external wall system by a suitably qualified practitioner. The FRAEW must also have an executive summary that the mortgage valuer can use to ascertain whether remediation works are needed or not along the lines of an EWS1 form.

In time an FRAEW will be carried out for all blocks with cladding (where appropriate), and RICS envisages the need for an EWS1 form will then reduce.

The RICS Professional Standard, 2nd edition, December 2023 - Valuation approach for properties in multi-storey, multi-occupancy residential buildings with cladding became effective from 1 January 2024. The Professional Standard sets out the RICS' requirements in respect of undertaking valuations for secured lending purposes on domestic residential flats, within residential blocks of 5 or more storeys or 11 metres or more tall, in line with the remediation schemes and qualifying lease protections. Whilst the Professional Standard is applicable to England and Wales only, we adopt these requirements in respect of all valuations undertaken in the UK.

The RICS Professional Statement provides guidance to valuers undertaking valuations for secured lending purposes on domestic residential flats, within blocks of 5 or more storeys or 11 metres or more in height. The table below reflects this categorisation as applied to the subject portfolio.

Having regard to the RICS Professional Standard and our inspection carried out for valuation purposes, we confirm that the building has cladding and/or balconies but further information has not been requested about whether remediation works may be required as the building falls outside the scope of current RICS advice at the time of this valuation. However, this decision is not a guarantee that works will not be required in the future.

Block Type Group	Number of Properties	% of Total
1-4 storeys (low rise)	4760	90%
>6 storeys (high rise)	533	10%
Total	5,293	100%

As identified in the table above, the subject portfolio includes properties in buildings of 5 or more storeys and/or 4 storeys and fewer and we have therefore had regard to the RICS Practice Statement in arriving at our opinion of value.

Our valuation will be/is reported on the basis that the properties fall outside the RICS Practice Statement - Valuation approach for properties in multi-storey, multi occupancy residential buildings with cladding.

2.6 Environmental Considerations

2.6.1 Ground and Soil Conditions

We have valued the Properties on the assumption that they have not suffered any land contamination in the past, nor are they likely to become so contaminated in the foreseeable future. However, should it subsequently be established that contamination exists at the Properties, or on any neighbouring land, then we may wish to review our valuation advice.

We have assumed there to be no adverse ground or soil conditions and that the load bearing qualities of the site are sufficient to support the building constructed thereon.

2.6.2 Japanese Knotweed

Identifying Japanese knotweed is problematic and cannot be guaranteed. This is partly because during the early stages of its annual life cycle some of the classic visual characteristics are not distinctive and during the winter months the plant sheds its leaves and suffers die back. It is also possible that Japanese knotweed has received a herbicide-based treatment which has removed all visible above ground signs but may not have killed the below ground rhizome (root) which, in turn, may lead to new growth and the spread of the plant in time.

As far as the Issuer is aware, no invasive plants are present at the Properties.

2.6.3 Asbestos and Deleterious Materials

We have prepared our valuation on the assumption that in the construction or alteration of the Properties no use was made of any deleterious or hazardous materials or techniques, and we have not carried out any investigations into these matters. We have assumed further that either there is no asbestos present within the building(s) or if there is asbestos present this is recorded and managed within an Asbestos Register in accordance with the Control of Asbestos Regulations 2012.

2.6.4 Flooding

The Issuer has confirmed that it is not aware of any significant historic flooding events within the portfolio.

2.7 Sustainability and ESG

For the purposes of this Report, we have made enquiries to ascertain relevant ESG and Sustainability factors which are likely to impact on value.

Investors may have diverse investment strategies to drive returns, but ESG is an increasingly critical influence on investment and management decision-making throughout the industry. ESG assessment looks at the impact of the physical building (base specification and in-use) on the environment, and investment criteria may cover everything from carbon emissions, asset-level certifications, be they environmental or health and wellbeing accreditations, energy and utility management and deployment of technology to monitor and measure compliance.

Social and community benefits and the nature of tenant operations may also be considerations, and importantly, the costs of transition to make buildings compliant are key.

Investors are also recognising that ESG is changing what tenants want, driving their current and future occupational needs, and that buildings must accommodate these needs.

2.7.1 Energy Performance Certificates (EPCs)

The UK government views the improvement in Energy Performance Certificate (EPC) ratings as key to achieving net-zero carbon by 2050. Current EPC ratings run from A to G, with buildings that are rated "A" considered the most energy efficient, and those rated "G", the least efficient.

The provisions of the Energy Act 2011 make it unlawful to sell or let commercial or residential properties without an EPC rating, or to let them with an EPC rating of F or G (the lowest 2 grades of energy efficiency). However, Properties classified as low-cost rental accommodation under section 69 of the Housing and Regeneration Act where the Landlord is a private registered provider of social housing, or where the landlord is a body registered as a social landlord under Chapter 1 or Part 1 of the Housing Act 1996, are exempt from the legislation.

However, the Properties would be required to be compliant in the event that they were in private ownership following enforcement of the security. We have valued on the assumption that the Properties are compliant.

EPC Rating	SAP Score	Properties	Percentage Spread
A	92 – 100	60	1.1%
B	81 – 91	1,032	19.5%
C	69 – 80	2,788	52.7%
D	55 – 68	1,253	23.7%
E	39 – 54	152	2.9%
F	21 – 38	8	0.2%
Total		5,293	100.0%

Overall, the EPC ratings are in keeping with expectations of the stock given its age, type and condition. The Market Values and Market Rents applied take these characteristics into consideration and we anticipate that a reasonable to good demand for the stock could be anticipated assuming on-going maintenance and investment in the stock. There are 59 properties that have an F or G EPC rating for which we have made an adjustment for remediation costs necessary to bring to EPC E or above.

2.8 Fire Risk Assessments

We assume that, where applicable, Fire Risk Assessments ('FRAs') have been undertaken where required and are within date, and that the properties comply with all relevant standards and regulations. Our valuation is prepared on this assumption.

2.9 Planning Enquiries

In the context of this valuation, it is not practical to make planning enquiries for all the properties. We have therefore assumed that there are no pending planning applications or other planning issues likely to adversely affect the subject Properties. We have not made specific planning enquiries for each site.

We have also assumed that the relevant consent for any extensions and alterations works to the Properties have been obtained and fully complied with. We advise that your solicitors confirm the properties are currently being used in line with their consented planning use and that construction fully met building regulation requirements.

2.10 Lotting

You have instructed us to value the properties as a portfolio assuming disposal as a single lot.

2.11 Rental Income

The Net Annual Rent and Net Average Weekly Rent for the portfolio is broken down by tenure type below:

Tenure Type	Unit Count	Net Annual Rent (£)	Net Average Weekly Rent (£)
General Needs - Social - Flat	2,995	£22,834,522	£146.62
General Needs - Social - House	817	£6,989,369	£164.52
General Needs - Social - Room	11	£64,935	£113.52
General Needs -Affordable	475	£5,719,342	£231.55
HOP	36	£230,790	£123.29
Intermediate Rent	78	£935,616	£230.67
Market Rented	30	£418,779	£268.45
Shared Ownership	655	£4,569,787	£134.17
Supported	196	£1,526,027	£149.97
	5,293	£43,289,167	£157.28

3.

Market Commentary



3.1 Housing Market Summary (as at January 2025)

House prices rose by 0.7% in December, according to Nationwide. Total growth over 2024 was 4.7%, marking the third strongest calendar year of the past decade behind 2020 and 2021. Despite this recent strong growth, average values in nominal terms are still -1.6% lower than the pre-Mini Budget peak. We expect price growth to continue this year, supported by gradually falling interest rates.

House price growth was greater in the north of the country. In the North East, house prices grew 5.9% in 2024, and by 5.5% in the North West. East Anglia had the weakest price growth of 0.5%, followed by London at 2.0%.

Market activity also had a strong end to 2024. Mortgage approvals were down in November compared to October but remained in line with the 2018-19 average for the second consecutive month. Completed transactions hit their highest level in October since November 2022. Sales agreed remain at around 11% above the pre-pandemic average, according to TwentyCI.

Activity is likely to remain strong until March 2025. We expect buyers will seek to beat the reversion to higher stamp duty rates in April by bringing purchases forward, creating a peak in sales during Q1.

Longer term, the market will continue to be sensitive to interest rates. Our forecast for 4% price growth in 2025 relies on mortgage rates falling in line with expectations. Mortgage interest rates and underlying swap rates have remained relatively stable since the autumn of 2024. But some lenders started 2025 by cutting their interest rates to compete for buyers more aggressively.

Further substantive rate cuts rely on the Bank of England cutting the base rate. The Monetary Policy Committee's December 2024 meeting indicated a steady approach to easing the base rate in 2025. Oxford Economics forecast a continuation of a 'cut-hold' pattern with the next cut in February, the first of four cuts in 2025. These rely on inflation steadying, remaining close to the 2% target, and the MPC placing more emphasis on economic growth. That inflation was higher than expected in both October and November will not have helped, although the medium-term outlook for inflation remains in line with the target.

Land Registry data shows that parts of Scotland are seeing the highest house price growth, in particular West Dunbartonshire (8.7%) and South Ayrshire (8.3%). This annual growth has slowed to single digits, however. The greatest price falls were in Dover and South Holland, both down -6.4%.

Savills' latest five year forecasts for mainstream residential property are shown in the table below.

Region	2025	2026	2027	2028	2029	5 years to- 2029
UK	4.0%	5.5%	5.0%	4.0%	3.0%	23.4%
South East	3.0%	4.0%	3.5%	3.5%	2.5%	17.6%
London	3.0%	4.0%	3.5%	3.0%	2.5%	17.1%

* Note these forecasts apply to average prices in the second hand market. New Build prices may not move at the same rate

3.2 Rental Market Commentary (as at January 2025)

Annual rental growth across the UK in November 2024 was 4.1% according to Zoopla, an increase from 3.6% in October 2024. This acceleration comes despite reduced tenant demand, according to the RICS survey, indicating that even reduced demand is continuing to exceed available stock across the UK.

Rental growth is accelerating in most regions, except the East Midlands. This included London, the most expensive rental market, where affordability had caused rental growth to slow. But a lack of stock on the market appears to be driving renewed competition between prospective tenants. A real increase in stock is unlikely to materialise, with many landlords pessimistic about the future legislative environment, so further rental growth is likely.

Published in November 2024, our latest five year forecast for residential rental property is shown in the table below.

Region	2025	2026	2027	2028	2029	5 years to- 2029
UK Rental Growth	4.00%	3.50%	3.00%	3.00%	3.00%	17.60%
London Rental Growth	2.50%	2.50%	2.50%	3.00%^	3.00%	14.20%

*Source Savills Research using Oxford Economics

3.3 Local Market Conditions

The Land Registry data shown in the chart below displays the sales volume and average property prices for existing properties in London and the South East from 2014 to 2024.

Key Observations:

Sales Volume Peaks in 2021: Influenced by temporary economic factors like COVID-related government incentives.

Price Resilience: Despite declining sales volumes post-2021, prices in both regions remained relatively high, indicating strong demand or limited supply.

Diverging Trends: While both regions followed similar trends, South East consistently had higher sales volumes, whereas London had significantly higher property prices.



Over the past 12 months, the residential property market in London and the South East has displayed contrasting trends between sales and rentals. House prices in London and the South East have experienced modest growth overall, with the average house price in London reaching £520,000 and £382,000 in the South East. However, London's market has underperformed compared to the rest of the UK, with house prices experiencing a slight annual decrease, attributed to high mortgage rates and broader economic uncertainties that have deterred buyers. Despite this, market activity has remained relatively stable, with a small year-on-year increase in sales volume.

The rental market, on the other hand, has seen robust growth driven by strong demand and limited supply. Average rents in London increased by 10.4%, while in the South East, rents mirrored the national trend of an 8.7% rise. High demand, especially in London, has led to record rental growth, further fuelled by the affordability challenges in the buying market, which have pushed more people towards renting. Overall, while sales have faced challenges, the rental market has remained strong.

3.4 Comparable Evidence

In order to provide market values and rental values we have used market sales and asking prices and achieved prices where available on properties in the immediate area to the subject units, including Rightmove, Rightmove plus and agents' own websites and discussions with local agents where necessary.

We undertake detailed research into comparable sales and market lettings and details of these are kept on our files for audit purposes.

All sale values were considered as open and not forced sales. To assess values for resale, research was undertaken using readily accessible sources that included:

- Determination of the area of similar properties related to market / social sector.
- Land Registry information on recent completed sales for the immediate post code and where necessary those of the adjoining areas
- Review of values for similar size and type of properties being marketed in the area of the actual location.

Where possible, discussion with agents and sales personnel on private sites has been completed. A comparison between the particular size, quality and condition of the property viewed was related to that of any known sales values in order to make a judgement as to what could be considered as a fair value.

3.5 Indicative Vacant Possession Values and Indicative Market Rents

The table below shows the average indicative Vacant Possession Values and indicative Market Rents that we have adopted for the properties included within the valuation, summarised by type and bedroom number.

Type	Bedrooms	Number of Properties	Average Indicative 100% VP	Average Weekly Indicative Market Rent
Flats	0	36	£319,306	£295
	1	1,858	£372,126	£382
	2	1,722	£467,337	£487
	3	444	£614,065	£622
	4	98	£715,357	£701
	5	6	£771,667	£766
Flat Total		4,164	£445,495	£458
Houses	1	3	£283,333	£296
	2	437	£364,966	£372
	3	497	£475,966	£470
	4	161	£624,348	£615
	5	24	£820,208	£824
	6	6	£947,500	£963
	8	1	£1,025,000	£1,010
House Total		1,129	£463,959	£463
Grand Total		5,293	£449,433	£459

Further details of indicative Vacant Possession Values can be found on the property schedule at **Appendix 1**.

4.

Valuation Advice



4.1 Existing Use Value for Social Housing

4.1.1 Approach to EUV-SH

EUV-SH for loan security assumes the Properties will be disposed of by a mortgagee in possession to another RP who will continue the use of the properties for social housing. These organisations will calculate their bid according to their projected income and outgoings profile which they would estimate the properties would produce under their management. This basis assumes rents will remain affordable to those in low paid employment and that all vacant properties will be relet on the same basis.

We consider that the appropriate method of valuation is to use a discounted cash flow ("DCF"). The DCF allows us to project rental income and expenditure over the term of the cash flow to arrive at an annual surplus or deficit, which is then discounted to a net present value.

However, it is also necessary to consider comparable transactional evidence where available.

4.1.2 Principal DCF Variables

The DCF assumptions are derived from information received from the Issuer and our specialist sector knowledge. The table below sets out our principal assumptions. More detailed discussion on discount rate, adopted rent levels and rental growth is contained in the following sections.

EUV-SH DCF Variable	Assumption	Year	Variable Amount	Source
Current rent (Social Rent)	150.35	2024/25	Average £ Per Week	Issuer
Affordable Convergence Rent	164.89	2024/25	Average £ Per Week	Savills
Voids and bad debts	2.5%	2024/25	% Real	Savills
Management costs	1,200	2024/25	Average £ per unit/pa	Savills
Cyclical, Void & Responsive Maintenance	1,200	2024/25	Average £ per unit/pa	Savills
Programmed Maintenance	1,450	2024/25	Average £ per unit/pa	Savills

4.1.3 Inflation Assumptions

Many of our assumptions are derived from the rate of inflation. These include house price and rental growth and building and maintenance cost inflation. It is essential for us to adopt a long-term underlying rate of inflation which will be acceptable to alternative landlords. We carry out our assessment of cashflow assumptions on a quarterly basis with reference to materials produced by numerous sources. The assumptions stated in this Report and used in this cashflow are based on evidence available at the time of the valuation.

Consumer Price Index ("CPI") inflation was 6.7% in September 2023. This is the rate of CPI which has been used to determine rent increases effective from 1 April 2024. The average of new Independent Forecasts – as produced by HM Treasury in February 2024 – indicates that CPI is expected to be 2.3% on average in 2024 and 2.10% in 2025. In the medium-term CPI is expected to run at around 2.10 – 2.40% per annum. Our long-term assumption remains at 2.00% per annum.

BCIS Tender Price forecasts – which we use to predict changes in major works costs – currently predicts that prices will be lower than inflation for the remainder of 2024/25, and then run ahead of inflation for the following three years. Our long-term assumption is 0.75% real growth per annum.

BMI Maintenance Cost forecasts are showing annual real growth of around 0.13% in 2024/25 before growing further above inflation in 2025/26 and then continued real growth ahead of inflation from 2026/27. In the long-term maintenance costs tend to run ahead of inflation mainly because the work is more labour intensive and therefore more closely linked to wage inflation. Our long-term assumption is 1.00% real per annum.

Year	CPI General % pa	CPI Rental % pa	Programmed Cost % (real) pa	Maintenance % (real) pa
2024/25	2.40%	1.70%	-0.12%	0.35%
2025/26	2.20%	2.10%	1.43%	1.03%
2026/27	2.30%	2.15%	1.48%	0.80%
2027/28	2.40%	2.40%	1.48%	0.70%
2028+	2.00%	2.00%	0.75%	1.00%

CPI continued to fall over the course of 2024 from a position of 4% at the beginning of the year. The decrease was steady throughout the year, with the main drop coming between March and April with CPI moving from 3.2% to 2.3%. We have then seen a slight fluctuating between 2.2% and 2% between May and August, with a decrease of 0.5% from August to September, giving the a September 2024 figure of 1.7%.

As such we have adopted a figure of 1.7% for our September 2024 CPI level in line with the current rent standard. The current rent standard permits rents to be increased by CPI + 1%, so our valuation adopts a nominal increase of 3.10% at the Year 2 mark (2025/26) and then continuing at CPI +1% for future years.

The current Rate of CPI at the time of the Report is 2.5% (December 2024).

4.1.4 Social Rents – Savills “Convergence” Rents and Rental Growth

RP's are required to set their Social Rents in accordance with Rent Standard Guidance issued by the Regulator of Social Housing. The Guidance sets out a formula for calculating most Social Rents which reflects property values, local earnings and bedroom size. From April 2020 the Rent Policy Statement applies which allows for existing rents to rise at CPI+1%.

Some latitude is given in that rents for new lettings can be no more than 5% higher than their formula level. For sheltered and supported properties, the margin is extended to +10%. The rents produced by the formula are net of service charges. Service charges are expected to be charged over and above the rents and to reflect what is actually being provided to tenants.

Mortgagees in possession and their successors in title are not bound by the provisions of the Rent Standard. In theory, therefore, a purchaser could base a bid for the properties on rents up to open market levels as permitted under the terms of the tenancy agreements. However, any RP purchaser would need to set rents that are consistent with its objectives as a social housing provider.

We therefore believe that a purchaser in a competitive transaction is likely to set rents at a level they consider to be the maximum affordable rent to those in low paid employment locally. We assume they would intend to charge such rents for new tenants and increase existing rents to a sustainable and affordable rent over a reasonable period.

The average rents across the stock are set out below, our assessed sustainable affordable rent or “convergence” rent. We have adopted the convergence rents in our valuation.

Type	Estimated Tenant Household Incomes	Net Rent	Savills Convergence Rent	Savills Convergence Rent Afford. Ratio	Market Rent	Local Housing Allowance
House	£752.11	£172.15	£177.82	24%	£487.22	£359.67
Flat	£570.38	£157.68	£161.56	28%	£470.65	£357.84
Average	£606.68	£160.57	£164.81	27%	£473.96	£358.21

We have relied on the current rents supplied by the Issuer in carrying out this valuation. We have not carried out any validation of or research into the rents supplied.

In the long term, in order to maintain consistent levels of rent affordability, the maximum possible rate of rent growth will be growth in local household incomes which is currently predicted to be 2.8% pa over the next 10 years in this area. We have therefore assumed that after they have converged rents will increase at CPI + 1% per annum.

4.1.5 Affordable Rents

In certain circumstances, RP's are able to offer new assured tenancies at intermediate rents at up to 80% of the market rent – such rents are known as ‘Affordable’ as opposed to ‘Social’ rents. The ability to charge the higher rents is dependent upon the RP having a Development Framework contract with the HCA or a Short Form Agreement where they are not in the Development Framework.

There are currently 475 Affordable Rented properties within the stock. The current average rent for these properties is £231.45 per week. This is about 28% higher than the target rents on the same properties. These properties have been included in our valuation at their current Affordable Rent levels.

Under the Rent Standard the rents payable for Affordable Rent tenancies increases annually by CPI plus 1% per annum. Rents are rebased to market rent upon the granting of a new tenancy. We have assumed that a purchaser from a mortgagee would increase existing Affordable Rents in line with movements in market rents over the long term.

Market rents tend to increase in line with household incomes. Income growth forecasts for the region are currently 2.8% per annum. We have assumed that rents will increase at CPI + 1% pa.

4.1.6 Sales Between Registered Providers – Transactional Evidence

Until recently evidence of sales between RP's was extremely limited – most transactions were simple transfers of engagements. However, in recent years there has been a growing body of transactional evidence from competitive sales between RP's of tenanted stock. The evidence confirms RP's have a consistent tendency to pay a higher sum for some social housing portfolios than would be suggested by traditional, purely cashflow driven, EUV-SH valuations. We have been heavily involved in this market and have a database of transactions covering circa 50,000 units.

Although the body of evidence is relatively small compared to the total RP stock in the UK and the market is maturing, we are able to derive a view of the prices achieved for certain kinds of stock and lot sizes. Assuming a sensible lotting of units in smaller batches of circa 100 units, bids between 5% to 30% above traditional EUV-SH levels are common for more modern stock in reasonable proximity to amenities. In addition, it can be seen that gross yields are between 6% and 9%.

In contrast it is apparent that for lots exceeding around 400 properties the prices achieved appear to be in line with the traditional, cashflow approach to EUV-SH.

In this case you have instructed us to value the properties assuming a sale as a single lot and our valuations do not therefore reflect the higher bids that can be received for small portfolios.

4.1.7 Discount Rate

The discount rate is probably the most important variable in the model since it determines the net present value of future predicted income and expenditure cashflows. There is no fixed rule for determining the most appropriate rate to be adopted in a discounted cash flow, but the rate will consider two elements; the cost of funds to acquire the stock and risk/reward appetite of the bidder. The market for this stock will be within the RP sector.

The discount rate is a combination of an expression of the long-term cost of borrowing for an acquiring organisation, the availability of free funds for purchase purposes and the risks implicit in the property portfolio concerned, along with the return requirements of the purchaser. The average cost of long-term borrowing in the RP sector has been relatively stable over the last ten years or so, moving from 4.50% to 4.10%, as reported in accounts and reflecting borrowing from a range of sources at various rates. The accounts of RPs give us a useful benchmark for costs of funds, but we must also acknowledge market practices, particularly for smaller and more attractive acquisitions. In such circumstances, where strategic acquisition of stock is weighed against factors such as cost of construction and the aims and objectives of the provider, implied discount rates are significantly below average costs of borrowing.

In addition to considering the cost of funds, we also need to make an allowance for the risk which attaches to our cashflow assumptions – some of which may be subject to a higher degree of risk than those generally made in the business plans. The trend in the risk profile is considered on a case-by-case basis, having regard to the attractiveness of the stock for investment purposes.

Risk is factored in two principle areas: the market and the individual cashflows. The market element will reflect the macro-economic landscape, the market for social housing stock to be traded and the availability of housing stock at the rents being charged, whereas the individual cashflow element will reflect the confidence the valuer has in the assumptions adopted.

Having regard to the above, our view is that a discount rate in the range of 4.75% - 5.75% real is generally appropriate, +/- 0.50% for particularly risky or attractive acquisitions respectively.

We have adopted discount rates of 4.75% - 6.00% real over an assumed CPI inflation rate of 2.0% (Long Term Bank of England Target Rate). This is the rate applied over the cashflow run in perpetuity.

4.2 Market Value Subject to Tenancy (MV-STT)

4.2.1 Approach to MV-STT

We assess the MV-STT in two ways; firstly, by applying a discount to Market Value with Vacant Possession (“MV-VP”) and secondly by applying a yield to rental income.

The valuation of properties and portfolios subject to Assured and Secure tenancies is carried out with reference to comparable evidence from the sales of similar tenanted portfolios and individual units and sold subject to Protected Tenancies or Assured Shorthold Tenancies. There is an established body of evidence from portfolios traded on the open market to which we can refer.

Investors tend to base their bid on their ability to “trade out” individual units at Market Value assuming vacant possession over time. In locations where there is a limited market or where a property is difficult to trade, owing to style or market conditions, investors will base their bid on rental return compared to capital cost.

The discount to MV-VP ranges from 10% for prime property to 40% where market conditions are difficult. Typical rates are around a 20% to 30% discount to MV-VP for properties subject to AST tenancies.

The yield applied to net income varies from 5% or less for prime property, to 7% or more for poorer locations. This equates to a yield on gross income (after deductions for management, maintenance & voids) of between 7% to 10% and possibly higher for Sheltered accommodation.

The discount and yield applied in our valuations has been adjusted to reflect the additional security of tenure RP tenants benefit from.

4.2.2 Principal Assumptions – MV-STT

We have considered the above in arriving at our valuation. The yield and other principal assumptions adopted are set out below.

Variable	Unit of Cost	Variable Amount
Voids	% of Rent Debit p.a.	5%
Management	% of Rent Debit p.a.	10%
Maintenance	% of Rent Debit p.a.	15%
Net Yield	%	5%
Gross Yield	%	7%

4.3 Shared Ownership

4.3.1 General

The Issuer has a portfolio of 655 properties subject to Shared Ownership leases in charge. It retains around 42% of the equity in its properties, overall. Please see **Appendix 1** for details of the Properties, shares held, and rental income produced.

4.3.2 Valuation Approach

Shared Ownership property produces a rental income dependent on the percentage owned by the leaseholder and the percentage retained by the lessee. As leaseholders have a stake in the property, arrears and default are comparatively rare and landlords can retrieve management costs. Maintenance does not erode rental income as the leaseholder is responsible.

Shared Ownership property thus produces good quality, low risk rental income on the share retained. In addition, capital receipts can arise when the leaseholder decides to acquire the whole or a portion of the remaining equity, which usually happens when they decide to sell and move on, or on the occurrence of default.

We use a discounted cashflow model designed for the valuation of Shared Ownership property which projects future rent and outgoings to arrive at a net present value. This cashflow can be tested with a variety of staircasing and default scenarios. In this case we have assumed that all service costs can be recouped through service charges and that management income, and the management charge equals the management expenditure.

We have applied a discount rate of 4.5% real reflecting the very secure nature of Shared Ownership income.

4.3.3 Shared Ownership Valuations Principal DCF Assumptions

Our principal valuation assumptions are as follows:

Variable	Assumption	Year	Unit of Cost
Current rent	133.96	Current	Average £ Per Week
Management costs	225	All Years	Average £ per unit/pa
Retained share	42%	Current	Average per unit
Current Indicative 100% MV-VP	£331,400	Current	Average £ per unit
Discount rate for rental income	5%	All Years	% pa Real

4.4 Valuations

4.4.1 Valuation of Freehold and Leasehold Property that may be disposed at MV-STT

Properties that may be disposed of by a mortgagee in possession at MV-STT, that is on an unfettered basis (meaning subject to existing tenancies but otherwise with vacant possession and not subject to any security interest, option or other encumbrance or to any restriction preventing its sale to, or use by, any person for residential use) as referred to in paragraph 1.5 above.

Our opinion of value, in aggregate, of the 4,050 dwellings as mentioned at 1.5 above, on the basis of

- Market Value – Subject to Tenancies (MV-STT) is £1,392,677,000 (One Billion, Three Hundred and Ninety Two Million, Six Hundred and Seventy Seven Thousand Pounds)

For information purposes only, our opinion of value, in aggregate, of those 4,050 MV-STT properties, valued on the basis of EUV-SH is £405.064.673.

Issuer	Category of Property	Number of Dwellings	Market Value – Subject to Tenancies (MV-STT)
Peabody Trust	Freehold	3,953	£1,359,477,000
	Leasehold	97	£33,200,000
	Total	4,050	£1,392,677,000

4.4.2 Valuation of Freehold and Leasehold Property that may be disposed at EUV-SH

Our opinion of value, in aggregate, of the 588 rented and 655 Shared Ownership dwellings as mentioned at 1.5 above, on the basis of

- Existing Use for Social Housing (EUV-SH) is £136,797,150 (One Hundred and Thirty Six Million, Seven Hundred and Ninety Seven Thousand, One Hundred and Fifty Pounds).

Issuer	Category of Property	Number of Dwellings	Existing Use Value for Social Housing (EUV-SH)
Peabody Trust	Freehold	897	£94,484,677
	Leasehold	346	£42,312,473
	Total	1,243	£136,797,150

4.4.3 Nil Value Properties

There are 517 properties which have been ascribed a nil value.

4.5 Additional Advice

4.5.1 Lending Against MV-STT

It is essential that before lending on MV-STT your lawyers confirm that the properties are capable of being let at a Market Rent, or disposed of free from restrictions, should you take possession. If there are enforceable "Housing Restrictions" in title, planning approval, s.106 agreements or by separate Nomination agreements, that, for example, limit disposal only to RPs or contain binding contractual nominations, then the correct valuation basis is EUV-SH and not MV-STT.

We must also stress that it is up to you to assess the terms of the loan and the amount of lending based on the valuations herein. We have set out the current rental income at **Appendix 1** but make no warranty that the current income is sufficient to support lending against MV-STT either on individual valuation groups or against the whole portfolio.

4.5.2 Lotting and Value Disaggregation

We have valued the properties as a single lot. As a result, **we have not assessed individual valuations for each property**. We have, however, provided a disaggregation of the overall valuation figures by reference to the appropriate rent and these figures are shown on the property schedule at **Appendix 1**.

It is very important to note that the per unit figures shown in the schedule should not be regarded as individual valuations of the properties. They are provided as indicative figures for administrative purposes only. They should not be used for any other purpose, including disposals or re-assessment of security, without our prior written approval.

5.

Loan Security



5.1 Investors' Responsibility

It is usual for a valuer to be asked to express an opinion as to the suitability of a property as security for a loan, debenture or mortgage. However, it is a matter for the investors to assess the risks involved and make their own assessment in fixing the terms of the loan, such as the percentage of value to be advanced, the provision for repayment of the capital, and the interest rate.

In this Report we refer to all matters that are within our knowledge and which may assist you in your assessment of the risk. In assessing the nature of the risk, we would draw your attention to the matters highlighted in the following paragraphs.

We have made subjective adjustments during our valuation approach in arriving at our opinion and whilst we consider these to be both logical and appropriate they are not necessarily the same adjustments which would be made by a purchaser acquiring the properties.

Where we have expressed any reservations about the Properties, we have reflected these in the valuation figure reported. However, it may be that the purchasers in the market at the time the property is marketed might take a different view.

Loan Security Assessment		
Property Market Risks	 Satisfactory	<p>Registered providers are operating in a challenging environment, facing high borrowing costs, high material and labour costs and increasing regulatory demands.</p> <p>There is an increased pressure on landlords to comply with the Decent Homes Standard, in particular with identifying and tackling damp and mould. Fire safety also remains a key priority. While the sector has made good progress, around a quarter of buildings with identified life-critical fire safety defects have unsatisfactory remediation plans in place. However, skilled labour shortages continue to impact repairs and maintenance programmes with demand keeping costs at a premium.</p> <p>While the sector continues to retain many sources of financial strength, including a strong liquidity position, the sector's interest cover performance has declined steadily since 2018. Constrained financial headroom reduces the capacity for the sector to manage downside risk from external sources. In response to weakened financial capacity the sector has been pulling back on development plans, with forecast over the next five years 12% lower than in 2023.</p> <p>On a more positive note, the rent settlement for the next 5 years has been confirmed at CPI+1. This offers providers some long-term certainty, enabling business planning and funding strategies as well as boosting investment in existing stock.</p>
Suitability for Loan Security	 Satisfactory	<p>Overall and subject to the comments outlined within this Report, we consider that the property provides suitable security for a loan secured upon it, which reflects the nature of the property, our reported opinion of value and the risks involved.</p>

6.

General Assumptions & Conditions



6.1 Overview

Unless otherwise stated in this Report, our Valuation has been carried out on the basis of the following general assumptions and conditions in relation to each Property that is the subject of this Report. If any of the following assumptions or conditions are not valid, this may be that it has a material impact on the figure(s) reported and in that event we reserve the right to revisit our calculations.

6.2 General Assumptions

That we have been supplied with all information likely to have an effect on the value of the property(ies), and that the information supplied to us and summarised in this Report is both complete and correct.

Legal

1. That the property(ies) is/are not subject to any unusual or especially onerous restrictions, encumbrances or outgoing contained in the title. Should there be any mortgages or charges, we have assumed that the property(ies) would be sold free of them. Unless provided to us by your legal advisors, we have not inspected the relevant title documents.
2. That the property abuts an adopted highway maintainable at public expense. We assume that full rights of access are enjoyed, and that no third parties enjoy any rights over the property. This should be confirmed by your legal advisors prior to relying on this Report.
3. That where there are tenants, they are capable of meeting their obligations and there are no arrears of rent or undisclosed breaches of covenant.

Legislative and Statutory Compliance

4. That the buildings have been constructed and used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control or building regulations. Likewise, that any future construction or use will be lawful (other than those points referred to above).
5. That the properties are not adversely affected, nor is likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice (other than those points referred to above).
6. That the properties either complies/comply with the Equality Act 2010 and all other Acts relating to occupation, or if there is any such non-compliance, it is not of a substantive nature.
7. No allowance has been made for rights, obligations or liabilities arising under the Defective Premises Act 1972, and it has been assumed that all fixed plant and machinery and the installation thereof complies with the relevant UK and EU legislation.

The Property

8. That the properties has/have been measured in accordance with the Code of Measuring Practice (6th Edition) and we have valued on the basis of the floor areas stated in this Report. Whilst the 6th Edition has been superseded by RICS Property Measurement (2nd Edition) which outlines the International Property Measurement Standards (IPMS) for offices and residential property, this basis of measurement has yet to be adopted by market participants. Where we have been provided with floor areas, we assume these floor areas are complete and correct, and are the net/gross internal/external or net saleable floor areas measured in accordance with the Code of Measuring Practice (6th Edition).

9. That the buildings are structurally sound, and that there are no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or techniques, whether in the parts we have inspected or not, that would cause us to make allowance by way of capital repair (other than those points referred to above). Our inspection of the properties and this Report do not constitute a building survey or any warranty as to the state of repair or refurbishment of the properties. Our Valuation is on the basis that a building survey would not reveal material defects or cause us to alter our valuation materially.
10. That there is unrestricted access to the properties and that the sites are connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.
11. Sewers, mains services and roads giving access to the properties have been adopted, and any lease provides rights of access and egress over all communal estate roadways, pathways, corridors, stairways and the use of communal grounds, parking areas and other facilities.
12. That in the construction or alteration of the buildings no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like (other than those points referred to above). We have not carried out any investigations into these matters.
13. That either there is no asbestos present within the building(s) or if there is asbestos present this is recorded and managed within an Asbestos Register in accordance with the Control of Asbestos Regulations 2012.
14. Unless stated otherwise, our valuation will be reported on the basis that the properties falls/fall outside the RICS Professional Standard on the *Valuation approach for properties in multi-storey, multi-occupancy residential buildings with cladding*.

Environmental

15. That the properties has/have not suffered any land contamination in the past, nor likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination. Should it subsequently be established that contamination exists at the properties, or on any neighbouring land, then we may wish to review our valuation advice.
16. That, unless otherwise stated in this Report, the properties has/have an EPC rating of 'E' or above. As part of the Minimum Energy Efficiency Standards 2015 (MEES) that were passed by law in April 2015, from April 2018 it is a legal requirement for residential or commercial properties to have a minimum EPC rating of 'E' in order to be subject to a new letting. From 1 April 2023, this has applied to all lettings, including lease renewals.
17. The Scottish legislation covering EPCs is contained in the Energy Performance of Non-Domestic Buildings (Scotland) Regulations 2016 [AEP Regulations]. The legislation captures existing buildings (or units within a building) which are over 1,000 sq m and are either sold or leased to a new tenant. On a sale/lease of a property which is over 1,000 sq m which is not built to 2002 Building Regulation Standards, a seller is legally obliged to provide an "Action Plan" to a purchaser. The Action Plan will identify emissions and energy improvement targets for a building and the improvement measures that the owners needs to implement to meet these targets. Owners have two options, either carry out the improvement works detailed in the recommendations report within three and half years, or, defer carrying out the works by providing annual report on the operational ratings of the property. The Action Plan will state which option has been chosen. Responsibility for complying with the AEP Regulations and completing the works and reporting on operational ratings rests with the owners of the property.

18. EPCs are required for the sale, letting, construction, or alteration of all residential buildings in Scotland. The Scottish government recently published its Energy Efficient Route Map which brought in The Energy Efficiency (Private Rented Property) (Scotland) Regulations 2019. Pre-COVID-19 it had been legislated that at the change in a tenancy of any private rented property it would need to meet an EPC of D by April 2022, with a backstop date of existing properties by 2025, this was then rescinded due to the pandemic. As a result of the SNP/ Green Alliance, the Scottish government's "Heat in Buildings Strategy" was published on 07 October 2021, this now removes the single goal of achieving higher energy efficiency and links it with achieving net zero emissions. The regulations are due to be introduced in 2025 requiring all properties in the private rented sector to reach a minimum standard equivalent to an EPC of C, where technically feasible and cost effective, at change of tenancy, with a backstop date of 2028 for all remaining existing let properties. It is also proposed that the same will follow in the owner occupied sector by 2033.
19. That the properties are free from environmental hazards.
20. That, unless otherwise stated within this Report, the properties do not suffer from any ill effects of Radon Gas, high voltage electrical supply apparatus or other environmental detriment.
21. We have made informal enquiries in respect of risk of flooding to the properties. The Environment Agency/Scottish Environment Protection Agency (SEPA) (as appropriate) categorise the risk of flooding to a property from rivers or sea, and the Lead Local Flood Authority (LLFA)/Scottish Environment Protection Agency (SEPA) (as appropriate) categorise the risk of flooding to a property from surface water. The risk categories are defined as very low / low / medium / high risk and represent a less than 0.1% / 0.1% - 1% / 1% - 3.3% / 3.3% chance of flooding each year.
22. Where we have been asked to value the sites under the special assumption that the properties will be developed, there are no adverse site or soil conditions, that the properties are not adversely affected an Environmental Impact Assessment, that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our Valuation.
- 6.2.1 Further General Assumptions applicable to residential valuations**
- The following general assumptions apply to residential property valuations and are in addition to the general assumptions as above.
23. Where the property comprises flats or maisonettes, unless instructed or otherwise aware to the contrary, we will assume that:
- The costs of repairs and maintenance or the building and grounds are shared equitably between the flats and maisonettes.
 - There are suitable, enforceable covenants between all leaseholds, or through the landlord or the owner.
 - There are no onerous liabilities outstanding.
 - There are no substantial defects, or other matters requiring expenditure (in excess of the current amount or assumed amount of service charge payable on an annual basis), expected to result in charges to the leaseholder, or owner of the property, during the next five years, equivalent to 10% or more of the reported Market Value.
24. Where the dwelling is leasehold and it is not possible to inspect the lease or details have not been provided, the following further assumptions will be made, unless instructed to the contrary:
- The unexpired term of the lease is 85 years, and no action is being taken by any eligible party with a view to acquiring the freehold or to extending the lease term.
 - That there are no exceptionally onerous covenants upon the leaseholder.
 - The lease cannot be determined except on the grounds of a serious breach of covenant in the existing lease agreement.
 - If there are separate freeholders, head and/or other sub-head leaseholders, the terms and conditions of all the leases are in the same form and contain the same terms and conditions.
 - The lease terms are mutually enforceable against all parties concerned.
 - There are no breaches of covenants or disputes between the various interests concerned.
 - The leases of all the properties in the building/development are materially the same.
 - The ground rent stated or assumed is not subject to unreasonable review and is payable throughout the expired lease term.
 - In the case of blocks of flats or maisonettes of over six dwellings, the freeholder manages the property directly or there is an appropriate management structure in place.
 - There is a dutyholder, as defined in the Control of Asbestos Regulations 2012, and there are in place an asbestos register and effective management plan, which does not require any immediate expenditure, pose a significant risk to health or breach of the Health and Safety Executive (HSE) regulations.
 - Where the property forms part of a mixed residential or commercially used block or development, there will be no significant changes in the existing pattern of use.
 - Where the property forms part of a development containing separate blocks of dwellings, the lease terms of the property apply only to the block. There will be no requirement to contribute towards costs relating to the other parts of the development, other than in respect of common roads, paths, communal grounds and services.
 - Where the property forms part of a larger development, the ownership of which has since been divided, all necessary rights and reservations have been reserved.
 - There are no unusual restrictions on assignment or sub-letting of the property for residential purposes.
 - There are no outstanding claims or litigation concerning the lease of the property or any others within the same development.
 - Where the property benefits from additional facilities within a development, the lease makes adequate provision for the lessee to continue to enjoy them with exceptional restriction, for the facilities to be maintained adequately, and that there are no charges over and above the service charge for such use and maintenance.
25. In respect of insurance the following assumptions will be made, unless instructed otherwise:
- The property can be insured under all-risks cover for the current reinstatement cost and is available on normal terms.
 - There are no outstanding claims or disputes.
 - Where individuals in a block makes separate insurance arrangements, the leases make provision for mutual enforceability of insurance and repairing obligations and

- d. Any landlord responsible for insurance is required to rebuild the property with the alterations that may be necessary to comply with current Building Regulations and planning requirements.

6.3 General Conditions

Our valuation has been carried out on the basis of the following general conditions:

1. In undertaking our valuations, we have adopted the definitions of Market Value and Market Rent as defined in the RICS Valuation – Global Standards (“the Red Book”), as detailed below:

Market Value (MV) is defined in IVS 104 paragraph 30.1 as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

Market Rent (MR) is defined in IVS 104 paragraph 40.1 as:

“The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

2. Where relevant, we have adopted the definition of Fair Value as defined in the RICS Valuation – Global Standards (“the Red Book”) and the definition adopted by the International Accounting Standards Board (IASB) in IFRS 13: *“The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”*
3. Where relevant, we have adopted the RICS definition of Gross Development Value (GDV) as defined in the RICS Guidance Note on the Valuation of Development Property 2019: *“The aggregate market value of the proposed development, assessed on the assumption that the development is complete at the date of valuation in the market conditions prevailing at that date”.*
4. The importance of the date of valuation must be stressed as property values can change over a relatively short period.
5. All those involved in the production of this valuation report with AssocRICS, MRICS or FRICS qualifications are also RICS Registered Valuers. Furthermore, in accordance with VPS 1 paragraph 3.2 of the Red Book, we confirm that the aforementioned individuals have sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

6. In accordance with the recommendations of the RICS, we would state that this Report is provided solely for the purpose stated.
7. Where our valuation is provided for the purposes of secured lending, although we comment on the suitability of the properties as loan security, we do so generally and not in the context of any specific loan terms as we are not qualified to do so.
8. Where we have provided an indication for insurance purposes of the current reinstatement cost of the property in its present form, it is given solely as a guide. A formal estimate for insurance purposes can only be given by a quantity surveyor or other person with sufficient current experience of replacement costs. We confirm that the property has not been inspected by such a person, and therefore any cost estimate is provided without liability.
9. We have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the property.
10. Our valuation is exclusive of VAT (if applicable).
11. No allowance has been made for any expenses of realisation.
12. Excluded from our valuation is any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.
13. When valuing two or more properties, or a portfolio, each property will be valued individually and no allowance will be made, either positive or negative, should it form part of a larger disposal. The total stated will be the aggregate of the individual Market Values.
14. In the case of properties where there is a distressed loan we will not take account of any possible effect that the appointment of either an Administrative Receiver or a Law of Property Act Receiver might have on the perception of the property in the market and their subsequent valuation, or the ability of such a Receiver to realise the value of the property in either of these scenarios.
15. The extent of the due diligence enquiries we have undertaken and the sources of the information we have relied upon for the purpose of our valuation are stated in the relevant sections of this Report. Where reports and other information have been provided,

we summarise the relevant details in this Report. We do not accept responsibility for any errors or omissions in the information and documentation provided to us, nor for any consequences that may flow from such errors and omissions.

16. Our Valuation will be based on market evidence which has come into our possession from numerous sources, including other agents and valuers and from time to time this information is provided verbally. Some comes from databases such as the Land Registry or computer databases to which Savills subscribes. In all cases, other than where we have had a direct involvement with the transactions being used as comparables in this Report, we are unable to warrant that the information on which we have relied is correct.
17. This Report contains many assumptions, some of a general and some of a specific nature. Our valuations are based upon certain information supplied to us by others. Some information we consider material may not have been provided to us. All of these matters are referred to in the relevant sections of this Report. Where possible, we have sought to verify the information provided to us. However, should further due diligence highlight inaccuracies in the data supplied to us, or new material information come to light, this may have an adverse impact on the valuations herein reported. In such cases, we would reserve the right to amend our advice accordingly.

Appendix 1 - Schedule of Properties



Paoboy: Programme Update February 14 2025

Property Reference

Address

Local Authority

Postcode

Property Type

Bedrooms

Activity Type

Storey Height

Ownership/Leasehold

EPC

Market Rent (Per Week)

Indicative MV.VP

Leasehold / Freehold

EV.SR (As Stated)

EV.SR (Restricted)

MV.STT

EV.SR - NO

NI Value

Table with columns: Property Reference, Address, Local Authority, Postcode, Property Type, Bedrooms, Activity Type, Storey Height, Ownership/Leasehold, EPC, Market Rent (Per Week), Indicative MV.VP, Leasehold / Freehold, EV.SR (As Stated), EV.SR (Restricted), MV.STT, EV.SR - NO, NI Value. Contains multiple rows of property listings.



Property Programme Update February 14 2025

Property Reference	Address	Local Authority	Postcode	Property Type	Bedrooms	Activity Type	Storey Height	Shared Ownership (Eq/VA)	EPC	Market Rent (Per Week)	Indicative MV.VP	Leasehold / Freehold	EV0-50 (kVA)	EV-5H (Restricted)	MV-STT	EVSH - 50	NI Value
FR80215A	A 12 Frick Road London Kensington and Chelsea W10 6LT	Kensington and Chelsea	W10 6LT	Flat	2	General Needs - Social - Flat	Below 11m		D	5511	£570,000	Freehold				£410,000	
FR80215B	B 13 Frick Road London Kensington and Chelsea W10 6LT	Kensington and Chelsea	W10 6LT	Flat	2	General Needs - Social - Flat	Below 11m		D	5511	£570,000	Freehold				£410,000	
FR80215C	10 Frick Road London Kensington and Chelsea W10 6LT	Kensington and Chelsea	W10 6LT	House	4	General Needs - Social - House	Below 11m		D	5541	£770,000	Freehold				£566,000	
FR80222A	A 27 Frick Road London Kensington and Chelsea W10 6LT	Kensington and Chelsea	W10 6LT	Flat	3	General Needs - Social - Flat	Below 11m		D	5603	£570,000	Freehold				£476,000	
FR80222B	B 22 Frick Road London Kensington and Chelsea W10 6LT	Kensington and Chelsea	W10 6LT	Flat	2	General Needs - Social - Flat	Below 11m		D	5511	£570,000	Freehold				£410,000	
SHAR011	11 Shargate Street London Kensington and Chelsea W10 6QP	Kensington and Chelsea	W10 6QP	House	2	General Needs - Social - House	Below 11m		D	5523	£520,000	Freehold				£456,000	
SHAR013	13 Shargate Street London Kensington and Chelsea W10 6QP	Kensington and Chelsea	W10 6QP	House	3	General Needs - Social - House	Below 11m		D	5508	£705,000	Freehold				£501,000	
SHAR014	14 Shargate Street London Kensington and Chelsea W10 6QP	Kensington and Chelsea	W10 6QP	House	3	General Needs - Social - House	Below 11m		D	5508	£705,000	Freehold				£501,000	
SHAR016	16 Shargate Street London Kensington and Chelsea W10 6QP	Chelsea	W10 6QP	House	3	General Needs - Social - House	Below 11m		D	5508	£705,000	Freehold				£501,000	
000008BLA	10 Bank Road Close Hillingdon Hillingdon BL9 4JQ	Hillingdon	BL9 4JQ	House	3	General Needs - Social - House	Below 11m		C	4545	£550,000	Freehold				£116,200	£398,000
000008BSC	8008 Bank Road Hillingdon Hillingdon BL9 4JQ	Hillingdon	BL9 4JQ	House	3	General Needs - Social - House	Below 11m		D	4545	£500,000	Freehold				£368,000	£336,000
270106TRT	A 1 Bordenhouse Road Ealing Ealing W7 2JH	Ealing	W7 2JH	House	3	General Needs - Social - House	Below 11m		E	4580	£500,000	Freehold				£407,000	£363,000
440101FLD	11 Parnell Road Ealing Ealing W7 2JH	Ealing	W7 2JH	Flat	1	General Needs - Social - Flat	Below 11m		D	4330	£400,000	Freehold				£319,000	£284,000
440101FLD	11 Parnell Road Ealing Ealing W7 2JH	Ealing	W7 2JH	Flat	1	General Needs - Social - Flat	Below 11m		D	4330	£400,000	Freehold				£319,000	£284,000
440101FLD	14 Parnell Road Ealing Ealing W7 2JH	Ealing	W7 2JH	Flat	1	General Needs - Social - Flat	Below 11m		D	4330	£390,000	Freehold				£308,000	£278,000
035162NLR	A 15 Gifford Road Ealing W13 5ZK	Ealing	W13 5ZK	Flat	1	General Needs - Social - Flat	Below 11m		C	4245	£330,000	Freehold				£181,026	£248,000
035162NLR	A 15 Gifford Road Ealing W13 5ZK	Ealing	W13 5ZK	Flat	1	General Needs - Social - Flat	Below 11m		C	4245	£330,000	Freehold				£181,026	£248,000
440200PDR	A 29 Portland Road Ealing W8 4BK	Ealing	W8 4BK	Flat	1	General Needs - Social - Flat	Below 11m		C	4346	£280,000	Freehold				£218,000	£208,000
440110EWR	101 Western Road Ealing W8 5JH	Ealing	W8 5JH	Flat	2	General Needs - Social - Flat	Below 11m		E	4389	£280,000	Freehold				£211,010	£206,000
220130PRT	13 Parnell Road Ealing W3 8BY	Ealing	W3 8BY	Flat	1	General Needs - Social - Flat	Below 11m		D	4400	£400,000	Freehold				£309,000	£281,000
440190LGP	19 Watton Road Ealing Ealing W8 5AP	Ealing	W8 5AP	Flat	1	General Needs - Social - Flat	Below 11m		D	4265	£170,000	Freehold				£121,000	£134,000
220222COW	1 22 Owen Road Ealing W8 6PZ	Ealing	W8 6PZ	Flat	1	General Needs - Social - Flat	Below 11m		D	4302	£280,000	Freehold				£218,000	£208,000
000370YSD	37 Sydney Road Ealing W13 9EZ	Ealing	W13 9EZ	House	5	General Needs - Social - House	Below 11m		C	4308	£890,000	Freehold				£644,000	£540,000
720801PSE	15 Park Street South Ealing W8 4JW	Ealing	W8 4JW	House	4	General Needs - Social - House	Below 11m		C	4340	£890,000	Freehold				£644,000	£540,000
720801PSE	15 Park Street South Ealing W8 4JW	Ealing	W8 4JW	House	4	General Needs - Social - House	Below 11m		C	4340	£890,000	Freehold				£644,000	£540,000
661310GBW	111 Abbotsway Way Hillingdon Hillingdon BL9 3PF	Hillingdon	BL9 3PF	Flat	2	General Needs - Social - House	Below 11m		E	4400	£380,000	Freehold				£276,000	£257,000
600140LAR	14 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£70,632
600160LAR	16 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	B	5277	£240,000	Freehold				£70,632	£0
600170LAR	18 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600180LAR	20 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	B	5277	£240,000	Freehold				£0	£0
600190LAR	22 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600200LAR	24 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600210LAR	26 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600220LAR	28 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600230LAR	30 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600240LAR	32 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600250LAR	34 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600260LAR	36 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600270LAR	38 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600280LAR	40 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600290LAR	42 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600300LAR	44 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600310LAR	46 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600320LAR	48 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600330LAR	50 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600340LAR	52 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600350LAR	54 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600360LAR	56 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600370LAR	58 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600380LAR	60 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600390LAR	62 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600400LAR	64 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600410LAR	66 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600420LAR	68 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600430LAR	70 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600440LAR	72 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600450LAR	74 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600460LAR	76 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600470LAR	78 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600480LAR	80 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600490LAR	82 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600500LAR	84 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600510LAR	86 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600520LAR	88 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600530LAR	90 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600540LAR	92 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600550LAR	94 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600560LAR	96 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600570LAR	98 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600580LAR	100 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600590LAR	102 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600600LAR	104 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600610LAR	106 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600620LAR	108 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600630LAR	110 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600640LAR	112 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600650LAR	114 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600660LAR	116 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	Shared Ownership	Below 11m	50%	C	5277	£240,000	Freehold				£0	£0
600670LAR	118 Larkham Close Fathom House W13 4ZN	Hounslow	W13 4ZN	Flat	1	NI Value	Below 11m		C	5277	£240,000	Freehold				£0	£0
600680LAR	120 Larkham Close Fathom House W13 4ZN	Hounslow	W1														



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Table with columns: Property Reference, Address, Local Authority, Postcode, Property Type, Bedrooms, Activity Type, Storey Height, Shared Ownership/Leasehold, EPC, Market Rent (Per Week), Indicative MV.VP, Leasehold / Freehold, FSO.04 (Per Week), EUV.5H (Restricted), MV.5T, EUV.10, NI Value. Rows include properties like 16552.00P, 20424.00P, 20425.00P, etc.

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Property Reference	Address	Local Authority	Postcode	Property Type	Bedrooms	Activity Type	Storey Height	Ownership (Resale/Lease)	EPC	Market Rent (Per Week)	Indicative MV.VP	Leasehold / Freehold	2024 (LR)	EU-SH (Restricted)	MV-STT	EU-SH / NI Value
PALWY0024	Flat 8 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	3	General Needs - Social - Flat	Below 11m	D	692	£575,000	Freehold	£35,100		£496,500	£496,500	
PALWY0025	Flat 9 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	2	General Needs - Social - Flat	Below 11m	D	637	£500,000	Freehold	£37,840		£426,000	£426,000	
PALWY0026	Flat 10 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	1	General Needs - Social - Flat	Below 11m	D	615	£475,000	Freehold	£37,720		£394,000	£394,000	
PALWY0027	Flat 11 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	2	General Needs - Social - Flat	Below 11m	D	615	£475,000	Freehold	£12,474		£394,000	£394,000	
PALWY0028	Flat 12 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	2	General Needs - Social - Flat	Below 11m	D	637	£500,000	Freehold	£36,043		£441,000	£441,000	
PALWY0029	Flat 13 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	2	General Needs - Social - Flat	Below 11m	D	637	£500,000	Freehold	£13,822		£441,000	£441,000	
PALWY0030	Flat 14 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	2	General Needs - Social - Flat	Below 11m	D	637	£500,000	Freehold	£34,636		£441,000	£441,000	
PALWY0031	Flat 15 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	2	General Needs - Social - Flat	Below 11m	D	637	£500,000	Freehold	£12,863		£441,000	£441,000	
PALWY0032	Flat 16 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	1	General Needs - Social - Flat	Below 11m	D	615	£475,000	Freehold	£37,720		£394,000	£394,000	
PALWY0033	Flat 17 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	1	General Needs - Social - Flat	Below 11m	D	615	£475,000	Freehold	£39,189		£394,000	£394,000	
PALWY0034	Flat 18 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	1	General Needs - Social - Flat	Below 11m	D	637	£500,000	Freehold	£16,171		£496,000	£496,000	
PALWY0035	Flat 19 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	2	General Needs - Social - Flat	Below 11m	D	637	£500,000	Freehold	£10,123		£496,000	£496,000	
PALWY0036	Flat 20 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	1	General Needs - Social - Flat	Below 11m	D	615	£475,000	Freehold	£37,720		£394,000	£394,000	
PALWY0037	Flat 21 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	1	General Needs - Social - Flat	Below 11m	D	615	£475,000	Freehold	£76,984		£394,000	£394,000	
PALWY0038	Flat 22 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	3	General Needs - Social - Flat	Below 11m	D	692	£575,000	Freehold	£99,189		£479,000	£479,000	
PALWY0039	Flat 23 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	3	General Needs - Social - Flat	Below 11m	D	692	£575,000	Freehold	£113,333		£496,000	£496,000	
PALWY0040	Flat 24 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	1	General Needs - Social - Flat	Below 11m	C	615	£475,000	Freehold	£88,305		£391,000	£391,000	
PALWY0041	Flat 25 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	1	General Needs - Social - Flat	Below 11m	C	615	£475,000	Freehold	£87,728		£394,000	£394,000	
PALWY0042	Flat 26 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	1	General Needs - Social - Flat	Below 11m	C	637	£500,000	Freehold	£86,769		£426,000	£426,000	
PALWY0043	Flat 27 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	3	General Needs - Social - Flat	Below 11m	C	692	£575,000	Freehold	£113,586		£496,000	£496,000	
PALWY0044	Flat 28 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	2	General Needs - Social - Flat	Below 11m	C	637	£500,000	Freehold	£96,343		£441,000	£441,000	
PALWY0045	Flat 29 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	2	General Needs - Social - Flat	Below 11m	C	637	£500,000	Freehold	£114,936		£441,000	£441,000	
PALWY0046	Flat 30 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	3	General Needs - Social - Flat	Below 11m	C	692	£575,000	Freehold	£120,303		£479,000	£479,000	
PALWY0047	Flat 31 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	3	General Needs - Social - Flat	Below 11m	C	692	£575,000	Freehold	£138,868		£496,000	£496,000	
PALWY0048	Flat 32 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	3	General Needs - Social - Flat	Below 11m	C	692	£575,000	Freehold	£156,043		£496,000	£496,000	
PALWY0049	Flat 33 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	3	General Needs - Social - Flat	Below 11m	C	692	£575,000	Freehold	£173,218		£496,000	£496,000	
PALWY0050	Flat 34 Wythymon Crescent London W19 5JQ	Islington	N19 5JQ	Flat	3	General Needs - Social - Flat	Below 11m	C	692	£575,000	Freehold	£190,393		£496,000	£496,000	
ASHK_16	22 Ashburnham Walk Beveridge SQ2 8DZ	Stewarage	SG2 8DZ	House	3	General Needs - Social - House	Below 11m	E	£348	£350,000	Freehold	£84,132		£249,000	£249,000	
ASHK_18	10 Ashburnham Walk Beveridge SQ2 8DZ	Stewarage	SG2 8DZ	House	3	General Needs - Social - House	Below 11m	E	£348	£350,000	Freehold	£101,496		£249,000	£249,000	
ASHK_30	30 Ashburnham Walk Beveridge SQ2 8DZ	Stewarage	SG2 8DZ	House	3	General Needs - Social - House	Below 11m	E	£348	£350,000	Freehold	£101,496		£249,000	£249,000	
HETT_07	7 Hertford Road Beveridge SQ2 8DZ	Stewarage	SG2 8DZ	House	3	General Needs - Social - House	Below 11m	E	£348	£350,000	Freehold	£101,496		£249,000	£249,000	
FRTD20A	A 30 Fribbles Gardens London W12 7JN	Hammersmith and Fulham	W12 7JN	Flat	1	General Needs - Social - Flat	Below 11m	C	615	£500,000	Freehold	£52,411		£221,000	£221,000	
FRTD20B	B 30 Fribbles Gardens London W12 7JN	Hammersmith and Fulham	W12 7JN	Flat	1	General Needs - Social - Flat	Below 11m	C	615	£500,000	Freehold	£88,041		£408,000	£408,000	
7827207H	1 27 South Street Reading RG1 4DU	Reading	RG1 4DU	Flat	1	General Needs - Affordable	Below 11m	C	£290	£250,000	Freehold	£109,463		£188,000	£188,000	
7827207I	2 27 South Street Reading RG1 4DU	Reading	RG1 4DU	Flat	2	General Needs - Social - Flat	Below 11m	D	£290	£250,000	Freehold	£72,415		£188,000	£188,000	
7827207J	3 27 South Street Reading RG1 4DU	Reading	RG1 4DU	Flat	1	General Needs - Social - Flat	Below 11m	D	£290	£250,000	Freehold	£72,415		£188,000	£188,000	
7827207K	4 27 South Street Reading RG1 4DU	Reading	RG1 4DU	Flat	2	General Needs - Social - Flat	Below 11m	D	£290	£250,000	Freehold	£72,415		£188,000	£188,000	
SEC0055	55 Second Avenue London W10 4RN	Westminster	W10 4RN	House	3	General Needs - Social - House	Below 11m	D	£685	£686,000	Freehold	£113,734		£697,000	£697,000	
N470036	100 Wilton Street London W10 4AA	Westminster	W10 4AA	House	2	General Needs - Social - House	Below 11m	E	£885	£886,000	Freehold	£222,073		£841,000	£841,000	
L071081	81 Ludlow Street London W10 4AD	Westminster	W10 4AD	House	2	General Needs - Social - House	Below 11m	E	£885	£886,000	Freehold	£120,349		£607,000	£607,000	
2628209H	262826th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£885	£886,000	Freehold	£120,349		£607,000	£607,000	
4445002L	45 Clifton Road South LB2 9QP	Ealing	LB2 9QP	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
8652002SD	865200th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£885	£886,000	Freehold	£120,349		£607,000	£607,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster	W10 4DD	House	2	General Needs - Social - House	Below 11m	E	£427	£336,000	Freehold	£118,016		£248,000	£248,000	
686500ABW	686500th Avenue East London W10 4DD	Westminster</														

Peabody: Programme Update February 14 2025



Property Reference	Address	Local Authority	Postcode	Property Type	Bedrooms	Activity Type	Storey Height	Ownership (Res/Com)	EPC	Market Rent (Per Week)	Indicative MV.VP	Leasehold / Freehold	ES0-SH (As Is)	EU-SH (Restricted)	MV-ST	EU-SH - NO	NI Value
960050030N	53 Caniside Gardens Southall UB8 2TJ	Ealing	UB8 2TJ	Flat	2	Shared Ownership	Below 11m	25%	B	£265	£260,000	Leasehold	£36,044				£96,384
960050030N	54 Caniside Gardens Southall UB8 2TJ	Ealing	UB8 2TJ	Flat	2	Shared Ownership	Below 11m	25%	B	£265	£170,000	Leasehold	£121,330				£121,330
960050030N	55 Caniside Gardens Southall UB8 2TJ	Ealing	UB8 2TJ	Flat	2	Shared Ownership	Below 11m	25%	B	£265	£280,000	Leasehold	£143,039				£143,039
960050030N	56 Caniside Gardens Southall UB8 2TJ	Ealing	UB8 2TJ	Flat	1	Intermediate Rent	Below 11m	25%	B	£265	£260,000	Leasehold	£156,954		£125,000		£38,918
960050030N	57 Caniside Gardens Southall UB8 2TJ	Ealing	UB8 2TJ	Flat	2	Shared Ownership	Below 11m	25%	C	£269	£280,000	Leasehold	£132,461				£132,461
960050030N	58 Caniside Gardens Southall UB8 2TJ	Ealing	UB8 2TJ	Flat	1	Shared Ownership	Below 11m	25%	B	£265	£170,000	Leasehold	£86,887				£86,887
960050030N	60 Caniside Gardens Southall UB8 2TJ	Ealing	UB8 2TJ	Flat	1	Shared Ownership	Below 11m	25%	C	£269	£280,000	Leasehold	£113,521				£113,521
960050030N	61 Caniside Gardens Southall UB8 2TJ	Ealing	UB8 2TJ	Flat	1	General Needs - Social - Flat	Below 11m	25%	C	£270	£270,000	Leasehold	£81,026		£125,000		£125,000
960050030N	62 Caniside Gardens Southall UB8 2TJ	Ealing	UB8 2TJ	Flat	2	Shared Ownership	Below 11m	25%	C	£269	£280,000	Leasehold	£61				£144,004
960050030N	63 Caniside Gardens Southall UB8 2TJ	Ealing	UB8 2TJ	Flat	2	Shared Ownership	Below 11m	25%	C	£269	£280,000	Leasehold	£74,963				£74,963
960050030N	64 Caniside Gardens Southall UB8 2TJ	Ealing	UB8 2TJ	Flat	1	Shared Ownership	Below 11m	25%	B	£265	£170,000	Leasehold	£94,664				£94,664
960050030N	65 Caniside Gardens Southall UB8 2TJ	Ealing	UB8 2TJ	Flat	1	General Needs - Affordable	Below 11m	25%	D	£265	£170,000	Leasehold	£125,884		£125,000		£125,000
960050030N	67 Caniside Gardens Southall UB8 2TJ	Ealing	UB8 2TJ	Flat	1	Shared Ownership	Below 11m	25%	B	£265	£170,000	Leasehold	£116,352				£116,352
960050030N	69 Caniside Gardens Southall UB8 2TJ	Ealing	UB8 2TJ	Flat	1	Shared Ownership	Below 11m	25%	B	£265	£170,000	Leasehold	£61				£61
960050030N	71 Caniside Gardens Southall UB8 2TJ	Ealing	UB8 2TJ	Flat	1	Shared Ownership	Below 11m	25%	B	£300	£220,000	Leasehold	£61				£61
MAR0044E	A 44 St Mark's Road London W10 6NR	Kenington and Chelsea	W10 6NR	Flat	2	General Needs - Social - Flat	Below 11m		D	£531	£570,000	Freehold	£81,764				£405,000
MAR0044E	B 44 St Mark's Road London W10 6NR	Kenington and Chelsea	W10 6NR	Flat	2	General Needs - Social - Flat	Below 11m		D	£531	£570,000	Freehold	£113,882				£410,000
MAR0044E	C 44 St Mark's Road London W10 6NR	Kenington and Chelsea	W10 6NR	Flat	1	General Needs - Social - Flat	Below 11m		D	£482	£470,000	Freehold	£77,024				£345,000
MAR0044E	D 44 St Mark's Road London W10 6NR	Kenington and Chelsea	W10 6NR	Flat	2	General Needs - Social - Flat	Below 11m		D	£531	£570,000	Freehold	£87,475				£405,000
MAR0044E	A 46 St Mark's Road London W10 6NR	Kenington and Chelsea	W10 6NR	Flat	2	General Needs - Social - Flat	Below 11m		D	£531	£570,000	Freehold	£86,844				£405,000
MAR0048E	B 46 St Mark's Road London W10 6NR	Kenington and Chelsea	W10 6NR	Flat	1	General Needs - Social - Flat	Below 11m		D	£482	£470,000	Freehold	£86,664				£345,000
MAR0048E	C 46 St Mark's Road London W10 6NR	Kenington and Chelsea	W10 6NR	Flat	2	General Needs - Social - Flat	Below 11m		D	£531	£570,000	Freehold	£93,690				£410,000
MAR0048E	D 46 St Mark's Road London W10 6NR	Kenington and Chelsea	W10 6NR	Flat	2	General Needs - Social - Flat	Below 11m		D	£531	£570,000	Freehold	£102,993				£410,000
MAR0050E	A 50 St Mark's Road London W10 6NN	Kenington and Chelsea	W10 6NN	Flat	2	General Needs - Social - Flat	Below 11m		D	£531	£570,000	Freehold	£84,121				£399,000
MAR0050E	B 50 St Mark's Road London W10 6NN	Kenington and Chelsea	W10 6NN	Flat	1	General Needs - Social - Flat	Below 11m		D	£482	£470,000	Freehold	£78,824				£341,000
MAR0050E	C 50 St Mark's Road London W10 6NN	Kenington and Chelsea	W10 6NN	Flat	2	General Needs - Social - Flat	Below 11m		C	£531	£570,000	Freehold	£81,826				£399,000
MAR0050E	D 50 St Mark's Road London W10 6NN	Kenington and Chelsea	W10 6NN	Flat	2	General Needs - Social - Flat	Below 11m		D	£531	£570,000	Freehold	£87,834				£399,000
MAR0127A	A 127 St Mark's Road London W10 6NP	Kenington and Chelsea	W10 6NP	Flat	2	General Needs - Social - Flat	Below 11m		D	£531	£570,000	Freehold	£96,508				£399,000
MAR0127A	B 127 St Mark's Road London W10 6NP	Kenington and Chelsea	W10 6NP	Flat	2	General Needs - Social - Flat	Below 11m		D	£531	£570,000	Freehold	£96,508				£399,000
MAR0127C	C 127 St Mark's Road London W10 6NP	Kenington and Chelsea	W10 6NP	Flat	2	General Needs - Social - Flat	Below 11m		D	£531	£570,000	Freehold	£95,477				£399,000
HELE008A	A 8 St Helena's Gardens London W10 6LR	Kenington and Chelsea	W10 6LR	Flat	2	General Needs - Social - Flat	Below 11m		D	£531	£570,000	Freehold	£99,211				£410,000
HELE008B	B 8 St Helena's Gardens London W10 6LR	Kenington and Chelsea	W10 6LR	Flat	2	General Needs - Social - Flat	Below 11m		D	£531	£570,000	Freehold	£99,784				£405,000
HELE008C	C 8 St Helena's Gardens London W10 6LR	Kenington and Chelsea	W10 6LR	Flat	2	General Needs - Social - Flat	Below 11m		D	£531	£570,000	Freehold	£98,942				£405,000
HELE012A	A 12 St Helena's Gardens London W10 6LR	Kenington and Chelsea	W10 6LR	Flat	1	General Needs - Social - Flat	Below 11m		D	£482	£470,000	Freehold	£98,810				£405,000
HELE012B	B 12 St Helena's Gardens London W10 6LR	Kenington and Chelsea	W10 6LR	Flat	2	General Needs - Social - Flat	Below 11m		C	£531	£570,000	Freehold	£78,842				£345,000
HELE012C	C 12 St Helena's Gardens London W10 6LR	Kenington and Chelsea	W10 6LR	Flat	2	General Needs - Social - Flat	Below 11m		D	£531	£570,000	Freehold	£105,275				£410,000
710010040E	1 Carlton Court, Bell Street Wycombe HP7 0DQ	Buckinghamshire	HP7 0DQ	Flat	2	General Needs - Social - Flat	Below 11m		D	£277	£170,000	Freehold	£74,652				£121,000
710020040E	2 Carlton Court, Bell Street Wycombe HP7 0DQ	Buckinghamshire	HP7 0DQ	Flat	2	General Needs - Social - Flat	Below 11m		D	£277	£170,000	Freehold	£74,652				£121,000
710030040E	3 Carlton Court, Bell Street Wycombe HP7 0DQ	Buckinghamshire	HP7 0DQ	Flat	2	General Needs - Social - Flat	Below 11m		D	£277	£170,000	Freehold	£74,652				£121,000
710040040E	4 Carlton Court, Bell Street Wycombe HP7 0DQ	Buckinghamshire	HP7 0DQ	Flat	2	General Needs - Social - Flat	Below 11m		D	£277	£170,000	Freehold	£74,652				£121,000
710050040E	5 Carlton Court, Bell Street Wycombe HP7 0DQ	Buckinghamshire	HP7 0DQ	Flat	2	General Needs - Social - Flat	Below 11m		D	£277	£170,000	Freehold	£74,652				£121,000
710060040E	6 Carlton Court, Bell Street Wycombe HP7 0DQ	Buckinghamshire	HP7 0DQ	Flat	2	General Needs - Social - Flat	Below 11m		D	£277	£170,000	Freehold	£74,652				£121,000
710070040E	7 Carlton Court, Bell Street Wycombe HP7 0DQ	Buckinghamshire	HP7 0DQ	Flat	2	General Needs - Social - Flat	Below 11m		D	£277	£170,000	Freehold	£74,652				£121,000
710080040E	8 Carlton Court, Bell Street Wycombe HP7 0DQ	Buckinghamshire	HP7 0DQ	Flat	2	General Needs - Social - Flat	Below 11m		D	£277	£170,000	Freehold	£74,652				£121,000
710090040E	9 Carlton Court, Bell Street Wycombe HP7 0DQ	Buckinghamshire	HP7 0DQ	Flat	2	General Needs - Social - Flat	Below 11m		D	£277	£170,000	Freehold	£74,652				£121,000
710100040E	10 Carlton Court, Bell Street Wycombe HP7 0DQ	Buckinghamshire	HP7 0DQ	Flat	2	General Needs - Social - Flat	Below 11m		D	£277	£170,000	Freehold	£74,652				£121,000
710110040E	11 Carlton Court, Bell Street Wycombe HP7 0DQ	Buckinghamshire	HP7 0DQ	Flat	2	General Needs - Social - Flat	Below 11m		D	£277	£170,000	Freehold	£74,652				£121,000
710120040E	12 Carlton Court, Bell Street Wycombe HP7 0DQ	Buckinghamshire	HP7 0DQ	Flat	2	General Needs - Social - Flat	Below 11m		D	£277	£170,000	Freehold	£74,652				£121,000
930030080G	3 Bucknham Mead Oxford OX4 7YF	Oxford	OX4 7YF	House	2	Shared Ownership	11m to 18m	30%	D	£312	£325,000	Freehold	£110,610				£110,610
930030080G	4 Bucknham Mead Oxford OX4 7YF	Oxford	OX4 7YF	House	2	Shared Ownership	11m to 18m	30%	C	£312	£325,000	Freehold	£110,610				£110,610
930030080G	5 Bucknham Mead Oxford OX4 7YF	Oxford	OX4 7YF	House	2	Shared Ownership	11m to 18m	30%	C	£312	£325,000	Freehold	£110,610				£110,610
930030080G	6 Bucknham Mead Oxford OX4 7YF	Oxford	OX4 7YF	House	2	Shared Ownership	11m to 18m	30%	D	£312	£325,000	Freehold	£110,610				£110,610
930030080G	7 Bucknham Mead Oxford OX4 7YF	Oxford	OX4 7YF	House	2	Shared Ownership	11m to 18m	30%	D	£312	£325,000	Freehold	£110,610				£110,610
930030080G	8 Bucknham Mead Oxford OX4 7YF	Oxford	OX4 7YF	House	2	Shared Ownership	11m to 18m	30%	D	£312	£325,000	Freehold	£110,610				£110,610
930030080G	9 Bucknham Mead Oxford OX4 7YF	Oxford	OX4 7YF	House	2	Shared Ownership	11m to 18m	30%	D	£312	£325,000	Freehold	£110,610				£110,610
930030080G	10 Bucknham Mead Oxford OX4 7YF	Oxford	OX4 7YF	House	2	Shared Ownership	11m to 18m	30%	D	£312	£325,000	Freehold	£110,610				£110,610
930030080G	11 Bucknham Mead Oxford OX4 7YF	Oxford	OX4 7YF	House	2	Shared Ownership	11m to 18m	30%	D	£312	£325,000	Freehold	£110,610				£110,610
930030080G	12 Bucknham Mead Oxford OX4 7YF	Oxford	OX4 7YF	House	2	Shared Ownership	11m to 18m	30%	D	£312	£325,000	Freehold	£110,610				£110,610
930030080G	13 Bucknham Mead Oxford OX4 7YF	Oxford	OX4 7YF	House	2	Shared Ownership	11m to 18m	30%	D	£312	£325,000	Freehold	£110,610				£110,610
930030080G	14 Bucknham Mead Oxford OX4 7YF	Oxford	OX4 7YF	House	2	Shared Ownership	11m to 18m	30%	D	£312	£325,000	Freehold	£110,610				£110,610
930030080G	15 Bucknham Mead Oxford OX4 7YF	Oxford	OX4 7YF	House	2	Shared Ownership	11m to 18m	30%	D	£312	£325,000	Freehold	£110,610				£110,610
930030080G	16 Bucknham Mead Oxford OX4 7YF	Oxford	OX4 7YF	House	2	Shared Ownership	11m to 18m	30%	D	£312	£325,000	Freehold	£110,610				£110,610
930030080G	17 Bucknham Mead Oxford OX4 7YF	Oxford	OX4 7YF	House	2	Shared Ownership	11m to 18m	30%	D	£312	£325,000	Freehold	£110,610				£110,610
930030080G	18 Bucknham Mead Oxford OX4 7YF	Oxford	OX4 7YF	House	2	Shared Ownership	11m to 18m	30%	D	£312	£325,000	Freehold	£110,610				£110,610
930030080G	19 Bucknham Mead Oxford OX4 7YF	Oxford	OX4 7YF	House	2	Shared Ownership	11m to 18m	30%	D	£312	£325,000	Freehold	£110,610				£110,610
930030080G	20 Bucknham Mead Oxford OX4 7																

Property Reference Address Local Authority Postcode Property Type Bedrooms Activity Type Storey Height Overlap/Encroachment (Meters) EPC Market Rent (Per Week) Indicative MV.VP Leasehold / Freehold EPC-SR (As Built) EUV-SR (Restricted) MV-STT EUV-SR - SO Nil Value



Peabody: Programme Update February 14 2025

Property Reference	Address	Local Authority	Postcode	Property Type	Bedrooms	Activity Type	Storey Height	Overlap/Encroachment (Meters)	EPC	Market Rent (Per Week)	Indicative MV.VP	Leasehold / Freehold	EPC-SR (As Built)	EUV-SR (Restricted)	MV-STT	EUV-SR - SO	Nil Value
M0501000001	Flat A 21 Wandean Avenue London E8 2P	Haringey	E8 2P	Flat	3	General Needs - Social - Flat	Below 1m		C	600	£370.00	Freehold	£163.00		£402.00		
M0501000002	Flat B 21 Wandean Avenue London E8 2P	Haringey	E8 2P	Flat	1	General Needs - Social - Flat	Below 1m		C	642	£470.00	Freehold	£282.00		£345.00		
M0501000003	26A Wandean Road London N15 7TN	Islington	N15 7TN	Flat	2	General Needs - Social - Flat	Below 1m		C	230	£200.00	Freehold	£77.00		£257.00		
M0501000004	26B Wandean Road London N15 7TN	Islington	N15 7TN	Flat	2	General Needs - Social - Flat	Below 1m		C	642	£500.00	Freehold	£81.00		£208.00		
M0501000005	26C Wandean Road London N15 7TN	Islington	N15 7TN	Flat	1	General Needs - Social - Flat	Below 1m		C	655	£200.00	Freehold	£57.00		£274.00		
M0501000006	56B Wilburton Road London N4 2SR	Haringey	N4 2SR	Flat	1	NI Value	Below 1m		C	648	£370.00	Freehold	£0.00		£208.00		£0
M0501000007	56B Wilburton Road London N4 2SR	Haringey	N4 2SR	Flat	1	General Needs - Social - Flat	Below 1m		C	648	£370.00	Freehold	£248.00		£208.00		
M0501000008	56C Wilburton Road London N4 2SR	Haringey	N4 2SR	Flat	1	General Needs - Social - Flat	Below 1m		C	648	£370.00	Freehold	£62.00		£208.00		
M0501000009	56A Wilburton Road London N4 2SR	Haringey	N4 2SR	Flat	1	General Needs - Social - Flat	Below 1m		C	648	£370.00	Freehold	£78.00		£208.00		
M0501000010	56B Wilburton Road London N4 2SR	Haringey	N4 2SR	Flat	1	General Needs - Social - Flat	Below 1m		C	648	£370.00	Freehold	£99.00		£208.00		
M0501000011	56C Wilburton Road London N4 2SR	Haringey	N4 2SR	Flat	1	General Needs - Social - Flat	Below 1m		C	648	£370.00	Freehold	£120.00		£208.00		
M0501000012	56D Wilburton Road London N4 2SR	Haringey	N4 2SR	Flat	1	General Needs - Social - Flat	Below 1m		C	648	£370.00	Freehold	£141.00		£208.00		
M0501000013	20 Valley Road Haringey N15 0BA	Haringey	N15 0BA	House	3	General Needs - Social - House	Below 1m		D	630	£90.00	Freehold	£106.00		£59.00		
M0501000014	30 Valley Road Haringey N15 0BA	Haringey	N15 0BA	House	2	General Needs - Social - House	Below 1m		D	656	£111.00	Freehold	£121.00		£70.00		
M0501000015	Ground Floor Flat 29 Abbotsford Avenue London N15 3BT	Haringey	N15 3BT	Flat	1	General Needs - Social - Flat	Below 1m		C	648	£300.00	Freehold	£72.00		£257.00		
M0501000016	Ground Floor Flat 29 Abbotsford Avenue London N15 3BT	Haringey	N15 3BT	Flat	1	General Needs - Social - Flat	Below 1m		D	648	£300.00	Freehold	£72.00		£257.00		
M0501000017	Ground Floor Flat 32 Tynewood Road London N15 4AX	Haringey	N15 4AX	Flat	2	General Needs - Affordable	Below 1m		C	639	£240.00	Freehold	£92.00		£176.00		
M0501000018	First Floor Flat 32 Tynewood Road London N15 4AX	Haringey	N15 4AX	Flat	2	General Needs - Social - Flat	Below 1m		C	639	£240.00	Freehold	£92.00		£176.00		
M0501000019	Ground Floor Flat 35 Tynewood Road London N15 4AU	Haringey	N15 4AU	Flat	1	General Needs - Affordable	Below 1m		C	633	£215.00	Freehold	£73.00		£158.00		
M0501000020	First Floor Flat 35 Tynewood Road London N15 4AU	Haringey	N15 4AU	Flat	1	General Needs - Affordable	Below 1m		C	633	£215.00	Freehold	£73.00		£158.00		
M0501000021	Ground Floor Flat 41 Tynewood Road London N15 4AU	Haringey	N15 4AU	Flat	1	General Needs - Affordable	Below 1m		E	623	£215.00	Freehold	£73.00		£158.00		
M0501000022	First Floor Flat 41 Tynewood Road London N15 4AU	Haringey	N15 4AU	Flat	1	General Needs - Social - Flat	Below 1m		C	623	£215.00	Freehold	£73.00		£158.00		
M0501000023	Ground Floor Flat 61 Tynewood Road London N15 4AU	Haringey	N15 4AU	Flat	1	General Needs - Affordable	Below 1m		D	623	£215.00	Freehold	£73.00		£163.00		
M0501000024	First Floor Flat 61 Tynewood Road London N15 4AU	Haringey	N15 4AU	Flat	1	General Needs - Social - Flat	Below 1m		D	623	£215.00	Freehold	£73.00		£163.00		
M0501000025	Ground Floor Flat 64 Tynewood Road London N15 4AX	Haringey	N15 4AX	Flat	1	General Needs - Social - Flat	Below 1m		D	623	£215.00	Freehold	£73.00		£158.00		
M0501000026	First Floor Flat 64 Tynewood Road London N15 4AX	Haringey	N15 4AX	Flat	1	General Needs - Social - Flat	Below 1m		D	623	£215.00	Freehold	£73.00		£158.00		
M0501000027	First Floor Flat 42 Springfield Road London N15 4AZ	Haringey	N15 4AZ	Flat	1	General Needs - Affordable	Below 1m		D	623	£215.00	Freehold	£81.48		£158.00		
M0501000028	Ground Floor Flat 42 Springfield Road London N15 4AZ	Haringey	N15 4AZ	Flat	1	General Needs - Affordable	Below 1m		C	623	£215.00	Freehold	£81.48		£158.00		
M0501000029	Ground Floor Flat 42 Springfield Road London N15 4AZ	Haringey	N15 4AZ	Flat	1	General Needs - Social - Flat	Below 1m		C	623	£215.00	Freehold	£81.48		£158.00		
M0501000030	Ground Floor Flat 42 Springfield Road London N15 4AZ	Haringey	N15 4AZ	Flat	1	NI Value	Below 1m		D	623	£200.00	Freehold	£0.00		£163.00		£0
M0501000031	Ground Floor Flat 42 Springfield Road London N15 4AZ	Haringey	N15 4AZ	Flat	1	General Needs - Affordable	Below 1m		D	623	£215.00	Freehold	£81.48		£158.00		
M0501000032	Ground Floor Flat 71 Springfield Road London N15 4AZ	Haringey	N15 4AZ	Flat	1	General Needs - Social - Flat	Below 1m		C	623	£215.00	Freehold	£81.48		£158.00		
M0501000033	4 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£73.00		£158.00		
M0501000034	4 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£73.00		£158.00		
M0501000035	5 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£73.00		£158.00		
M0501000036	5 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£73.00		£158.00		
M0501000037	7 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	3	General Needs - Social - House	Below 1m		D	642	£420.00	Freehold	£110.61		£216.00		
M0501000038	7 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	3	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000039	9 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000040	9 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000041	11 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000042	13 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000043	15 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000044	17 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000045	19 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000046	21 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000047	23 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000048	25 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	3	General Needs - Social - House	Below 1m		D	642	£420.00	Freehold	£110.61		£216.00		
M0501000049	25 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	3	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000050	43 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	4	General Needs - Social - House	Below 1m		D	642	£420.00	Freehold	£110.61		£216.00		
M0501000051	43 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	4	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000052	51 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	3	General Needs - Social - House	Below 1m		D	642	£420.00	Freehold	£110.61		£216.00		
M0501000053	51 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	3	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000054	75 Heaton Close London E4 6UF	Waltham Forest	E4 6UF	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000055	4 Bailey Close, London, E4 6LE	Waltham Forest	E4 6LE	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000056	25 Bailey Close, London, E4 6LE	Waltham Forest	E4 6LE	House	3	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000057	25 Bailey Close, London, E4 6LE	Waltham Forest	E4 6LE	House	3	General Needs - Social - House	Below 1m		D	642	£420.00	Freehold	£110.61		£216.00		
M0501000058	25 Bailey Close, London, E4 6LE	Waltham Forest	E4 6LE	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000059	29 Bailey Close, London, E4 6LE	Waltham Forest	E4 6LE	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000060	29 Bailey Close, London, E4 6LE	Waltham Forest	E4 6LE	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000061	35 Bailey Close, London, E4 6LE	Waltham Forest	E4 6LE	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000062	35 Bailey Close, London, E4 6LE	Waltham Forest	E4 6LE	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000063	41 Bailey Close, London, E4 6LE	Waltham Forest	E4 6LE	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000064	41 Bailey Close, London, E4 6LE	Waltham Forest	E4 6LE	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000065	41 Bailey Close, London, E4 6LE	Waltham Forest	E4 6LE	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000066	41 Bailey Close, London, E4 6LE	Waltham Forest	E4 6LE	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M0501000067	41 Bailey Close, London, E4 6LE	Waltham Forest	E4 6LE	House	2	General Needs - Social - House	Below 1m		C	621	£360.00	Freehold	£88.875		£206.00		
M05																	



Property Reference	Address	Local Authority	Postcode	Property Type	Bedrooms	Activity Type	Storey Height	Shared Ownership (Restricted)	EPC	Market Rent (Per Week)	Indicative MV/VP	Leasehold / Freehold	EUV-SH (A1 Stock)	EUV-SH (Restricted)	MV-STT	EUVSH - SO	Nil Value
MS20250200010	Ground Floor Shop, 10 Newington Green Road, Islington, N1 4DX	Islington	N1 4DX										ED				ED
0000089DNW	42 Elgin Avenue, London, W5 2NP	Westminster	W5 2NP										ED				ED
0000073NDW	44 Chippenham Road, London	Westminster	W5 2AF										ED				ED
P00106585	Floors 13-20 (inclusive) Great Western Road, Westminster	Westminster	W5 3JK										ED				ED
BECL2CM001	Ground Floor Shop, 2-8 West India Dock Road	Tower Hamlets	E14 8HD										ED				ED

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Taxation

Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Notes.

United Kingdom Taxation

The following is a summary of the Issuer's understanding of current United Kingdom law and published HM Revenue & Customs' practice relating only to the United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes carry a right to interest and the Notes are and continue to be "quoted Eurobonds" for the purposes of section 987 of the Income Tax Act 2007. The definition of a quoted Eurobond changed with effect from 31 December 2020 as a result of legislative amendments made in connection with the United Kingdom's withdrawal from the European Union. Under the amended definition a Note will be a quoted Eurobond provided that it is admitted to trading on a "multilateral trading facility" operated by a "regulated recognised stock exchange". The ISM is a multilateral trading facility for the purposes of the amended section 987, and the London Stock Exchange is expected to be a regulated recognised stock exchange.

Provided, therefore, that the Notes carry a right to interest and are and remain admitted to trading on a multilateral trading facility operated by a regulated recognised stock exchange, interest on the Notes will be payable without deduction of or withholding on account of United Kingdom tax.

Payments of interest on Notes may be made without deduction of or withholding on account of United Kingdom tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HM Revenue & Customs can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

The Proposed Financial Transactions Tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia ceased to participate.

The Commission's Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary

market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 (as amended or superseded) are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

It is not clear how the FTT would apply to the UK notwithstanding the UK's withdrawal from the European Union.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the relevant Issuer). However, if additional Notes (as described Condition 20 (*Further issues*)) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

Subscription and Sale

The Dealers have, in a Programme Agreement dated 14 February 2025 (as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes 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 United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

The applicable Pricing Supplement will identify whether TEFRA C rules or TEFRA D rules apply.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by these Programme Admission Particulars as completed by the applicable Pricing Supplement in relation thereto 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 both) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
- (b) the expression **an offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the **SFO**) other than:
 - (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or

- (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMPO)**) or which do not constitute an offer to the public within the meaning of the C(WUMPO); and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Republic of Korea

The Notes have not been and will not be registered under the Financial Investment Services and Capital Markets Act (**FSCMA**). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, directly or indirectly, in the Republic of Korea or to any resident (as such term is defined in the Foreign Exchange Transaction Law) of the Republic of Korea for a period of one (1) year from the date of issuance of the Notes, except:

- (a) to or for the account or benefit of a resident of the Republic of Korea which falls within certain categories of "professional investors" as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, in the case that the Notes are issued as bonds other than convertible bonds, bonds with warrants or exchangeable bonds, and where other relevant requirements are further satisfied: or
- (b) as otherwise permitted under applicable laws and regulations in the Republic of Korea.

Singapore

Unless the Pricing Supplement in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that these Programme Admission Particulars have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation

for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, these Programme Admission Particulars or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA; or
- (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

If the Pricing Supplement in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that these Programme Admission Particulars have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, these Programme Admission Particulars or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor (as defined in Section 4A of the SFA pursuant to Section 274 of the SFA;
- (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes these Programme Admission Particulars and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Note Trustee and any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Note Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

General Information

Authorisation

The update of the Programme and the issue of Notes have been duly authorised by a resolution of the Treasury Committee of the Issuer dated 12 February 2025.

Admission to trading of Notes

It is expected that each Tranche of Notes which is to be admitted to trading on the ISM will be admitted separately as and when issued, subject only to the issue of one or more Global Notes initially representing the Notes of such Tranche. Application has been made to the London Stock Exchange for such Notes to be admitted to trading on the ISM. The admission to trading of the Programme in respect of Notes is expected to be granted on or before 17 February 2025.

Documents Available

For the period of 12 months following the date of these Programme Admission Particulars, copies of the following documents will be available for inspection from the registered office of the Issuer and from the specified office of the Principal Paying Agent for the time being in London:

- (a) the Rules of the Issuer;
- (b) the Financial Statements (the Issuer currently prepares audited accounts on an annual basis);
- (c) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer, in each case together with any audit or review reports prepared in connection therewith;
- (d) the Note Trust Deed, the Agency Agreement, the Account Agreement, the Security Documents and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (e) these Programme Admission Particulars;
- (f) the Valuation Report; and
- (g) any future programme memoranda, offering circulars, prospectuses, information memoranda, supplements, Pricing Supplements to these Programme Admission Particulars and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Issues of Notes

The Issuer intends to make available details of all issues of Notes under the Programme through a regulatory information service and, to the extent that any such Notes are to be admitted to trading on the ISM, the applicable Pricing Supplement will be published on the website of the London Stock Exchange through a regulatory information service or will be published in such other manner permitted by the ISM Rulebook.

Significant Change

There has been no significant change in the financial or trading position of the Issuer or the Peabody Group, in each case since 31 March 2024.

Material Change

There has been no material adverse change in the prospects of the Issuer or the Peabody Group, in each case since 31 March 2024.

Litigation

The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of these Programme Admission Particulars which may have, or have in such period had, a significant effect on the ability of the Issuer to meet its obligations to Noteholders.

Auditors

The auditors of the Issuer are KPMG LLP, Chartered Accountants, of 15 Canada Square, Canary Wharf, London E14 5GL, who have audited the Issuer's statutory accounts, without qualification, in accordance with generally accepted auditing standards in the United Kingdom for each of the two financial years ended on 31 March 2024 and 31 March 2023. The auditors of the Issuer have no material interest in the Issuer.

Certifications

The Note Trust Deed provides that any certificate or report of the Auditors or Valuers (each as defined in the Note Trust Deed) or any other person called for by, or provided to, the Note Trustee (whether or not addressed to the Note Trustee) in accordance with or for the purposes of the Note Trust Deed may be relied upon by the Note Trustee as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Note Trustee in connection therewith contains a monetary or other limit on the liability of the Auditors or Valuers (as the case may be) or such other person in respect thereof and notwithstanding that the scope and/or basis of such certificate or report may be limited by any engagement or similar letter or by the terms of the certificate or report itself.

Post-issuance information

Save as set out in the Pricing Supplement, the Issuer does not intend to provide any post-issuance information in relation to any issue of Notes or the Series Security, other than as is required pursuant to Condition 5.1(e) (*Information Covenant*) (in respect of Secured Notes) or Condition 5.2(c) (*Information Covenant*) (in respect of Unsecured Notes) and as described in "Use of Proceeds and Sustainable Finance Framework" above.

Dealers transacting with the Issuer or Charging Group Members

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other financial advisory and other services for the Issuer and/or any Charging Group Member and their respective affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and/or any Charging Group Member and their respective affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. Certain of the Dealers may from time to time also enter into swap and other derivative transactions with the Issuer and/or any Charging Group Member and their respective affiliates.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer and/or any Charging Group Member routinely hedge their credit exposure to the Issuer and/or any Charging Group Member consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Note Trustee's action

The Conditions and the Note Trust Deed provide for the Note Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Note Trustee is indemnified and/or secured and/or pre-funded to its satisfaction. It may not always be possible for the Note Trustee to take certain actions, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it. Where the Note Trustee is unable to take any action, the Noteholders are permitted by the Conditions and the Note Trust Deed to take the relevant action directly.

Potential Conflicts of Interest

Each of the Programme Parties (other than the Issuer) and their affiliates in the course of each of their respective businesses may provide services to other Programme Parties and to third parties and in the course of the provision of such services it is possible that conflicts of interest may arise between such Programme Parties and their affiliates or between such Programme Parties and their affiliates and such third parties. Each of the Programme Parties (other than the Issuer) and their affiliates may provide

such services and enter into arrangements with any person without regard to or constraint as a result of any such conflicts of interest arising as a result of it being a Programme Party.

Yield

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Pricing Supplement. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

THE ISSUER

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